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**THE RELATIONSHIP BETWEEN CORPORATISM AND
LIBERALISM: A POLITICAL ECONOMY ANALYSIS BETWEEN 1929 –
1939**

MASTER’S THESIS

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RESUME

Dans l'étude de cette thèse, la relation entre le corporatisme et le libéralisme est mise en évidence avec un examen du point de vue économie politique de la période entre les années 1929 et 1939. Le but de cette thèse est de voir si le système économique de corporatisme qui est présenté comme un nouveau système par les doctrines de l'époque et par ceux qui l'appliquaient ressemblait ou pas au système économique libéral appliqué en précédence et voir quelles étaient les différences avec le libéralisme. Pour pouvoir réaliser ce but nous avons étudié le développement historique de la doctrine corporatiste, l'approche des penseurs libéraux à la doctrine corporatiste. Pour cela nous avons comparé les applications de l'État Corporatif Fasciste Italien, avec le libéralisme, et ceci en prenant le capitalisme comme point focal.

Dans la première partie de cette étude de thèse, un examen historique a été fait sur la doctrine corporatiste. Cette étude historique est l'examen des systèmes des différentes écoles de la pensée sur lesquelles le système de la doctrine corporatiste a été construit ou qui contiennent la doctrine corporatiste à l'intérieur même du système. A cet effet, six Écoles de la pensée ont été mises à l'étude: les théoriciens organiques, les protosocialistes pré-marxistes, les chrétiens sociaux/les catholiques sociaux, le solidarisme, les syndicalistes anticapitalistes (révolutionnaires) et principalement l'école d'autoritarisme fasciste. Nous avons jugé bon d'attribuer une importance majeure à l'autoritarisme fasciste car, parmi les écoles de la pensée, c'est la seule école de la pensée qui a mis en application la doctrine corporatiste pendant la période allant entre 1929 et 1939. Dans la première partie de ce chapitre nous avons étudié les systèmes des écoles de la pensée qui ne font pas partie de l'autoritarisme fasciste, en tachant d'expliquer quelle est la place du corporatisme à l'intérieur de ces systèmes et quel était le rôle des corporations qui représentent le fondement du corporatisme, dans la l'administration politique et économique. A la fin de ce chapitre on a pu noter que les protosocialistes pré-marxistes, les syndicalistes anticapitalistes et les adeptes de l'école du solidarisme étaient tous des partisans d'une

organisation économique et/ou politique basée sur les corporations qu'ils considéraient comme une organisation ouvrière. Par contre, nous avons noté que Hegel, qui était un théoricien organique et, avec lui, les penseurs faisant partie de l'école catholique sociale, n'attribuaient pas un rôle important dans le domaine économique et social des conseils corporatifs où les corporations étaient représentées et que les conseils corporatifs n'étaient que des conseils de consultation et avaient leur place dans la structure politique monarchique existante. Dans la seconde partie de ce chapitre, c'est l'école de l'autoritarisme fasciste qui a été examinée. Le corporatisme de l'autoritarisme fasciste, ayant trouvé un champ d'application dans l'État Corporatif Fasciste Italien, nous avons étudié, du point de vue de leur application, les structures politiques et économiques de l'État Corporatif Fasciste Italien concernant cette école. En conclusion, à la fin de cette étude de l'État Corporatif Fasciste Italien, il a été constaté que contre l'aspect selon lequel la structure économique et politique était basée sur les corporations, Mussolini, qui était le chef de cet état, se trouvait tout au sommet de la hiérarchie de l'organisation corporative alors qu'en réalité, les organisations ouvrières et patronales, toutes reliées au Ministère des Corporations, ne pouvaient pas aller plus loin qu'une organisation à l'intérieur de la structure de l'état existant, les décisions économiques et politiques étaient encore prises par le chef de l'état et un étatsisme autoritaire appelé corporatif était appliqué.

Dans la seconde chapitre de cette thèse, l'étude a porté sur l'approche des penseurs libéraux vers la doctrine corporatiste. Les penseurs libéraux qui se trouvent dans le contexte de ce chapitre, sont parmi ceux qui avaient participé aux travaux de renouvellement de libéralisme en participant au « Colloque Walter Lippmann » qui avait été organisé à Paris, au mois d'août de 1938, c'est-à-dire : Louis Rougier, Walter Lippmann, Wilhelm Röpke, Louis Marlio et Ludwig von Mises. Les idées de ces penseurs libéraux, présentées et discutées lors de ce colloque, et qui ont aussi été l'objet de leurs libres études, ont été prises en considération. Dans la première partie de ce chapitre, une étude a été faite pour voir comment les penseurs libéraux s'approchaient à la doctrine corporatiste en tant que système économique tout aussi bien du point de vue pratique que théorique. En conclusion nous avons constaté que les penseurs libéraux avaient une attitude négative envers le

système corporatiste économique, par conséquent, en réalité, ce qui a été examiné dans cette partie de la thèse, ça a été les critiques faites par les penseurs libéraux envers la structure économique corporatiste. Les critiques, parvenues en sens théorique, on été les suivantes : la difficulté/l'impossibilité d'appliquer le système corporatiste économique, l'improductivité que ceci va créer dans l'économie, la création de groupes privilégiés sur lesquels on pourra transférer les décisions économiques ce qui apporterait la disparition de la souveraineté de l'état, la prises de décisions économiques par ouvriers et des employeurs membres des corporations, en leur faveur, ce qui causerait un effet négatif sur le bien être du consommateur. Quant aux critiques pratiques qui ont été faites, ce sont les suivantes : nous remarquons que les pays qui prétendaient avoir adopté le système corporatiste économique, n'avaient en réalité rien à voir avec le corporatisme car, en réalité, ces pays appliquaient une espee d'étatisme économique, les corporations n'étant pas efficaces dans le processus de prise des décisions, le mécanisme directionnel étant entièrement dans les mains de l'état. Dans la seconde partie, une étude a été menée pour déterminer le genre d'approche des penseurs libéraux vers le corporatisme en tant que système social. A cet effet, dans cette partie de la thèse, on a noté que les corporations se trouvaient dans le libéralisme social du nouveau régime auquel le penseur libéral Louis Marlio faisait allusion dans son livre « Dictature ou Liberté » et ce fait a été examiné. L'écrivain pensait qu'il était impossible d'appliquer un système économique basé sur les corporations, en tenant compte de la structure économique dans cette période et il a donné des charges concernant la sécurité sociale, l'apprentissage, la formation professionnelle qui ne sont pas particulièrement efficaces sur les décisions économiques envers les corporations proposées en tant que corporations sociales dans l'organisation qu'il avait conçue lui-même. Selon cet écrivain, si l'on donnait ce genre de fonctions aux corporations sociales, l'improductivité causée par les applications de l'état centriste disparaîtrait et la charge de l'état diminuerait. En même temps, les ouvriers et les employeurs se trouvant tous dans la même organisation sociale, leurs attitudes réciproques changeraient ceci servirait à adoucir les luttes entre les classes et à les faire disparaître avec le temps. Ceci porterait à une paix sociale. Dans ce sens là nous voyons que Marlio a défendu le corporatisme en tant qu'événement social et qu'il est de la même opinion que l'Église Catholique.

L'objet du troisième chapitre de cette thèse est la relation réelle entre le corporatisme et le libéralisme. Cette étude a été menée en deux parties : les similitudes de ces deux systèmes et leurs effets. Le sujet abordé dans la première partie est le suivant : les points communs entre le corporatisme et le système libéral utilisé en précedence. Lors de cette étude, le corporatisme a été étudié dans l'État Corporatif Fasciste Italien et l'on a discuté ses ressemblances avec le système libéral, prenant en considération le capitalisme. Dans cette étude nous avons essayé de comparer les politiques ouvrières et patronales suivies par l'État Corporatif Fasciste Italien pour déterminer à quel point elles servaient le capitalisme et combien elles ressemblaient au capitalisme. A la fin de cette, nous avons pu remarquer dans le contexte des politiques ouvrières que les grèves, le fait d'être membre de différents syndicats, de présenter des demandes pour obtenir des droits, de protester contre les décisions des employeurs étaient toutes des choses défendues, que lors des discussions pour les conventions collectives l'état ne reconnaissait qu'un seul syndicat et que chaque décision qui était prise était valable pour chacun des ouvriers. Toujours dans le contexte des politiques ouvrières il a été constaté que dans le secteur agricole, la mobilité des ouvriers avait été limitée pour les empêcher d'émigrer dans les villes et devenir des ouvriers de l'industrie. Avec la politique des rémunérations en nature les ouvriers agricoles avaient été transformés en esclaves liés à leur terre. L'État et les employeurs étaient omnipotents dans le domaine des politiques ouvrières. Dans le contexte des politiques du capital, nous avons étudié le secteur industriel, le secteur agricole et le secteur financier. En ce qui concerne les politiques du capital, nous remarquons que la propriété privée et l'entreprise privée ont été encouragées, que l'État n'a pas de place dans les marchés en tant d'entrepreneur, que les monopoles de l'État ont été privatisés, que les interventions sur le marché se sont faites selon la durée et le vouloir capitalistes, que des réductions des taxes ont été appliquées, que des réglementations légales ont été faites afin de permettre la détermination des prix biens produits, que l'État a acheté les actions des entreprises qui se trouvaient dans des situations difficiles, que l'État a remboursé les pertes des entreprises qui avaient fait faillite, que les expropriations étaient très limitées et qu'ainsi les gains restaient dans le secteur privé alors que les pertes étaient socialisées, que les grands producteurs étaient soutenus par l'État, que la création de grandes entreprises était liée à la permission accordée par l'État et

qu'ainsi la concurrence était prévenue, qu'en cas de manque de demande l'État remplissait ce manque, que pour les articles qui manquent l'état subvenait à ces besoins en répondant à la demande, qu'on avait fait de très grandes dépenses pour des articles qui n'étaient pas nécessaires, que les petits producteurs avaient été évincés en faveur des grands producteurs, surtout dans le secteur agricole, que la réforme agraire n'avait pas été entreprises dans les premières années, que les réformes agraires qui avaient été réalisées plus tard s'étaient conclues avec le transfert aux grands producteurs qui se sont vus dépourvus de leurs terres. Dans la seconde partie de ce chapitre l'étude a porté sur les idées qui se sont développées avec la rénovation du libéralisme, on l'on a tâche de voir s'il y avait ou non des traces de corporatisme dans les conceptions du système présenté. Dans cette partie de la thèse nous sommes retourné au premier chapitre où l'histoire du corporatisme avait été examinée et l'on a essayé de créer un lien avec les systèmes préconisés par les penseurs libéraux qui avaient participé au Colloque Walter Lippmann. En conclusion de cette étude, il a été constaté que l'état proposé par le penseur libéral Marlio dans sa conception du libéralisme social avait des aspects semblables à ceux de l'état fasciste italien. Dans tous les deux on constate une situation active dans le domaine économique des entreprises privées soumises à l'intervention de l'état. Selon Marlio l'état ne doit pas être neutre (Marlio, 1940). Lors du « Colloque Walter Lippmann » il a été dit que l'état devait aider l'entrepreneur (Audier, 2008). Dans ce sens là l'État Corporatif Fasciste Italien, avec les politiques qu'il a adoptées, a été proche des entrepreneurs (Guérin, 1975). Comme Marlio en a fait part dans son projet, dans les conflits entre ouvrier et patrons, l'état doit agir en tant que juge et intermédiaire et dans l'État Corporatif Fasciste Italien cette tâche a été remplie par l'entremise des corporations qui étaient comme un prolongement de l'état (Göze, 1968). Un autre résultat qui est apparu de cette étude concerne les corporations. En tant qu'un des résultats obtenus dans l'étude historique faite dans le premier chapitre, parmi les écoles de la pensée qui soutienne le corporatisme, il y a non seulement les systèmes qui jouent un rôle actif dans l'administration économique et politique des corporations, mais aussi des systèmes qui donnent des rôles qui ne sont pas actifs aux corporations, des systèmes qui ne donnent pas des rôles actifs aux conseils dans lesquels les corporations sont représentées et aussi des systèmes qui sont positionnés en tant que conseils de consultation. Les corporations qui sont incluses dans ce second genre de système et

dont il est question dans la deuxième partie du deuxième chapitre, sont liées aux corporations sociales, au sujet desquelles Marlio pense qu'il est utile de les créer dans un contexte de libéralisme social. Les corporations sociales de Marlio n'ont aucune voix au chapitre dans l'administration économique. Elles sont uniquement responsables de rassembler les ouvriers et les affaires telles que la sécurité sociale, l'apprentissage, la formation professionnelle, l'aide aux familles, le logement, qui lorsqu'elles sont gérées du centre de l'état, cause une improductivité. A cet effet on remarquera qu'il y a une ressemblance entre les corporations des chrétiens sociaux. C'est-à-dire que dans la nouvelle organisation libérale sociale présentée par Marlio il y a des traces non seulement de l'État Corporatif Fasciste Italien mais aussi des écoles qui préconisent la pensée de la doctrine corporatiste. Le résultat auquel on aboutit dans cette chapitre de la thèse est le suivant : il y a une ressemblance entre le corporatisme et le corporatisme appliqué en Italie, en tant que système économique libéral, avant la période où l'on appliquait le système économique libéral. Et aussi les projets de nouvelle organisation sociale libérale ont été influencés par le corporatisme.

En conclusion de cette étude de thèse, il est possible de parler d'un rapport entre corporatisme et libéralisme. Lorsqu'on analyse le système économique appliqué par l'État Corporatif Fasciste Italien sous le nom de corporatisme, on remarque que, du point de vue de son rapport avec le capitalisme, il est lié au libéralisme d'avant le corporatisme. Du point de vue des travaux de renouvellement et des discussions, la ressemblance des corporations qui se trouvent à l'intérieur même du système social libéral avec les corporations qui se trouvent dans le système social préconisé par les écoles de la pensée qui soutiennent la doctrine corporatiste, est liée à l'état puissant duquel on s'attend à ce qu'il réalise des organisations légales en faveur des entrepreneurs en ayant un rôle policier sur le marché, comme cela est apparu dans ces discussions, et que l'État Corporatif Fasciste Italien a mis en œuvre. Ce résultat montre une contradiction avec l'approche de philosophes libéraux à la doctrine corporatiste et le fascisme qui est traitée dans la deuxième partie de cette étude de thèse.

ABSTRACT

In this thesis study, an économie – politique analysis of the relationship between corporatism and liberalism in the period between the years 1929 and 1939 is done. The aim of this study is to put if there is a similarity between liberalism and corporatism which is introduced as a new system by the theoreticians and implementers of it in the period subject to research, and how corporatism differs from liberalism. To fulfill this aim, an analysis of historical development of corporatism is done, the approaches of liberal philosophers towards corporatist doctrine is analyzed, and a comparison between the implementations of Fascist Corporative State of Italy which put corporatist doctrine into economic practice and liberalism is done focusing on capitalism.

In the first part of this thesis study, a historical analysis of corporatist doctrine is given. This historical analysis was an analysis of various schools of thought containing the corporatist doctrine in the systems they designed and schools of thought basing their systems on corporatist doctrine. In this context, six schools of thought, namely the Organic Theorists, the Pre-Marxist Protosocialists, Social Christians, Solidarism, Anti – Capitalist Syndicalism, and Fascist Authoritarianism with an emphasis, was analyzed. Why Fascist Authoritarianism is emphasized in this thesis study? Because the system designed by this school of thought is implemented in Fascist Corporative State of Italy in the period this study is subject to, and it is the only one. In the first section of this part, the systems designed by the schools of thought other than Fascist Authoritarianism is analyzed and the information about how corporatist doctrine takes part in these systems, how much corporations, the keystone of corporatism, are efficient in political and economic administrations is given. As the result of this reading, it is seen that the philosophers belonging to Pre-Marxist Protosocialism, Anti – Capitalist Syndicalism, and Solidarism are

proponents of a political and/or economic organization based on corporations which they see as a labor organization. In contrast, it is also seen that Hegel from Organic Theorists and the philosophers belonging to Social Christians do not give an efficient role to corporations in political and/or economic area; the corporative chambers where corporations are represented take place as consultative assemblies in existing monarchic political organization. In the second section of this part, an analysis of the Fascist Authoritarianism is given. Since Fascist Authoritarian Corporatism found an implementation area under the Fascist Corporative State of Italy, the analysis of this school of thought is done by looking at the economic and political structure, and the implementations of Italy during the period this research is subject to. As a conclusion of the analysis of Fascist Corporative State of Italy, contrary to the vision of basing the economic and political structure on corporations, it is seen that Mussolini, the president of the state, is on the top of the hierarchic corporative organization; that the labor and employer organizations affiliated with Ministry of Corporations are no more than organizations placed under the state structure; that the economic and political decisions are made by the president of the state; and that there is an authoritarian etatism named “corporative”.

In the second part of this thesis study, the approaches of liberal philosophers towards corporatist doctrine is analyzed. The liberal philosophers covered in this part are philosophers who participated in the studies of renovation of liberalism by attending Colloque Walter Lippmann which was held in August, 1938, in Paris: Louis Rougier, Walter Lippmann, Wilhelm Röpke, Louis Marlio, Ludwig von Mises. Both the thoughts presented and argued in the colloquium and the thoughts presented in their independent studies are taken into consideration. In the first section of this part, the approaches of liberal philosophers towards corporatist doctrine as an economic system is analyzed. This analysis is made considering both the theory and the practices of corporatist doctrine as an economic system. As a result, it is seen that liberal philosophers' thoughts about corporatist economic system is negative, thus this section consists of the critiques of liberal philosophers towards corporatist economic system. The critiques addressed towards the theoretic part of corporatist economic system mainly are three: first one is the difficulty/impossibility of implementing corporatist economic system and the inefficiency it creates; second

one is loss of state sovereignty as a result of creation of privileged groups and leaving economic decision-making process to the hands of them; third one is the negative effect of a possible concerted action between the employers and employees taking part in same corporation in making economic decisions regarding their own interests on consumer welfare. The critiques addressed towards the practice of corporatist economic system are that the states claiming to be implementing corporatist economic system actually had no business with corporatism; that they actually implemented some kind of economic etatism; that the corporations were not active in economic decision-making process, the states were the sole decision maker regarding economy. In the second section, the approaches of liberal philosophers towards corporatism as a social system is elaborated. In this context, it is seen that only Louis Marlio of the liberal philosophers mentioned in this part placed corporations in the system he designed “the Social Liberalism” in his work “Dictature ou Liberté”. Stating that considering the economic structure in that period, implementation of an economic system based on corporations was impossible, the author gives roles that are non-effective on the economic decisions like vocational training, social security issues, apprenticeship to the “social corporations”. According to the author, giving these kind of tasks to social corporations removes the inefficiency created by implications of central states, and alleviate the workload of the state. Also, participating in the same corporation, the attitudes of employers and employees towards each other will change, this will lead to the relaxation and removal of class struggle, thus the social peace will be obtained. From this viewpoint, it is seen that Marlio advocates corporatism as a social phenomenon and he is on the same side with Catholic Church.

In the third part of this thesis study, the actual relationship between corporatism and liberalism is analyzed. This analysis is done in two separate sections regarding to their resemblances to each other, and their effects on each other. In the first section, the similarity between corporatism and liberalism which was implemented before corporatism is looked at. To do this analysis, corporatism is dealt over the Fascist Corporative State of Italy and its resemblance to liberalism is handled regarding to capitalism. In this analysis, this resemblance is tried to be shown by looking at how Fascist Corporative State of Italy served capitalism in

terms of labor and capital policy it followed. As a result of this analysis, it is seen that, in terms of labor policy, strikes, being members of opposing syndicates, demanding rights, and going against the decisions of employers are banned; only one syndicate of each profession is accepted in terms of collective bargaining; all of the decisions taken by these “official” syndicates are binding for all of employees whether they are member of them or not. Again, in terms of labor policy, in the agricultural sector, the mobility of labor is restricted in order to prevent them migrating to cities and becoming industrial workers; and by wage-in-kind policy, they are made slaves attached to land. State and employers dominated the labor policy area. Regarding to capital policy, the industrial sector, the financial sector and the agricultural sector is analyzed. In this context, private property and private enterprises are supported; state does not involve in the markets as an entrepreneur, and the state – owned monopolies are privatized; state intervened in markets as long as capitalist wanted it to, and these interventions are always in the direction which capitalist wanted; tax reductions, required regulations to enable the capitalist to set the prices of the products they produce were made; the securities of the enterprises in a difficult financial position were bought by the state; the losses of the enterprises that went bankrupt were covered by the state; the nationalizations were very limited; thus the profits were privatized and losses were socialized. Again in terms of capital policy, large – scale producers were supported by the state; foundations of large – scale enterprises were made subject to state's permission, thus the competition large – scale entrepreneurs would face was prevented. In the presence of lack of demand, state involved in to compensate this lack; huge expenditures were made for non-necessary items; especially in agriculture, small – scale enterprises were eliminated in favor of large – scale enterprises; land reform was not done at the first years of fascist government; land reforms done after 1936 were resulted in capturing the lands of small producers and transferring them to large – scale producers. In the second section of this part, the traces of corporatism on the ideas that were presented for the process of renovation of liberalism, the designs were presented for a new liberal system is sought for. To do this analysis, a return is made to the first part of this thesis study where a historical analysis of corporatism is done, and a connection is tried to be made between the schools of thought advocating corporatism and the systems presented by the liberal philosophers in Colloque Walter Lippmann which is

covered in the second part. As a result, it is seen that the design of the state in the “social liberalism” presented by Marlio have some similar aspects with the Fascist Corporative State of Italy. Both of them has an economic system in which private enterprises subject to state intervention are active in markets. Marlio states that the state should not be an objective entity. (Marlio, 1940) In colloque Walter Lippmann, one of the arguments was about whether the state should assist the entrepreneurs. (Audier, 2008) From this aspect, being in assistance of entrepreneurs, Fascist Corporative State of Italy resembles to liberal state designs. (Guérin, 1975) The mediator/judge role that state should bear in the case of a dispute between labor and employer that takes place in Marlio's design existed in Fascist Corporative State of Italy, undertaken by the corporations which were merely an extension of the State. (Göze, 1968) Another result inferred from this analysis is about corporations. From the historical analysis, it is seen that some schools of thought advocating corporatism designed systems that gave corporations an active role in political/economic administration; however, some of them did not gave an active role either to corporations or corporative chambers representing corporations, corporative chambers only stayed as consultation chambers. Corporations in these second type of systems are linked to “social corporations” of Marlio which is discussed in the second section of second part of this thesis study: Marlio's “social corporations” do not have a dominant role in the economic administration; they are only responsible from bringing employers and employees together, from some duties that becomes ineffective when carried out by central administration of the state such as social security, apprenticeship, vocational training, family allowances, labor housing, etc. From this aspect, “social corporations” of Marlio resembles to corporations of Organic Theorists and Social Christians. That is to say, Marlio's new liberal social system bears traces from both Fascist Corporative State of Italy and schools of thought advocatig corporatism. Thus, it could be concluded that both corporatism showed some similarities with its predecessor liberalism, and new liberal social system designs were affected by corporatism.

In conclusion, it is possible to speak about some relation between corporatism and liberalism. The system implemented by Fascist Corporative State of Italy under the name of “corporative” is related to liberalism regarding to its relation with

capitalism in terms of labor and capital policy followed. In terms of renovation studies and debates, liberalism is related to corporatism because the corporations placed in the new liberal social system designs resembles to the ones of schools of thought advocating corporatism and the strong state which is urged by liberal philosophers to do some kind of “market police” duty and to do regulations in favor of entrepreneurs is realized under the administration of Fascist Corporative State of Italy. This result shows a contradiction with liberal philosophers' approach to corporatist doctrine and fascism which is dealt in the second part of this thesis study.

ÖZET

Bu tez çalışmasında, korporatizm ve liberalizm arasındaki ilişki 1929 – 1939 yılları arasında kalan dönemin ekonomi politik yönden bir incelemesi ile ortaya konmaktadır. Amaç, dönem içerisindeki doktrinerleri ve uygulayıcıları tarafından yeni bir iktisadi sistem olarak sunulan korporatizmin/korporatist iktisadi sistemin, daha önceki dönemlerde uygulanmakta olan liberal iktisadi sistem ile benzerlik gösterip göstermediği, liberalizmden ne kadar farklı olduğu konularının açıklığa kavuşturulmasıdır. Bu amacı gerçekleştirmek için korporatist doktrinin tarihsel gelişimi incelenmiş, liberal düşüncülerin korporatist doktrine yaklaşımları incelenmiş ve korporatist doktrini iktisadi hayata geçiren İtalyan Faşist Korporatif Devleti'nin uygulamalarının liberalizmle karşılaştırılması, kapitalizmi odak noktasına alarak, yapılmıştır.

Tez çalışmasının ilk bölümünde korporatist doktrine ilişkin tarihsel bir inceleme yapılmıştır. Bu tarihsel inceleme, korporatist doktrini öngördükleri sistem içerisinde barındıran ya da sistemi korporatist doktrin üzerine inşa eden farklı düşünce okullarının sistemlerinin incelemesidir. Bu kapsamda, altı düşünce okulu, sırasıyla Organik Teorisyenler, Pre-Marksist Protososyalistler, Sosyal Hristiyanlar/Sosyal Katolikler, Solidarizm, Anti-Kapitalist (İhtilalci) Sendikalistler, ve ağırlıklı olarak Faşist Otoritaryenizm okulları incelenmiştir. Faşist Otoritaryenizme ağırlık verilmesinin sebebi, 1929 – 1939 arası dönemde adı geçen düşünce okullarının içerisinde korporatist doktrini uygulamaya döken tek düşünce okulu olmasıdır. Bu bölümün birinci kısmında Faşist Otoritaryenizm dışında kalan düşünce okullarının öngördükleri sistemler incelenerek bu sistemler içerisinde korporatizmin ne kadar yer işgal ettiğinin, korporatizmin temel taşı olan korporasyonların siyasi ve iktisadi yönetimde ne kadar etkin rol sahibi olduklarının bilgisi verilmiştir. Bu okumanın sonucu olarak, Pre-Marksist Protososyalistlerin,

Anti-Kapitalist Sendikalistlerin ve Solidarizm okuluna mensup düşünürlerin birer işçi örgütü olarak gördükleri korporasyonlara dayandırılan bir iktisadi ve/veya siyasi örgütlenmenin taraftarı oldukları, buna karşın, Organik Teorisyenlerden Hegel'in ve Sosyal Katolik okula mensup düşünürlerin korporasyonların temsil edildiği korporatif meclislere iktisadi ve siyasi alanda etkin bir rol vermedikleri, korporatif meclislerin birer danışma meclisi olarak var olan monarşik siyasi yapıda yer aldıkları görülmüştür. İkinci kısımda ise Faşist Otoritaryen okula ilişkin bir inceleme yapılmıştır. Faşist Otoritaryen Korporatizm, İtalyan Faşist Korporatif Devleti'nde uygulama alanı bulduğundan, bu okula ilişkin inceleme İtalyan Faşist Korporatif Devleti'nin siyasi ve iktisadi yapıları, uygulamaları yönünden yapılmıştır. İtalyan Faşist Korporatif Devleti'ne ilişkin bu incelemenin sonucunda da siyasi ve iktisadi yapının korporasyonlara dayandırıldığı görüntüsüne karşın, devlet başkanı olan Mussolini'nin korporatif örgütlenmede hiyerarşinin en üst noktasında yer aldığı, Korporasyonlar Bakanlığı'na bağlı olan işçi ve işveren örgütlerinin aslında var olan devlet yapısı içerisinde bir kurum olmaktan öteye gitmediği, iktisadi ve siyasi kararların yine devlet başkanı tarafından alındığı, adı korporatif olan otoriter bir devletçiliğin uygulandığı görülmüştür.

Tez çalışmasının ikinci bölümünde, liberal düşünürlerin korporatist doktrine yaklaşımları incelenmiştir. Bu bölüm kapsamında yer alan liberal düşünürler, Ağustos 1938'de Paris'te düzenlenen Colloque Walter Lippmann'a katılarak liberalizmin yenilenmesi çalışmalarında yer almış olan, Louis Rougier, Walter Lippmann, Wilhelm Röpke, Louis Marlio ve Ludwig von Mises'tir. Bu liberal düşünürlerin hem kolokyumda öne sürdükleri ve tartıştıkları fikirler hem de kendi bağımsız çalışmalarında öne sürdükleri fikirler dikkate alınmıştır. Bu bölümün birinci kısmında liberal düşünürlerin korporatist doktrine bir iktisadi sistem olarak nasıl yaklaştıkları incelenmiştir. Bu inceleme, korporatist iktisadi sisteme hem teorik hem de pratik açıdan bakılarak yapılmıştır. Sonuç olarak, liberal düşünürlerin korporatist iktisadi sisteme olumsuz baktıkları görülmüştür, dolayısıyla bu kısımda incelenen aslında liberal düşünürlerin korporatist iktisadi yapıya ilişkin eleştirileri olmuştur. Teorik yönüne getirilen eleştiriler, korporatist iktisadi sistemi uygulamanın zorluğu/imkansızlığı, ekonomide yaratacağı verimsizlik, ayrıcalıklı gruplar yaratılarak iktisadi kararların bu gruplara devredilmesinin sonucunda devlet

egemenliğini yok etmesi, korporasyonların üyeleri olan işçi ve işverenlerin iktisadi kararları kendi çıkarları doğrultusunda almasına yol açarak tüketici refahı üzerinde olumsuz etkide bulunması olmuştur. Pratik yönüne getirilen eleştiriler ise, korporatist iktisadi sistemi uyguladıklarını iddia eden devletlerin aslında korporatizmle bir ilişkilerinin olmadığı, bu devletlerin aslında bir tür iktisadi devletçiliği uyguladıkları, korporasyonların karar alma sürecinde etkin olmadıkları ve karar mekanizmasının tamamen devletin elinde olduğu yönünde olmuştur. İkinci kısımda ise, liberal düşünürlerin korporatizme sosyal bir sistem olarak nasıl yaklaştıkları üzerinde durulmuştur. Bu kapsamda, tez çalışmasının bu bölümünde ele alınan liberal düşünürlerden sadece Louis Marlio'nun *Dictature ou Liberté* adlı eserinde bahsettiği yeni sosyal düzen olan sosyal liberalizm içerisinde korporasyonların yer aldığı görüldü ve incelendi. Korporasyonlara dayalı bir iktisadi sistemin uygulanmasının dönem içerisindeki iktisadi yapı göz önünde bulundurulduğunda imkansız olacağını düşünen yazar, kendi tasarladığı düzen içerisinde sosyal korporasyonlar olarak önerdiği korporasyonlara iktisadi kararlar üzerinde çok etkin olmayan, mesleki eğitim, sosyal güvenlik ve çıraklığa ilişkin görevler vermiştir. Yazara göre, sosyal korporasyonlara bu tip görevler verilmesi, merkezi devletin uygulamalarının yol açtığı verimsizliği giderecek ve devletin iş yükünü hafifletecektir. Aynı zamanda, işçi ve işverenlerin aynı toplumsal örgüt içerisinde yer alması ile karşılıklı tutumları değişecek, bu da sınıf çatışmasının yumuşamasına ve zamanla ortadan kalkmasına yol açacak ve bu sayede sosyal barış sağlanmış olacaktır. Bu yönüyle, Marlio'nun korporatizmi toplumsal bir olgu olarak savunduğu ve Katolik Kilisesi ile aynı konumda yer aldığı görüldü.

Tez çalışmasının üçüncü bölümünde, korporatizm ve liberalizm arasındaki gerçekleşen ilişki incelendi. Bu inceleme, bu iki sistemin birbirlerine benzerlikleri, birbiri üzerine olan etkileri yönünden iki kısımda yapıldı. Birinci kısımda korporatizmin kendinden önce uygulanmakta olan liberal sistem ile benzeşen yönleri ele alındı. Bu inceleme yapılırken korporatizm Faşist İtalyan Korporatif Devleti üzerinden ele alındı ve liberal sistemle benzeşen yönleri kapitalizm esas alınarak tartışıldı. İncelemede Faşist İtalyan Korporatif Devleti'nin izlediği işçi ve sermaye politikaları ile kapitalizme ne kadar hizmet ettiği ortaya konularak liberal sistemle benzerliği gösterilmeye çalışıldı. Bu incelemenin sonucunda, işçi politikaları

bağlamında, grevin, muhalif sendikalara üye olmanın, hak talebinde bulunmanın ve işverenin kararlarına karşı çıkmamanın yasak olduğu, devletin toplu sözleşme görüşmelerinde tanıdığı tek sendikanın olduğu ve alınan her kararın her işçiyi bağladığı görülmüştür. Yine işçi politikaları bağlamında, tarım sektöründe, işçinin kentlere göç edip bir sanayi işçisi haline dönüşmemesi için mobilitesi kısıtlanmıştır; takip edilen aynî ücret politikası ile tarım işçileri toprağa bağlı köleler haline getirilmiştir. Devlet ve işveren, işçi politikaları alanında egemen kılınmıştır. Sermaye politikaları bağlamında sanayi sektörü, tarım sektörü ve finansal sektör incelenmiştir. Sermaye politikaları bağlamında, özel mülkiyet ve özel teşebbüs desteklenmiş; devlet girişimci olarak piyasalarda yer almamış, bu kapsamda devletin tekelleri özelleştirilmiş; piyasa müdahaleleri kapitalist istediği sürece ve istediği yönde olmuş, kapitaliste vergi indirimleri getirilmiş, ürettikleri malların fiyatlarını kendilerinin belirleyebilmesi için gerekli yasal düzenlemeler yapılmış, zor durumda olan işletmelerin hisse senetleri devlet tarafından satın alınmış, iflas eden işletmelerin zararları devlet tarafından karşılanmış, kamulaştırmalar çok sınırlı kalmış, böylece kârlar özel alanda kalmış, ancak zararlar toplumsallaştırılmış; büyük üretici devlet tarafından desteklenmiş, büyük işletme kurulması devlet tarafından verilecek izne tabi kılınarak karşılaşılabilecekleri rekabet önlenmiş; talep eksikliği olduğunda devlet bu talep eksikliğini doldurmuş, ihtiyaç olmayan kalemler için yüksek meblağda harcamalar yapılmış; büyük üretici pahasına küçük üreticiler, özellikle tarımda, bertaraf edilmiş; toprak reformu ilk yıllarda hayata geçirilmemiş, daha sonra yapılan toprak reformları küçük üreticinin elinden toprakların alınarak büyük üreticilere devredilmesi ile sonuçlanmıştır. Bölümün ikinci kısmında, liberalizmin yenilenmesi sürecinde ortaya atılan fikirlerde ve sunulan sistem tasarılarında korporatizmin izlerinin olup olmadığı incelenmiştir. Bu bölümde yapılan incelemede korporatizmin tarihsel incelemesinin yapıldığı birinci bölüme geri dönülerek bu bölümde yer verilen düşünce okulları ile tezin ikinci bölümünde yer alan, Colloque Walter Lippmann'a katılmış olan liberal düşünürlerin öne sürdükleri sistemlerle bir bağlantı kurulmaya çalışılmıştır. Bu inceleme sonucunda, ele alınan liberal düşünürlerden Marlio'nun ortaya koyduğu sosyal liberalizm tasarısındaki devletin Faşist İtalya'daki devletle benzer yönlerinin olduğu görülmüştür. Her ikisinde de devlet müdahalesine tabi özel teşebbüslerin iktisadi alanda etkin olması durumu bulunmaktadır. Marlio, devletin tarafsız olmaması gerektiğini belirtmektedir. (Marlio, 1940) Colloque

Walter Lippmann'da devletin girişimciye yardımcı olması gerektiği belirtilmektedir. (Audier, 2008) Bu doğrultuda, Faşist İtalyan Korporatif Devleti, yukarıda belirtildiği gibi, yürüttüğü politikalar ile girişimcinin yanında yer almıştır. (Guerin, 1975) Marlio'nun tasarısında yer alan, işçi ve işverenler arasında çıkabilecek anlaşmazlıklarda devletin arabuluculuk ve yargıçlık yapması gerekliliği, İtalyan Faşist Korporatif Devleti'nde devletin birer uzantısı konumunda olan korporasyonlar aracılığı ile yerine getirilmiştir. (Göze, 1968) Bu incelemeden çıkan bir başka sonuç, korporasyonlarla ilgili olmuştur. Birinci bölümdeki tarihsel incelemeden çıkarılan sonuçlardan biri olarak, korporatizmi savunan düşünce okulları içerisinde korporasyonların iktisadi ve siyasi yönetimde etkin rol sahibi olduğu sistemlerin olduğu gibi, korporasyonlara etkin olmayan roller veren, korporasyonların temsil edildiği meclislere etkin rol vermeyen, danışma meclisi olarak konumlandırılanların da var olduğu belirtilmiştir. Bu ikinci tip sistemde yer alan korporasyonlar, tez çalışmasının ikinci bölümünün ikinci kısmında söz edilen, Marlio'nun sosyal liberalizm kapsamında kurulmasının faydalı olduğunu bildirdiği sosyal korporasyonlarla bir bağlantısı bulunmaktadır. Marlio'nun sosyal korporasyonlarının iktisadi yönetim üzerinde herhangi bir söz hakkı yoktur. Sadece işçi ve işverenleri bir araya getirmek, mesleki eğitim ve devletin merkezden yürütmesinin verimsizliğe yol açtığı, sosyal güvenlik, çıraklık, mesleki eğitim, aile yardımları, lojmanlar gibi bir takım işlerden sorumludur. Bu yönlerden sosyal korporasyonlar Organik teorisyenler ve Sosyal Hristiyanların korporasyonları ile benzerlik göstermektedir. Yani, Marlio'nun sunduğu yeni liberal toplum düzeninde hem Faşist İtalyan Korporatif Devleti'nden hem de korporatist doktrini savunan düşünce okullarından izler bulmak mümkündür. Bu bölümden çıkarılan sonuç ise hem korporatizm ile korporatizmin İtalya'da iktisadi sistem olarak uygulanmaya başladığı dönemden önceki liberal iktisadi sistem arasında bir benzerlik olduğu hem de yeni liberal toplum düzeni tasarılarının korporatizmden etkilenmiş olduğu olmuştur.

Tez çalışmasının sonucu olarak, korporatizm ile liberalizm arasında bir ilişkiden söz etmek mümkündür. İtalyan Faşist Korporatif Devleti'nin korporatizm adı altında uyguladığı iktisadi sistem, işçi ve sermaye politikaları bağlamında incelendiğinde, kapitalizmle ilişkisi açısından korporatizm öncesi liberalizmle bağlantılıdır. Yenileme çalışmaları ve tartışmalar bakımından ise, gerek liberal

toplumsal sistem içerisinde yer alan korporasyonların, korporatist doktrini savunan düşünce okullarının öngördükleri toplumsal sistemde yer alan korporasyonlarla gösterdiği benzerlik; gerekse bu tartışmalarda ortaya çıkan, piyasada polislik görevini üstlenmesi, girişimcinin lehine yasal düzenlemeler yapması istenen güçlü devletin, Faşist İtalyan Korporatif Devleti ile hayata geçmiş olması bakımından bağlantılıdır. Bu sonuç, tez çalışmasının ikinci bölümünde sunulan liberal düşünürlerin korporatist doktrine ve faşizme ilişkin görüşleri ile bir anlamda aykırılık göstermektedir.

INTRODUCTION

In the period between the years 1929 – 1939, the world was in a search regarding both political and economic concerns. World economy was severely influenced by The Great Depression of 1929, economic philosophers were searching for why it occurred and how to fix it, they were searching for a new economic perspective. Regarding politics, some of the European countries were ruled by the fascist regimes, they were making dramatic changes in economic and social structures of the societies they were ruling.

In the Doctrine of Fascism, Benito Mussolini states that they were against the idea of individualism based on 18th century materialism. Mussolini stated:

“Anti-individualistic, the Fascist conception of life stresses the importance of the State and accepts the individual only in so far as his interests coincide with the State. It is opposed to Classical Liberalism which denied the State in the name of the individual; Fascism reasserts the rights of the State as expressing the real essence of the individual.” (Mussolini, Gentile)

“Fascism denies the class war and economic conception of history.” (Mussolini, Gentile)

Denying liberalism in all areas, and the class war, Mussolini claimed to propose a new economic and social structure under the complete hegemony of the State. Mussolini called this new system as “Corporate State of Fascism”. He stated that:

“A state which concentrates, controls, harmonizes, and tempers the interests of all social classes, which are thereby protected in equal measure. Whereas, during the years of demoliberal regime, labour looked with diffidence upon the state, was, in fact, outside the State and against the State, and considered the State as an enemy of every day and every hour, there is not one working Italian today who does not seek a place in his Corporation or federation who does not wish to be a living atom of the great, immense, living organization which is the national Corporate State of Fascism.” (Mussolini, Gentile)

While Mussolini was trying to build this Corporate State of Fascism in Italy, which he found the complete chance only after 1934, liberal philosophers were seeking for a new liberal doctrine. Also concerned with the class war and social peace, these philosophers saw the way to get out of economic and social depression ongoing in a renovation of liberalism. In August 1938, a colloquium was organized under the name of “Colloque Walter Lippmann” by Louis Rougier in Paris, France. Walter Lippmann was a liberal philosopher from United States of America and Louis Rougier was a liberal philosopher from France. Liberal philosophers from all over the world attended to this colloquium and they presented their ideas of a new social system, how the new liberal system should be. In this colloquium, philosophers decided to continue the renovation studies and they formed *Centre international des etudes pour la rénovation du libéralisme*; and they continued their own studies about forming a new social system, a new liberalism.

In this thesis study, the relationship between the “new” social and economic system of Fascism, Corporatism, and liberalism will be analyzed from a perspective of political economy during the period of 1929 – 1939, i.e. starting from The Great Depression and continues until the outbreak of the Second World War. It will be investigated if there was a connection between corporatism and liberalism, if they were the same doctrine serving capitalism or they proposed separate social and economic structure.

The analysis will be done in three parts. In the first part, a historical development of corporatism will be given. In the second part, philosophers carrying out studies for renovation of liberalism will be analyzed. In the third part, the actual relationship between corporatism and liberalism will be analyzed.

Historical development of corporatism will consist a definition of corporatism and variations of corporatist doctrine throughout of history. Corporatism, surely, was not a system invented by Mussolini. There are various schools of thought advocating corporatist doctrine, the systems proposed by these schools of thought advocated various types of political and economic organization. First part of the thesis will consist a short analysis of these varieties. Then, an analysis of the “Corporate State

of Fascism”, in other words Fascist Authoritarian Corporatism and its economic system implemented in Italy will be given.

Second part of this thesis study will include the work of liberal philosophers. Since the aim is to investigate the relation between liberalism and corporatism, this part will consist a reading of liberal philosophers' approach towards corporatism in the context of renovation of liberalism. It will be tried to understood how they see a corporatist organization in economy, and how they see a corporatist social structure.

The actual relationship between the corporatism and liberalism that will be analyzed in the third part of this thesis will be based on the two parts above. First the effect of liberalism on corporatism will be analyzed. A connection will be tried to be built corporatist economic structure of Fascist Italy with liberal economic doctrine in terms of economic policies regarding capital and working class. Then, the effect of corporatism on the studies of renovation of liberalism will be investigated. It will be investigated if the new social structures proposed by liberal economic philosophers had any traces of any variety of corporatist doctrine throughout the history.

Finally, a conclusion will be given, and if there is an area of further study, if a connection could be made between the fascist conception and organization of corporatism with today's neo-liberalism will be indicated.

I

HISTORICAL DEVELOPMENT OF CORPORATISM

In the first part of this thesis study, the definition of corporatism will be made, and there will be an analysis of historical development of corporatism. In this analysis, although all of the schools of thought advocating corporatism will be mentioned briefly, most of this part will be allocated for the analysis of Fascist Authoritarian Corporatism.

By definition, corporatism is an economic system based on corporations. (Göze, 1980, p. 116) In the book called “Korporatif Devlet”, the author stated that this definition above is a narrow definition, and gave another wide definition of corporatism. According to this wide definition, corporatism is an economic system organizing a cooperation between employers and employees, aiming an improvement of failing aspects of capitalist economic system, and removal of the negative consequences led by capitalist economic system within the capitalist economic system. (Göze, 1980, p. 116) Since, this wider definition of corporatism defines a special type of corporatism named Fascist Authoritarian Corporatism, this part of the study will be based on the narrow definition of corporatism.

The advocates of the corporatist doctrine, which is briefly defined above, separated into thirteen different schools of thought. In his study named “Still the Century of the Corporatism?”, Schmitter explained this situation with a reference to Louis Baudin:

“The army of corporatists is so disparate that one is led to think that the word, corporation, itself is like a label placed on a whole batch of bottles which are then distributed among diverse producers each of whom fills them with the drink of his choice. The consumer has to look carefully.” (p. 88)

The thirteen different schools of thought Schmitter stated in his study are, namely, Organic Theorists, Pre-Marxist Protosocialists, Social Christians, Fascist Authoritarianism, Secular Modernizing Nationalism, Radical Bourgeois Solidarity, Mystical Universalism, Internationalist Functionalism, Pseudo – Catholic Integralism, Technocratic – Procapitalist Reformism, Anti – Capitalist Syndicalism, Guild Socialism, Communitarianism/Bourgeois Socialism. (Schmitter, 1974, pp.87-88)

This part of this thesis study will contain two sections. In the first section, the schools of thought advocating corporatism will be discussed. In the second part, the Fascist Authoritarian school of thought, which will be the base of this thesis will be analyzed.

I.1. Schools of Thought Advocating Corporatism

In this section, the schools of thought advocating corporatism will be analyzed. The Organic Theorists, Pre-Marxist Protosocialism, Social Christians, Radical Bourgeois Solidarity, Anti-Capitalist Syndicalism will be discussed respectively.

According to Organic Theorists, the society resembles to a human body, and the individuals constituting the society serves the duty of a cell constituting the human body. The term “corporative” originates from the word “corps”, body, therefore, it is stated that corporations are one of the social institutions serves as an organ. (Göze, 1968, p. 8) According to Hegel who is one of the philosophers of this school, the individuals and societies could gain an existence and a value only in an organic state. (Göze, 1968, p.48) According to Hegel's dialectic methodology, family

is the first organic formation in a society (thesis), this is followed by the modern society in which individuals live together without forming an organic entity, that is an inorganic formation (anti-thesis). And this is followed by an organic state in which none of the individual willpowers and interests are effective (synthesis). In this state, individual is a cell who may not demand any rights whatsoever from the state and who is held liable to serve its duties against the state. (Göze, 1968, p.49)

According to Hegel, society is divided into two social groups. The first social group is called “the upper class” and it is divided into three subgroups: the wealthy intellectuals who has property rights and will-power; the industrialists; the civil servants. The second social group is called “the lower class” and it is constituted by the laborers. (Göze, 1968, p. 50) Taking these social groups in the society into account, Hegel modeled the political structure of the state as follows: There will be a monarch, a government, and two corporative parliaments. Hegel stated that the individuals belonging to the first social group has the right to vote, to elect their representatives. According to Hegel's political structure, the individuals belonging to the second social group, the laborers, do not have the right to vote. They only have the right to be a member of the corporations. They will be represented by the representatives of the corporations in the corporative parliament. (Göze, 1968, p. 50) In this system, corporative parliaments do not have the legislative authority, they only have the right to declare their opinions regarding to the legislation of the monarch and the government. (Göze, 1968, p. 50)

The second school of thought advocating corporatism which will be discussed in this study is Pre-Marxist Protosocialism. Sismondi, a philosopher belonging to this school of thought, had a critical approach toward liberal economic system and argued that the state should have an active role regulating the economic relations. (Göze, 1968, p. 57) Regarding to political organization, Sismondi was an opponent of the idea of equal vote suggesting the inequality of the level of knowledge individuals forming a society have, and the impossibility of everyone being interested in everything on the same level. Instead of the equal vote, Sismondi proposed a political system with two parliaments. In the first parliament, the representation is divided into three groups. First group consists the representatives elected by literate individuals, the representatives elected by intellectual people who has a high-school

diploma and has an income level higher than a laborer has, and the representatives elected by people who has a higher education level or a doctorate. (Göze, 1968, pp. 58-59) The second parliament will be in a corporative structure and the representatives of this parliament will be elected by clergy, university organizations, academic organizations, barrs, art and professional organizations.

A second philosopher from the Pre-Marxist Protosocialism school of thought, Comte de Saint-Simon was a proponent for establishing an economic corporative state instead of the political state. Regarding society, Comte de Saint-Simon stated that there is no value of dividing the society as nobility, bourgeoisie and clergy as it was done in the past; that there was two classes in a society: the working-class and non-working class – producer class and leisure class. (Göze, 1968, p. 85)

According to Comte de Saint-Simon, the state resembles to a factory, and people are laborers in this factory. There are some consequences of this resemblance. Saint-Simon argued that the main aim of the state should be to increase the production level; here state is the regulator of the relationship between the labor and capital. Secondly, politicians will not get involved in the administration of society, regulation of production Saint-Simon suggested, this work will be done by people “producing material and moral values” like scholars, artists and industrialists. In this situation, a “Technical State” concerned only about technical matters and administered by people equipped with technical knowledge would emerge. (Göze, 1968, p. 85) To fulfill this aim, a system where the producers become the administrators should be established, and within this system the professional organizations should be in the foreground and the state should be based on these professional organizations. (Göze, 1968, p. 86)

In this system which Comte de Saint-Simon wanted to build, there are three chambers. First chamber is called “Chambre d'invention” and is constituted by engineers, authors, poets, painters, architects, sculptors and composers. One of the duties of this chamber is to regulate the public projects regarding to the improvement of the welfare and income of the society. The other duty of this chamber is to regulate the projects regarding to public fests. (Göze, 1968, p. 86) The second chamber is called “Chambre d'examen” and is constituted by mathematicians and

physicists. The duties of this chamber are examination and approval of the projects prepared by “Chambre d'invention”, preparation of projects regarding to public education, completion of projects regarding to public fests. (Göze, 1968, p. 87) The third chamber is called “Chambre d'exécution ou des communes”, and is constituted by agriculturalists, manufacturers, merchants, and industrialists. The duties of this third chamber are the execution of the projects prepared by first two chambers, levying and collecting taxes. (Göze, 1968, p. 87)

Another philosopher belonging to Pre-Marxist Protosocialism school of thought is Pierre-Joseph Proudhon. Like Saint-Simon, Proudhon, too, argued the removal of the political state and establishment of an economic corporative state. However, unlike Saint-Simon, Proudhon proposed a state based on the idea of federalism instead of a “Technical State”.

Proudhon's idea of federalism is more an economic federalism than a political federalism. This federalism is built by gathering various organizations based on contracts. It is based on corporations, communes, and social organizations; a superior chamber will be the controlling mechanism. According to Proudhon, the main element of the federation is corporations, and the administrators will be elected by these corporations. (Göze, 1968, p. 90)

The third school of thought advocating corporatism that will be discussed in this study is Social Christianity. A philosopher that belongs to this school of thought is de la Tour du Pin. Proponent of a constitutional monarchy, de la Tour du Pin argued that it is impossible to obtain stability with a parliament ruled by various political views. Thus, according to Tour du Pin, there should be a parliament in a corporative structure where the interests of all groups in society is represented. Tour du Pin stated that taxpayers, the Church, universities, and professional organizations should be represented in this parliament. This parliament was not a legislative authority, it is the controlling authority. (Göze, 1968, p. 60) For example, this corporative parliament is authorized to determine the occupational details in the application of social security legislations. (Pirou, 1925, p.180)

The system proposed by Tour du Pin would work as follows: Taxpayers gathered in the communes would elect members of the parliament. Parliament would control the use of national income by the state, and approve the expenses out of the long-term budgets. In another chamber called Provincial Chamber, professional organizations, the Church and universities will be represented. There would be four different chambers within the Provincial Chamber. First chamber would be constituted by the representatives of the Church, universities and other public service organizations; second chamber would be constituted by the representatives of the professional organizations established on self-employment branches; third chamber would be constituted by the representatives of professional organizations established on agricultural branches; fourth chamber would be constituted by the representatives of the professional organizations established on industrial branches. (Göze, 1968, p. 61)

The members of the Social Catholicism gave excessive importance to professional organizations. According to this school of thought, labor organizations, employer organizations and technical organizations established in a profession form a corporation and this corporation is the sole representative of the profession it was established on. They argued that the decision made by corporations should be strictly binding for all producers. (Göze, 1968, p.62)

Briefly, they wanted to revive the old corporations in a Catholic way. However, Pirou stated that it was understood in a short time that this was all a delusion. (Pirou, 1925, p. 179) In the work called “Les Doctrines Economiques en France depuis 1870” by Pirou, the philosophers including Albert de Mun, Boissard and Cercles d'ouvriers headed towards an “integrated union”. This “integrated union” is strictly criticized by the philosophers in Catholic Union. Nogues stated that the idea of “integrated union” is not a well-thought plan. (Pirou, 1925, p.179)

The fourth school of thought advocating corporatism that will be discussed in this study is Radical Bourgeois Solidarism. The thoughts of the philosophers Emile Durkheim and Leon Duguit will be discussed.

According to Durkheim, it is wrong to define society as a structure formed by disconnected, unorganized people and to define state as an institution that holds this unorganized structure together. Durkheim argued that, between the individual and the state, there are various institutions, especially corporations, and these are the essentials of political organization. (Göze, 1968, p. 59) Durkheim defined corporatism as an organization formed by unionized labor. He proposed interest relations should be represented in the legislative parliament by the corporations, i.e. corporations should dominate the administration. (Göze, 1968, p. 60)

Another philosopher belonging to Radical Bourgeois Solidarism school of thought is Léon Duguit. Like Durkheim, Duguit, too, argued that the professional organizations, especially labor unions, would dominate the state administration and he proposed that professional interests should be represented in the parliament. (Göze, 1968, p. 64) According to Duguit, the information about the structure of the society could be achieved only if the institutions based on common interest and cooperation represented in the parliaments. Duguit argued that with the representation of these institutions in the parliament, the political structure could harmonize with the social structure. (Göze, 1968, p. 64) The political system Duguit proposed has two parliaments. One of the parliaments is constituted by political parties, the other one consists of representatives of professional organizations. (Göze, 1968, p. 64)

The fifth school of thought advocating corporatist doctrine is Anti-Capitalist Syndicalism school.

According to the proponents of syndicalism, with the economic problems and interests coming to foreground as a result of technical advancement, the regulation of labor relations, of the production and consumption mechanism, of the distribution of wealth became more important than the regulation of relationships between individuals and political power. (Göze, 1968, p. 96) According to syndicalists, the political order was not appropriate to the new economic and social structure of the society. They argued that political state of the 18th century should not be involved in economic and social matters, however, political state went under dominion of the interest groups holding economic power, i.e. it became a tool in the hands of

bourgeoisie, used against labor. Therefore, syndicalists rejected the existence of the state, the democracy, and the representation system. (Göze, 1968, p. 96)

According to syndicalists, there should be a order of society aiming to solve the economic and social problems of the society, to regulate the production and consumption mechanism. They argued, this order of society should be based on the unions formed by the producers, substantive element of the society, who participate in the production process directly, i.e. laborers. According to them, there should not be any political institution in this order, this order should be a sole economic order. (Göze, 1968, p. 97)

In this social order without the state, or political parties, or classes, labor unions would only be interested in economic and technical matters. Other than these, labor unions would not have the right to limit freedom of their members. All individuals who participate in labor unions would have complete freedom in everything other than labor and working conditions. Labor unions, too, would be independent within their federations, and would not take orders from their federations. (Göze, 1968, pp. 99 - 100)

In first section of the first part of this thesis study, the schools of thought that are advocates of the corporatist doctrine were discussed in brief. How the corporatist doctrine took place in the systems suggested by Organic Theorists, the Pre-Marxist Protosocials, the Social Christians, the proponents of Radical Bourgeois Solidarism and the Anti-Captialist Syndicalism, respectively. In the second section, how corporatism took place in the Fascist Authoritarianism will be discussed.

I.2. Corporatist Doctrine in Fascist Authoritarian School of Thought

In the first section, some of the schools of thought advocating corporatist doctrine is analyzed. In this second section, how corporatist doctrine was placed in the Fascist Authoritarian school of thought will be discussed. The reason of discussing Fascist Authoritarianism under a separate section is that it found an area of implementation during the years of 1922 – 1943 in Italy, which covers the period that this study examines, 1929 – 1939. Thus, the corporatist doctrine advocated by Fascist Authoritarian school of thought is the core of this study, and to discuss this, the system in Italy between the years 1922 – 1943 will be analyzed.

As any other school of thought advocating corporatist doctrine, Fascist Authoritarian school of thought, too, rejected the individualistic perception. In the manifest called “The Doctrine of Fascism”, authored by Mussolini and Gentile, it is stated:

“Fascism is opposed to all individualistic abstractions based on the 18th century materialism, and it is opposed to all Jacobinistic utopias and innovations.” (p. 2)

According to the first article of the Italian Labor Charter, opposed to individualistic perception, the nation of Italy is an organism, and this organism is superior to all individuals and social institutions formed by these individuals that formed it, and this organism is a political and economic whole. (Göze, 1968, p. 107) According to this perception, individual is not a person holding rights, but a person obliged to serve his/her duties against the state. (Göze, 1968, p. 108) In the Italian Labor Charter, it is stated that as the individual works to fulfill the aim of the nation, the state will work to improve the welfare and happiness of the individual. From this aspect, the social structure of Fascist Italy resembles to organic theory of corporatism.

When it comes to analyze the economic structure of Fascist Italy, it is seen that there were two phases. The first phase is the fascist syndicalism period between years 1922 – 1934, the second phase is the corporatist period started with the establishment of corporations in 1934.

The fascist syndicalism system implemented between 1922 – 1934 was neither a liberal economic system nor a socialist economic system. (Göze, 1968, p. 111) On the one hand the protection of property rights was guaranteed to stimulate the private enterprise, on the other hand, it was stated that there could be no individual rights above the state. (Göze, 1968, p. 112)

The system of Fascist syndicalism was formed with the act no. 536 in April 3rd, 1926. In this system, it is acknowledged that only the syndicates, both labor and employer, that are applicable according to the conditions determined with the legislation would be recognized by the state. (Göze, 1968, pp. 112 - 113) Some of these conditions were loyalty to the Fascist government, not being a member of international confederations, and not being a integrated syndicate. (Göze, 1968, p. 113) There would be only one syndicate, applicable to these conditions, in each of professional branches, and these syndicates would have the right to represent all of the laborers/employers in the professional branch they were organized in. When it comes to collective bargaining/agreements, the state would accept only these syndicates as a party of the negotiations, and the decisions would be binding for all of the employers/employees on the profession they were organized in. These legal syndicates were made a public organization, therefore they were subject to state control. (Göze, 1968, pp. 113 - 114)

The controlling authority of the state on these legal syndicates was quite extensive. The state had the right to control all transactions of the syndicates, to cancel the transactions that was decided to be against the legislatiton. The administrators of these syndicates should have the approval of the state after they were elected. The government had the right to remove the administrators any time, it had the right to discharge the administrative board and assign a officer instead, and it had the right to disrupt the syndicate. (Göze, 1968, p. 114)

The existence of only one labor/employer syndicate was seen as preparation towards a Fascist Authoritarian corporative economic system. Recognizing only one legal syndicate and demanding the proof of their loyalty to the Fascist government made it easier to get rid of opponent syndicates and in the year of 1934, with the establishment of corporations, the period of corporative economic system started.

National Corporations Council grounded some principles which the corporations were based on in Italy in 1933: "Corporations are tools that establish an integral, organic and united discipline between the production forces to improve the welfare, wealth and political power of Italian nation, under the dominion of the state. [...] Corporations will be administrated by a board consisting of representatives of the state, representatives of the parties, representatives of employer/employee organizations. Corporations will have the functions of reconciliation and consultation." (Göze, 1968, p. 117)

As these principles suggest, the economic authority was not given in the hands of corporations. In addition to these, the "reconciliation and consultation" functions of the corporations are seem to be a common principle with the schools of thought advocating corporatism that were analyzed in the first section. Only the Pre-Marxist Protosocialism and the Anti-Capitalist Syndicalism schools were giving the authority to the corporations, the other ones used the corporations as a consultation mechanism.

Corporations were established with the act no. 163 in February 5th, 1934. According to this act, the corporations would be established with the proposal of Minister of Corporations, with the consent of the Central Committee of Corporations, with the decree of the president of the government; the president of the corporations would be a minister or a junior minister or th general secretary of the Fascist Party and the president would be assigned with the decree of the president of the government; the number of members of the administrative board of the corporations and the method of their election is decided with a decree of the president of the government. (Articles 1 – 3, in Göze, 1968, p. 117) As these articles suggest there would be no economy administered by independent corporations as expected in corporatist economic system.

In the corporative system of Italy, the authority and the functions of the corporations were consultation, reconciliation, stimulation and setting principles to production process. Corporations were obliged to give declarations about the matters concerning their functioning professional branch. Corporations have the authority to solve the disputes regarding their professional branches. They also have the authority to stimulate the production process, and they have the authority to set some principles to improve the production regarding their professional branches. They have the authority to set the production level, regulate the relations between private enterprises, set the prices and wages, etc. (Göze, 1968, p. 117 - 118)

It is stated that, in the Italian Corporative Economic System, state would not be an entrepreneur itself. State would have the authority to regulate the economic life. (Göze, 1968, p. 125) Therefore, only the private enterprises would exist in the economic area. (Göze, 1968, p. 125) However, given the authority of corporations over the production process that is summarized in above paragraph, it could be stated that whole of the production process was under the dominion of the corporations under the dominion of the president of the government.

In this section of the first part, the corporatist doctrine of the Fascist Authoritarian school of thought was discussed. Since, the corporatist doctrine found an implementation area under Fascist Authoritarian school of thought in Italy, the discussion was based on the corporative economic system of Italy between the years 1922 – 1934.

In the first part of this thesis study, an historical analysis of the corporatism was made. First, a short definition of the corporatism was given. Then, the schools of thought advocating corporatism is analyzed. How corporatism took place in different schools of thought during the history is discussed with an emphasis on the Fascist Authoritarian school of thought.

In the second part of this thesis study, an analysis of the approach of liberal economic philosophers towards corporatism will be made. This analysis will be made as follows: First, the liberal approach towards corporatism as an economic

system will be discussed. Secondly, how liberal philosophers approached towards corporatism as a social phenomenon, and corporations as social institutions will be discussed.

II

CORPORATISM AND LIBERAL ECONOMIC THOUGHT

In the first part of this thesis study, a historical analysis of corporatism is made. It is discussed how corporatism took place in economic/political systems suggested by different schools of thought with an emphasis on Fascist Authoritarianism, an example of which was implemented in Fascist Italy in the period 1922 – 1943.

In this second part of the study, the liberal approach to corporatism will be discussed. Taking the period between the Great Depression and the outbreak of the Second World War, 1929 – 1939, into account, the aim of this part is to analyze how liberal philosophers approached towards corporatism within the studies for renovation of liberalism. To do this analysis, corporatism will be taken into account as an economic system and as a social system, separately. In the first section of this part, the approach of liberal philosophers towards corporatism as an economic system will be discussed. Then, in the second part, the approach of liberal philosophers towards corporatism as a social system will be analyzed.

II.1 The Liberal Approach to Corporatism as Economic System

Generally, the liberal philosophers' approaches towards corporatism applied as an economic system coincides with each other, and could be described as negative. Therefore, in this part, the critiques of liberal philosophers towards

corporatism applied as an economic system will be analyzed. First, the critiques towards corporatist economic system, both theory and practice, will be analyzed, then, the critiques towards countries applying corporatist economic system will be investigated.

Looking at the liberal philosophers' critiques towards corporatist economic system, one may see that there are three main criticisms. First of them is the difficulty/impossibility of implementation of corporatism at the time subject to research. Second one is the disappearance of the state sovereignty by authorizing the corporations with economic regulation and negative effects of this on general welfare. Third and the last one is the negative effects of the autonomous structure of corporations on the welfare of consumers not participated in the corporations.

First critique that was addressed to corporatist economic system is that this system is both difficult/impossible to apply and would create inefficiency in the economy. According to Louis Marlio, the author of *Dictature ou Liberté*, Vatican condemned the liberal economic system since it rejected the equitable wage which a worker deserves and demanded a more equitable system. According to Marlio, Vatican saw the class struggle as a factor that divides the working class and employers, and stated that it should be abolished, and an occupational organization must be established. Marlio says that the system advocated by Vatican was benevolent corporations of Middle Ages and Papacy approved the efforts of Mussolini of reviving these corporations and integrate them into the economic system. (Marlio, 1940, p. 67)

Marlio criticizes this point. In his work, *Dictature ou Liberté*, he states that it would be impossible to bring back the medieval corporations as an economic system. According to him, the reason why the corporations of Middle Ages were working efficiently was the existence of workshops in which an apprentice, as a result of co-working which takes years, became a master cyclically. According to him, in the period that is subject to research, there are 1000 to 10000 workers for each boss, and the system working in medieval period could not function anymore. (Marlio, 1940, p. 68)

Bringing corporatist system also creates inefficiency in the economy. According to Marlio, corporatist economic system brings giving up the technical advancements which reduced the labor force to half. This also creates a decline in the standard of living of working class. (Marlio, 1940, p.68) On this point, Louis Rougier agrees with Marlio. In his work, *Les Mystiques Économiques*, Rougier stated that with corporatist economic system the competitive economy would vanish and instead, a bilateral monopolistic economy would be established. An autarchic economy against innovations would be created. For the sake of getting away from advancement, innovations would be banned. (Rougier, 1938, pp. 127 - 128)

Second criticism addressed to corporatist economic system by liberal philosophers is the privileges given to interest groups emerged by giving the regulatory authorization to corporations and negative impacts of this situation on state sovereignty and general welfare. In his book *The Good Society*, Walter Lippmann describes the Corporative State of Italy as a social organization projects giving equitable privileges to all interest groups as Soviet government system of Russia. (Lippmann, 1943, p. 118) According to Lippmann, these projects sanctify the special interests and establish no mechanism to keep these interests under control. (Lippmann, 1943, p. 118) In the same book, Lippmann states that there is no way that any unity formed by these special interests could reflect the general interest, thus, corporative system means to hand in the sovereignty to a coalition of interest groups. (Lippmann, 1943, p.118) To explain the effects of this situation on the general welfare of the society, Lippmann stated:

“There is no reason to think that the self-regarding activities of special groups can be balanced or regulated by organizing more and more of them. In the historical period during which organized interests have been increasingly active and their activities have been treated as more and more reputable, there has been two momentous developments. By organized restrictions of many sorts the production of wealth has been retarded, the method of monopoly being employed to enrich the favored interests.” (p. 119)

Seeing corporative economic system as a type of gradual collectivism, to explain the paradox which gradual collectivism is in, Lippmann stated:

“It has provoked the expectation of plenty provided by action of the state while, through almost every action undertaken or tolerated by the state, the production of wealth is restricted.” (p. 119)

Wilhelm Röpke shares a similar view to Lippmann’s statement about the corporatist economic system. In his work *Çağımızın Buhranı*, Röpke stated that in a system where occupational organizations, a.k.a. corporations, have some kind of regulatory authority, a good outcome could be achieved if and only if state and national economy could benefit this authority collectively. (Röpke, 1967, p. 95) However, according to Röpke, one of the two results this system leads to is national economy to be run by corporations and political economy to be dominated by manners similar to lynching institution in criminal law. Markets lose the regulatory authority on the economic processes, then essentially political decisions would barge into economy. (Röpke, 1967, p. 95) However, Röpke says, leaving political decisions to institutions other than state is simply ignoring the state. Therefore, according to him, establishing a corporative system in a democratic state includes leaving state sovereignty to economic groups. (Röpke, 1967, p. 95)

Louis Rougier, also, criticizes this side of the corporatist economic system. In his work *Les Mystiques Economiques*, the author made an example of corporations of the Ancien Régime, and stated that the corporations pursue their own interests at the expense of the society. According to Rougier, with the bilateral monopolistic economy created by the corporatist system, a privileged capitalist and a privileged working class would emerge. Thus, giving autonomy to the corporations and authorizing them in economic decision making process would weaken the state sovereignty. (Rougier, 1938, pp. 127 - 128)

About the regulatory authorization of corporations, the criticisms of Louis Marlio shows some similarity with the other liberal philosophers’ explained above. In his work *Dictature ou Liberté*, Marlio stated that if corporations have the authority of to set prices and make production decisions, workers and employers would agree on applying a Malthusian policy based on high prices, protecting high wages and

high profits. (Marlio, 1940, p. 68) About the sovereignty matter, Marlio's view differs from above philosophers'. According to the author, if corporations have the authority to fix the prices and limit the production level, on the decision making process the state would intervene into the mechanism. Then, corporations would become members of hierarchical organization of the State and lose their autonomy. (Marlio, 1940, p. 68)

The third criticism of the liberal school towards the corporatist economic system is on the division between corporations and the autonomous structure of them about internal disputes and the effects of this on general welfare. In the book called *İnsan Eylemi*, Ludwig von Mises stated:

“In the social cooperation system under the division of labor, there is nothing only to the interest of private factories, businesses, or branches of industry, and not to the interest of anyone else. There is no internal issue of guilds or corporations that does not affect the whole nation. A branch does not only serve to workers who work on that branch, it serves everybody. If there is any inefficiency in a branch, or any reluctance to implement the most applicable way in production processes, or wasting scarce production resources, everybody's material welfare would be harmed. An individual could not leave the decisions about choices of technological methods, the quantity and quality of products, employment periods and thousands of issues to the guild administrations since the outsiders are not counted as members.” (Mises, 2008, p. 767)

According to Mises, in the competitive system, the demands of consumers are important. On the other hand, in the corporative system, corporations would act as monopoly, dominate the production decisions, and if they become autonomous structures, there would be nothing to keep them acting in favor of their members at the expense of the rest of the society. (Mises, 2008, p. 767) According to Mises, under the guild system, competitive or monopoly prices do not exist, therefore, guilds having the monopoly of supply of necessities could become dictatorships. In this situation, the ones who have the monopoly of production would turn to actions negatively affecting consumer welfare. According to Mises, consumers would not tolerate this situation, this would create a conflict between consumers and decision makers. In this situation, state intervention would not be a rare measure, it would become a law, and the result would be total etatism. (Mises, 2008, p. 768) At this

point, the critique addressed by Marlio coincides with the one addressed by Mises. Marlio stated that with the cooperation of working class and employers on a Malthusian policy, consumers would be harmed, general welfare of consumers would decline dramatically. (Marlio, 1940, p. 68)

The main critiques addressed towards corporatist economic system by liberal philosophers were analyzed above. To summarize, these are the difficulty/impossibility of employing the corporatist economic system in the period subject to research and the inefficiency it would create in the economy; extinction of state sovereignty and decline in the general welfare created by leaving the economic decision making to interest groups; the autonomous structure of corporations and its negative effects on consumer welfare. Next, the critiques addressed by liberal philosophers to the countries implementing corporatist system will be investigated.

The opinion shared by almost all liberal philosophers subject to research is that none of the countries claimed to implement corporatist economic system actually applied corporatism. According to Lippmann, such organizations existed in Italy, Russia and Germany, however in none of these countries regulatory power transferred to these organizations. Sovereignty remained in dictatorships, after all only a dictatorship could hold different interest groups together and keep them from an alliance against general welfare. (Lippmann, 1938, p. 118) In the work called *Human Action*, Mises stated that Italian Corporative State was a copy of British “guild socialism” and neither the Italian Fascists, nor the Austrian and Portuguese governments showed any effort to realize the cooperativist utopia. The author stated that Italians named various organizations as cooperativist and changed the names of political economy professorships to *economia politica e corporativa*. However, Mises says, there were no questioning about the essential characteristics of cooperativism, namely autonomous administration of different branches of industries and trade, at all. (Mises, 2008, p. 766) According to Mises, what was happening in Italy was the adaptation of economic policies and state intervention policies in any other non-socialist states. (Mises, 2008, p. 766)

Another scholar who argued that the corporatist system being applied was not real corporatism is Louis Rougier. According to Rougier, in the countries where corporatist institutions were made mandatory, namely Austria, Hungary, Romania and Bulgaria, corporations were much alike integrated syndicates of France established in 1884, their duties were confined to only social welfare and occupational training. (Rougier, 1938, p.117) The corporative regimes of Italy, Germany, and Portugal, on the other hand, were authoritarian regimes established with a corporative superstructure using existing syndicate structures, however, self-discipline of the branches of industries were excluded. In these countries, corporative organizations were structures in which all companies were articulated to each other aiming the use of “armies of labor” and resources on behalf of the political interests of dictatorial state to establish the social peace, i.e. were apparatuses of economic etatism. (Rougier, 1938, p. 118) According to Rougier, Italian Corporative State was a regime which sought balancing the conflicts that bourgeois society encountered in the past; reconciling the liberalism advocating the individual enterprise and socialism advocating the state control using the self-discipline of production left to corporations between anarcho-liberalism and conformist collectivism, between destructive communism and chaotic conservatism, between emotional humanitarianism and selfish individualism. (Rougier, 1938, p. 118) Regulatory power given to these corporations confined to injecting the worker groups with the doctrine of the ruling party, controlling the producers' activities, and using the economic wealth in favor of the interests of the ruling party. (Rougier, 1938, pp. 128 - 129) Citing Augusto Turati's *La carta del lavoro: illustrata e commentata*, published in 1927, Rougier stated that corporations were in the hands of the authoritarian state, and the duties of syndicate organizations were much more than economic regulations; policing, revealing and punishing the opposition, taxation and collection of taxes, propagandizing the political system and education of the political system were also among the duties of these syndicate organizations. (Rougier, 1938, p. 132) Rougier described this corporatist system as a economic-bureaucratic statism, and gave an example from Germany: In Germany, the agricultural organizations were given some relatively little regulatory power, however, regulations of credit, land legislations and customs regulations were to stay in government. (Rougier, 1938, p. 128 – 129, 131)

Summing up, liberal philosophers suggested that the states claiming to be corporative states actually did not implemented corporatism, that these implementations were some different kind of economic statism, that corporations were only in appearance, that they did not have the power to make decisions about the branches of industries they established in, that the decision maker still was the state itself.

II.2 The Liberal Approach to Corporatism as a Social Phenomenon

In the previous section, the approaches of liberal philosophers towards corporatism as an economic system and applications of countries claimed to had implemented corporatist economic system were analyzed, and it is concluded that liberal philosophers' approaches towards corporatism as an economic system were negative. In this section, how liberal philosophers approach towards corporatism not as an economic system but as a social system will be investigated.

Corporatism was covered as a social system by Louis Marlio in his work *Dictature ou Liberté*. The author defined a “social corporation” as a part of his design of a new liberalism for studies of renovation of liberalism that was encountered in 1930s, after the Great Depression of 1929. According to Marlio, no matter how it was dangerous or impossible to trust corporations for solution of economic problems, looking from a social perspective, corporations might be useful for removing or relaxing the class struggle. (Marlio, 1940, p. 226)

Marlio stated that to remove the class struggle, a profit sharing method was thought to be useful however, this method proved to be impractical after a period of trial. (Marlio, 1940, p. 227) Among the reasons why this method failed, the author stated, there were the factors of the size of the working class leading to be profit shares were small enough to ignore but the power of strike large enough to endanger the whole production process; the ambiguity of how the shares were to be made

between different industries, between different occupations, etc. (Marlio, 1940, p. 227)

Instead of this impractical and failed profit sharing system, Marlio recommended the social corporation system. When investigated, the social corporation of Marlio differed from corporations of economic system by not having the regulatory power of production processes and prices. As in the economic corporations, in the social corporations both employers and workers of a branch of industry would be in the same corporation. (Marlio, 1940, p. 227)

Among the duties of social corporations, there would be social security issues, apprenticeship and occupational training. These corporations would be the direct connection between the workers and employers. With this system, Marlio proposed, the conditions particular to the occupation could be argued with participation of workers and employers in an equitable environment, workers and employers could develop empathy each other, and thusly the two sides became aware of each others problems could approach with more tolerance, therefore the class struggle could be eliminated. (Marlio, 1940, p. 230)

Social corporatism superficially defined by Marlio in the book *Dictature ou Liberté*, was much alike the corporatist system implemented in Portugal. In the corporatist system of Portugal, corporations stayed as simple occupational organizations. In the book *Les Mystiques Économiques*, Rougier stated that in Portugal, only the employers' organizations were given the regulatory power for production and prices by a law dated February 22nd, 1933. However, since these employers' organization tended to form a monopolistic structure, the regulatory power was taken away from them by another code dated December 3rd, 1934. (Rougier, 1938, p. 128) In his book called *Dictature ou Liberté*, analyzing the corporatist economic system Marlio stated that the corporatist regime in Portugal was an ideal type of corporatism because of the non-regulatory structure of corporations. (Marlio, 1940, p. 69)

In the second section of this part, the liberal philosophers' approaches towards corporatism as a social system were discussed. As a result, as an economic system being rated negative, corporatism is seen as useful when it comes to social structure.

In the second part of this thesis study, the relationship between liberal economic philosophers and corporatism was analyzed. Implemented between the years of Great Depression and the Second World War, how corporatism was seen by the liberal philosophers of the time in terms of the studies of renovating liberalism. How they approached towards corporatism as an economic system and as a social system was discussed separately.

III

CORPORATISM AND LIBERALISM

In the previous part of this thesis study which does an *economie-politique* analysis of the relationship between corporatism and liberalism during the period between 1929 – 1939, the approach of liberal economic school of thought towards corporatism as an economic system and as a social system analyzed separately.

In this third and the last part of this thesis study, the relation between corporatism and liberal economic system will be analyzed. This analysis will be done by taking the realized relationship between corporatism and liberal economic system and will be constituted by two main sections. In the first section, the similar aspects of the corporatist economic system implemented in Italy and the liberal economic system implemented in the previous period will be examined. In the second section, the similar aspects of the new liberal thought, the new liberal economic and social system which was being built in the period subject to research and corporatism will be examined.

III.1 Similar aspects of corporatist economic system and liberal economic system

In the first section of this third part of this thesis study, the similar aspects of the corporatist economic system applied by the fascist government of Italy with the liberal economic system which had been applied before will be analyzed. This analysis will be made by looking into the labor policy and capital policy of the corporatist economic system.

III.1.1 Labor policy in Fascist Italy

The fascist government in Italy aims to prevent the decline of profits of capitalists and ensure that the enterprises of capitalists become efficient. The policies run against the working class takes the lead fulfilling this aim. In short, these policies are destruction of syndicates and replacing them by syndicates devoted to the state, removal of right to strike, abolishing the existing collective agreements and replacing them with collective agreements compatible with employers' demands, therefore making the employer to dominate the workplaces.

The fascist government of Italy would use all the authority it has to prevent any organization that could be formed by workers. As stated in the first part of this thesis study, the syndicates would be either formed by the state or chosen from the existing syndicates that became compatible with fascist government, an ally of the fascist government by the state. (Göze, 1968, p.113) The shop stewards of these syndicates would be officials of the state, assigned directly by fascist government. (Guérin, 1975, p.262) These syndicates would be inspected by the state, the control of the workers was out of the question. (Guérin, 1975, p.262)

To understand how fascist syndicates were formed, it is necessary to analyze the agricultural syndicalism and the industrial syndicalism separately. Fascism, firstly, attacked the agricultural syndicalism, which was weaker than industrial syndicalism, before it had come to power. The buildings of non-fascist syndicates, defined as “red” syndicates by Guérin in *Faşizm ve Büyük Sermaye*, were burned to

the ground. Also, the buildings of the cooperatives of agricultural labor were attacked, and militants in charge in these associations were killed. (Guérin, 1975, p.263) In the senate talks in 1926, Mussolini explained this process as follows:

“How was this fascist syndicalism born? Birth: 1921. Place: The Valley of Pô. Conditions: The conquest and destruction of fortresses of revolutionism.” (Guérin, 1975, p.263)

In the agricultural sector, the employers were only hiring employees who were members of fascist associations/syndicates, they were only doing business with fascist sharecroppers and farmers should show their fascist syndicate cards to get loan from banks. (Guérin, 1975, p.263)

The existing collective agreements have lost their binding feature for the employers as the fascist unemployed people were moved to the regions in which the “red” syndicates were organized. The workers who were members of the “red” syndicates have got fired, instead, the unemployed fascist workers were hired. In a manner of speaking, the local workers who were members of “red” syndicates were “condemned to die of hunger.” (Guérin, 1975, p.263) Thus, these workers were forced to be members of fascist syndicates, implicitly. In the work called “Le Fascisme”, published in 1921, Gorgolini explained this situation as follows:

“The cards, the logs, the registries, the flags, all of them were packed and all set off to be submitted to the nearest *fascio*.” (Guérin, 1975, p. 263)

After the destruction of agricultural syndicalism, the disorganization of “red” syndicates in agricultural sector in Fascist Italy as explained above, the industrial syndicalism was in line.

The intervention of fascism into the syndicates organized in the industrial sector was not as easy as the case of agricultural syndicalism. Fascist Party was able to intervene in industrial syndicalism only after it came to the power. (Guérin, 1975, p.264) However, the path was almost the same. Local *fascios* pressured workers to become members of fascist syndicates. As in the agricultural sector, people could only be hired if they were a member of fascist syndicates in the industrial sector, the ones that were members of “red” syndicates were either got fired or could not find a job. The employers were registering their employees to fascist syndicates themselves, and the subscription fees were deducted from employees' wages. (Guérin, 1975, p.264)

Different from agricultural syndicalism, a process of discredit-then-attack was performed in industrial sector syndicalism. An example of this, the shut-down in the Terni steelworks, is explained in Rossi's *Naissance du Fascisme*:

“The factories shuts down in July 1922 because of shortage of order. The “red” syndicates obtained the promise that the factories would open up again in September 1st, 1922. However, when the day came, the factories were still closed. Then, the fascists invaded the city and they discredited the socialists who gave the promise that the factories would be opening in September 1st and they burned two syndicate headquarters down. When the operation ended, the steelworks administration decided to start up. Hereafter, they only consider the fascist syndicates as interlocutors.” (Guérin, 1975, p.264)

The fascist syndicates monopolised the syndical representation with a decree dated April 3rd, 1926. In a talk about the fascist syndicalism dated March 11th, 1926, Mussolini stated:

“Fascist syndicalism is a powerful and an obedient mass movement under the absolute control of government and fascism.” (Guérin, 1975, p.267)

The leaders of fascist syndicates were assigned by government, workers had no right to speak in the bargaining meetings, no discussion was allowed.

Participation in these syndicates was said to be up to workers' choice, however, whether they participated or not they had to pay the subscription fees and they were subject to wages which these fascist syndicates and employers agreed upon. (Guérin, 1975, p.267-268) Any worker who did not participate in these syndicates could not find a job and had no right to benefit from unemployment insurance, as in the agricultural sector. Fascist government had the right to exclude any worker it wanted to from these syndicates, and that meant the worker excluded from syndicates to be unemployed. The rights of the workers did not take place in the collective agreements made by fascist syndicates and employers, instead, there were the duties of workers to the state and the employers (Guérin, 1975, p.267-268)

In labor disputes, the referee task was undertaken by the representatives of fascist state. In case of a dispute between the employer representatives and employee representatives, who were already an official of fascist state, or in case of an equality of number of votes of employer and employee representatives during collective bargaining, the referees of fascist state stepped in and this process usually resulted in favor of employers. The demands of employer representatives were presented as the viewpoint of referees of fascist state. (Guérin, 1975, p.269) Opposition against the rules made by referees or resistance against the employer in the work places were regarded as resistance against the state. For the sake of social peace, the right to strike was removed, and the attempt to strike was regarded as a crime subject to severe disciplinary punishment. (Guérin, 1975, p.270) As a result of this situation, the wages subject to contracts was replaced with wages varying from workplace to workplace and from region to region; and decreases in wages faced no resistance from workers, the law clearly stated that "Provided the situation in the period in which the collective agreement is made to change significantly, it is possible to create new working conditions without waiting the end of the validity period." (Guérin, 1975, p.270-271)

In this subsection, the policy of Fascist Italy towards the organization of workers in agricultural and industrial sectors is analyzed. To summarize, resistance against the state or the employer, demanding rights, and strikes were banned, participating in opposite syndicates was made *ipso facto* impossible, the state and the

employer dominated the syndicalism. In the following subsection, the capital policy of fascist state will be analyzed.

III.1.2 The capital policy in Fascist Italy

In the previous subsection, the labor policy of fascist government in Italy was analyzed. In this subsection, the capital policy of fascist government aiming to increase the profit rates of capitalists in industrial, financial and agricultural sectors will be investigated.

The characteristic of the industrial policy of fascist government was the attitude of the government regarding the intervention into production processes. Fascist government was a proponent of private property and private enterprises. It declared that it would not intervene into production process by any means. (Guérin, 1975, p.313) Mussolini declared this attitude in his talks as follows:

“There are some duties and authorities of the state that it do not bear the ability to fulfill and it misuses. These duties and authorities should be deprived from the state.” (Guérin, 1975, p.315)

“I think that state should give up its economic functions especially the duties that are carried out by monopolies. Because, the state is incompetent in this area.” (Guérin, 1975, p.315)

“Basta con lo Stato ferroviere, con lo Stato postino, con lo Stato assicuratore. (Enough of the railroad state, the postal state, the state as an insurance agent.)” (Baker, 2006, p.232)

The attitude of the state regarding not intervening into production processes, actually, showed variations from time to time, and case by case. It is as follows, state did not intervene into production processes as long as the capitalists do not wanted it to intervene. When capitalist wanted the state to intervene into economy, the state was ready to accomplish the job. The intervention usually actualized as socialization of the losses of capitalists and the special orders of the state. In the following lines, this situation will be explained in a detailed way.

Firstly, fascist government was a proponent of private property and private enterprises. In this context, some branches where state held a monopoly position left to private enterprises. In doing this, the branches brought up to a situation with positive profits, then they were transformed into private businesses. The monopoly of match factory, telephone company (1925), and life insurance from the state monopoly of insurance which was founded in 1912 (1923), were privatized. (Guérin, 1975, p.315)

In the state intervention into economy context, the first one was tax exemptions granted to private enterprises. About the tax exemptions the Minister of Finance of that period stated:

“We have ended the practice based on a sense of hounding the capital. A financial system on the basis of oppression of capital is a system thought dazedly.” (Guérin 1975, p.319)

The obligation of registration of valuable deeds was removed from November 10th, 1922 onwards, thus it became easy for capitalists to dodge the income tax. As a second example, with a decree dated November 19th, the commission of inquiry for the war profits was abolished. In addition, from August 20th, 1923 onwards, the succession duty was removed, and after this, the tax on wealth was removed. In February 1925, the additional taxes on securities was removed. In 1927, tax deductions that eased up the mergers of corporations were granted, and taxes collected from the capital invested in banks and industries were removed. The taxes

collected from managers of corporations were deducted by half; foreign investment and luxuries became tax exempt. (Guérin, 1975, p.319)

Another way of state intervention was the issue of legal regulations preventing competition. Some restrictions were implied on foundation of new industries, this situation helped existing industries to increase their profit rates. This kind of an intervention suited best for capitalists' interests than economic liberalism.

The first regulation fascist government implied was the authority to ban the registration of transactions done by companies with capital amounting to 5 million liras or companies achieved capital of 5 million liras by capital increase by courts given to Ministry of Finance in 1926. After that, with a legislation issued in 1927, foundation of new industries with certain sizes was subjected to permission given by the state. This permission was extended to national security branch in 1929, shipbuilding yards and transportation in 1930. (Guérin, 1975, p.320-321)

Another benefit provided for capitalists by the fascist government was the interventions allowing capitalists to be the decision maker in the price determination process. In Italy, for any producer organization to be the decision maker of prices, there was an obligation to represent at least 90% of total production in their branches. In order to actualize this kind of power, fascist government made the opposing producers to enter the producer organizations where producers were in allegiance with fascist state. By doing this, producer organizations would become able to increase the prices as they wanted in their branches and increase their profit rates. (Guérin, 1975, p.322) By a legislative decree issued in 1931, "principles regarding to foundation of consortiums in various branches of iron industry aiming to regulate the production and sales" was issued and these consortiums were founded. In 1932, these consortiums expanded into all industrial branches. By a legislative decree issued in June 16th, it was stated that "it could be decided to found consortiums within the industrialists in the same economic branches to regulate the production and competition." and it was determined that for these consortiums to make binding decisions in their branch, they had to represent the 70% of the number of workshops and 70% of the production in last three years. (Guérin, 1975, p.322-323)

Another contribution to grand capital made by fascist government was the purchase of shares of companies which were in financial difficulties; this was done via open market operations, a kind of intervention into market. Since the purchases was a kind of open market operations, nationalization of these companies was out of the question, they were still private enterprises. When the value of shares started to rise again, they were sold back. (Guérin, 1975, p.325-326) Following this way, the Ansaïdo ore trust was enlivened. (Guérin, 1975, p.326) In 1924, a special bureau was founded for liquidation of banks and companies gone bankrupt, the losses of these banks and companies were covered by the state, i.e. the losses were socialized. Banco di Roma, Banco di Sicilia, and Banco di Napoli which become sunk because of the deflation crisis of 1926 were returned to profitability by resource transfer of the state. (Guérin, 1975, p.326)

The resource transfer done by the state to enterprises bearing losses continued with an increase after the Great Depression of 1929. When the banks, which had the stocks of the companies that gone bankrupt, like Banco di Milano, Credito Italiano and Banca Commerciale started to go bankrupt, the state intervened. Three autonomous institutes, namely Sofindit, Italian Institute of Securities, Institute of Industrial Development were founded and these institutes issued emissions. The income coming from these transactions transferred to institutions gone bankrupt. (Guérin, 1975, p.327) This is also an example of socialization of private losses.

By these resource transfers, the state never thought of nationalization of the enterprises, state only socialized the losses. In one of his talks, Mussolini stated:

“The $\frac{3}{4}$ of the Italian economy today, is in the arms of the state. If I wanted to build state capitalism or state socialism (this is out of question by the way), I have all of the necessary and sufficient objective conditions to accomplish this.” (Guérin, 1975, p.328)

About nationalization, Giuseppe Bottai, one of the advocates of Fascist Authoritarian Corporatism, stated that they did not think to accelerate the dispossession came with The Great Depression of 1929. (Guérin, 1975, p.328) Although, it was announced in 1936 that the Italian banks were nationalized, they

were made private banks subject to national law. (Guérin, 1975, p.329) About the nationalization of grand industries, Mussolini indicated that he was not in favor of nationalization by stating:

“Will the state intervention towards grand industries be direct or indirect? Will this intervention turn to be an administration or controlling mechanism? In some branches, this will be a direct administration, in others it will be a efficient control. Also, it could be thought to build a joint enterprise in which the capital will be supplied by state and private entrepreneurs, and the administration will be carried out by state and entrepreneurs.” (Guérin, 1975, p.329)

Another intervention of fascist government to the economy was to satisfy for the lack of demand and private investment caused by the Great Depression. During the 1932, only the 10% of the emissions were issued by the private sector, 90% of them were issued by the semi-nationalized finance institutes indicated above in Italy. (Guérin, 1975, p.332-333)

In *Faşizm ve Büyük Sermaye*, Guérin grouped the orders demanded by the fascist government into two: First of them was the great public works which was inefficient and usually done for prestige; the other was orders for national security. (Guérin, 1975, p.333)

Fascist government undertook public works worth 43 billion liras between October 1922 – June 1934, railway works are not included in this amount. A considerable part of this expenditure was made for non-productive investments. Although the deficit in the railway enterprise reached to 900 million liras in 1935, new railways continued to being built. (Guérin, 1975, p.333-334) Although there were huge decreases in the volume of foreign trade, the harbors like Genoa, Trieste and Venice rearranged several times, lots of money was spent for these rearrangements. (Guérin, 1975) Although the use of automobiles was almost 1/5 of that in France in the same period, lots of resources were allocated for building highways, in June 1934 the total length of the highways was 544 kilometers. (Guérin, 1975, p.333-334) Almost 500 million liras were spent for urban development works like “Aestheticizing the Eternal City”, a resource of millions of liras was allocated

for building of Ministry of Aviation. (Guérin, 1975, p.334) In the propaganda texts, it was written that these investments would prove valuable later. (Guérin, 1975, p.334) Later, these public works were suspended for the reason of saving, and the resources allocated for these public works were transferred to national security expenses. (Guérin, 1975, p.335)

After coming to power in Italy, fascist government undertook expenses amounting to 5 – 6 billion liras to form a military exceeding the satisfaction of the national security needs of the country by far during their first 7 – 8 years. When 1935 arrived, the industries that showed the highest advancement were the industries capable of doing business for the military. The Minister of Finance of that period stated that for the years 1934 – 1938, the amount of money that is allocated for “extraordinary expenses” was 36 million liras, and that there was a need for 12 million liras for the period of 1938 - 1939. (Guérin, 1975, p.336-337)

When it comes to capital policy in agriculture, fascist government did not touch the *latifundia* – the large manors, strictly opposed segmentation of lands. Once a proponent of land reform, fascist government withdrew the proposal indicating the confiscation of uncultivated or miscultivated lands for a pay of compensation proposed by the catholic representatives in 1922 without negotiation after they came to power. (Guérin, 1975, p.387) Furthermore, fascist government canceled the Visochi decree which entitled villagers to occupy infertile lands for a limited time in January 1923. (Guérin, 1975, p.387) The importance attached to private property by fascist government in the context of agriculture was stated in a brochure by Barravelli as follows:

“Fascist regime believes that private land property has a great importance. It does not touch the large proprietors, it respects the principle of property scrupulously.” (Guérin, 1975, p.387)

About the land reform, the Minister of Agriculture of that period Rossoni indicated that lands belonging to proprietors would not be expropriated and stated

“We are Fascists, not Socialists.” in 1936. (Guérin, 1975, p.389) During their government Fascists did not attempt to do any land reform.

Thereunder the law of “full redress of land” issued in 1928, all or some portion of the lands belonging to the proprietors who fail to cover the costs of redressing the land were confiscated by the consortium of land redress they are attached to. (Guérin, 1975, p.388) In application it is seen that confiscation stayed very limited, that the consortiums turned the lands redressed over to speculating companies instead of allocating them to small-scale producers, and that these companies sold the lands redressed at a higher price. (Guérin, 1975, p.388) In 1934, another law was issued proposing the lands confiscated to be redressed by the state and then to be allocated by the state. However, failing to cover the costs of redressing constituted a threat for small-scale producers than for large-scale producers, therefore the lands confiscated by the state belonged to small-scale producers. (Guérin, 1975, p.388-389)

Fascist government helped the large-scale land proprietors to exploit the agricultural labor more than they ever could. For agricultural workers, free syndical organization, fixed working hours, and unemployment insurance were out of the question. Their wages were under the minimum wage level. Their mobility was very limited, they were not able to leave agricultural work and migrate to urban areas, they were not allowed in cities. (Guérin, 1975, p.394-395)

Having a strong syndical movement after the World War I, agricultural workers had more or less the same bargaining power as agricultural proprietors. After fascist came into power, one of the first things they did was disrupting this syndical movement, workers were made to become the members of the fascist syndicates founded instead of their syndicates and under the authority of the agricultural proprietors. (Guérin, 1975, p.395)

Before fascist came into power, the syndicates in which the agricultural workers were organized were affiliated with the elected city councils. (Guérin, 1975, p.395) In the period of fascist government, these city councils were disrupted, instead, *podestas* which were either a land proprietor or a rich peasant were assigned by the central government. (Guérin, 1975, p.395)

By a law issued on December 30th, 1923, agricultural workers became deprived of the right to unemployment insurance and the old collective labor agreements were canceled. The new collective agreements made instead of the agreements canceled did not include any rights of agricultural workers. As an example of these new agreements, according to the collective agreement that was made for the Mantone province, an agricultural worker's working hours was decided to be 8 hours for a day. However, with an additional article, they were made obliged to work extra hours without an additional payment. (Guérin, 1975, p.395-396) There were also some disadvantages regarding wages in these collective agreements of the Fascist government. In the city of Milano, the wages reduced to one half of the wages before Fascist came into power. Although the minimum wage Mussolini decided was 8 liras per day, in most regions the wages stayed below this minimum wage. (Guérin, 1975, p.396) In addition, considering the decline in agricultural employment during winter, to encourage the land proprietors to hire more workers, minimum wages was being cut. (Guérin, 1975, p.396) With these cuts, the minimum wage decreased to very low levels, for example, in Gorli, the minimum wage was 3,55 liras during winter. (Guérin, 1975, p.396)

The mobility of agricultural workers was also limited. Migration from rural to urban was banned. By a decree issued in 1928, the governors acquired the authority to prevent migration from rural areas to urban areas. (Guérin, 1975, p.397) Another implication to keep the agricultural labor tied to land was “wage in kind” under the name of “collective partnership”. In this “collective partnership”, workers were a party to the crop. The one third of the crop was the right of workers, however, this ratio could vary depended on the productivity and structure of the business. (Guérin, 1975, p.397) This method of “wage-in-kind” caused workers to have less cash and limited the mobility of them. (Guérin, 1975, p.397) Another benefit of the system of “collective partnership” to the propreitor was fast consumption of the crop produced, keeping the production cycle. (Guérin, 1975, p.397)

Another policy of fascist government regarding agricultural labor was the worker exchange between Italy and Germany. Workers were sent from Italy to Germany to work in agriculture, and in the guideline of the workers sent, the following text was written:

“Thanks to the regime, as an Italian, as a soldier of the Great Fascist Labor Military, you are going for an organized service.” (Guérin, 1975, p.398)

The wage set for these workers was 7,60 liras, which was under the minimum wage of 8 liras set by Mussolini. (Guérin, 1975, p.398)

Fascist government followed policies to ease and speed up the process of penetration of industrial and banking capitalism to rural areas. By bringing electricity to rural areas, the trusts owning hydroelectric plants got richer. (Guérin, 1975, p.419) As a return for concentration of production processes, the demand for agricultural machines increased, this benefited the metallurgy consortiums. (Guérin, 1975, p.419)

In this subsection, the policy of fascist government regarding capital in industrial, financial and agricultural sectors. To summarize, fascist government supported private property and large-scale producers. State was not an entrepreneur in the markets itself. Fascist government did not intervene in the markets unless the capitalist wanted it to, and the interventions made by the government benefited the capitalist. Fascist government strictly opposed the land reform. As a result of the policies, fascist government caused the small-scale agricultural proprietors to exit the market. Fascist government imposed ban on migration of agricultural workers to cities, tying the worker to the land.

In this section, the economic policies that were followed by the fascist government within the corporatist economic system in Italy were analyzed. This analysis of the policies of corporatist economic system was conducted by analyzing policies regarding labor and capital separately. To sum up, regarding labor policies, fascism made workers to be more dependent on employers by decreasing wages, destructing the syndicates, making workers to be members of syndicates working in favor of employers (capitalists) and removing employment securities. Regarding capital and finance policies, fascism supported private property and private enterprise, did not intervene into the markets opposing the industrialists and large-scale land proprietors, aimed to increase the profitability of capitalists by interventions.

In his book “*Faşizm ve Büyük Sermaye*”, Guérin cites a worker's letter published in the “*Völkischer Beobachter*”, which was the organ of Nazi Party in Germany. That worker stated:

“Anyone who has some knowledge about the economic issues does not believe that capitalist system had been removed. It is true that the public finance methods gained a different character, a character of oppression and enforcement. However, capital, or what is generally understood from that word, had never been as strong and privileged as it is today. Business world is hoarding huge profits and reserves. Laborers are always told to be waiting. While the great ones are pouching huge profits, the small ones buy stocks for future. If this is not capitalism, frankly, I would like to know what is. Some group of people gain huge profits at the expense of others. This is what capitalist exploitation is.” (Guérin, 1975, p.439)

III.2 The aspects of liberalism under renovation similar to corporatism

In the first section of this part of this thesis study, similar aspects of the corporatist economic system that was implemented by the fascist government in Italy to the liberal economic system which was common before was analyzed. This analysis was made by looking at the labor and capital policies. In this section, an analysis of the traces of corporatism on the new liberalism which was being tried to have a consensus in the studies of renovation of liberalism.

To do this analysis, a short return will be made to the first part of this thesis study in which there is a historical analysis of corporatism, the systems which was brought up by the philosophers belonging to schools of thought advocating corporatism will be looked at and a connection will be tried to be made between them and the work of liberal philosophers who attended to the Colloque Walter Lippmann which was concluded with the decision of founding *Centre international d'études pour la Rénovation du Libéralisme* and continue the studies.

In the first part of this thesis study presenting a historical analysis of corporatism, it is stated that in the article named *Still the Century of Corporatism?*, Schmitter indicated that there were thirteen different schools of thought advocating

corporatism, and from these schools, the organic theorists, pre-marxist protosocialists, social christians, radical bourgeois solidarism, anti-capitalist syndicalism and fascist authoritarianism is explained, with an emphasis on fascist authoritarianism. Within these schools, there are variations on the political systems accompanying corporatism. Since these variations are explained in the first part, they will not be repeated here.

As it is indicated in the historical analysis in the first part, corporations which are the integral part of corporatism have an active role in pre-marxist protosocialism, anti-capitalist syndicalism and radical bourgeois solidarism from the schools of thought that was analyzed. Sismondi from the Pre-Marxist Protosocialism approved the state intervention into economic area, advocated the state regulation on industry, trade and land proprietorship, demanded the relationship between capital and labor to be regulated by the state. (Göze, 1968, p.57) Corporative representation was the essence of Sismondi's state design. One of the two parliaments in his design was founded according to corporative representation principle; the representatives of the Church, of organizations formed by the universities, of organizations formed by the teachers, of barrs, of art foundations, of occupational foundations formed by agricultural labor and landowners, and of occupational foundations formed by industrial labor and employers were in this corporative parliament. (Göze, 1968, p.59) His demand of state to be efficient in the economic decision-making and the corporative parliament in his state design indicates that corporations have an active role in economic decision-making. Another philosopher from Pre-Marxist Protosocialism, Saint-Simon wanted a technic state instead of a political state and he indicated that, instead of politicians, people who “generates material and moral values” should be efficient in the administration of the state. In this state of which main aim was to increase the level of production, there are three chambers, namely “Chambre d'invention”, “Chambre d'examen” and “Chambre d'exécution ou des communes”. (Göze, 1968, p.85-87) Since he advocated that producers should be in the administration of the state, Saint-Simon wanted the professional organizations should be in the forefront. Corporations have an active role in this state design. Another philosopher belonging to this school of thought Proudhon gave an active role to corporations in his state design, also. In Proudhon's social system, there is an economy-based state and he advocates federalism instead of system of political state.

The federalism in Proudhon is more of an economic federalism than a political federalism and this economic federalism is based on mutual contracts between equal parties. Proudhon's federalism is constituted by the organizations formed by these contracts. In the basis of this social system of Proudhon there were corporations carrying out various duties in the society. (Göze, 1968, p.89-90) To sum up, it could be said that in the social systems of philosophers belonging to Pre-Marxist Protosocialism, Sismondi, Saint-Simon and Proudhon, corporations have an active role.

Another school of thought advocating a social system where corporations have an active role in the administration of the state and the economy is Anti-Capitalist Syndicalism. This school of thought foresees the destruction of political state by a revolution and foundation of an economic state on remnants of the political state. (Göze, 1968, p.97) The constituent of this social system is not the individual but the syndicates. Since the society is based on work and labor relations, everything is based on labor, the philosophers of this school advocated that social system should be based on labor unions. (Göze, 1968, p.96) So, the domination of workers who are seen as the sole producers by the philosophers belonging to Anti-Capitalist Syndicalism on the state administration will be obtained. (Göze, 1968, p.97) In short, it could be stated that the school of Anti-Capitalist Syndicalism, too, gave an effective role to corporations/labor unions in state administration.

Another school of thought that gave an efficient role to corporations was Radical Bourgeois Solidarism. According to Emilé Durkheim who belonged to that school, corporations formed by the workers belonging to an occupation are placed between the individual and the state and they satisfy various needs of the individual, therefore, they should dominate the state administration. As a reason for this, he proposed that interest relations in a society are needed to be reflected to the state as they are. (Göze, 1968, p.59-60) Another philosopher of this school, Léon Duguit argued that to achieve the information regarding the social structure of a society, the organizations based on interest and cooperation principle should be represented in the parliament. (Göze, 1968, p.64) In his work titled *Traité du constitutionnel*, he indicated that the labor and employer unions, companies, small-scale industrialist and trader organizations in the cities, and agricultural syndicates are elements of the

social power and he proposed a second corporative parliament which represents these organizations in addition to the political parliament. His proposed that the state administration should be carried out by these two parliaments. (Göze, 1968, p.64)

Excluding Fascist Authoritarianism, from the five considered schools in this thesis study two of them, namely the Organic Theorists and Social Christians, gave non-effective roles to corporations in their corporatist state designs. As an example, Hegel from the Organic Theorists actually argued for the full dominion of the state. In his state organization, there is a monarch, a government, and two corporative parliaments. Dividing the society into two groups as the upper class and lower class (workers), Hegel indicated that the upper class is able to elect their representatives, however, the lower class do not have the freedom to elect, they only could be represented by the representatives of the occupational organizations they are a member of, and he did not give a legislative characteristic to these two corporative parliaments. These parliaments only have the right to declaration. (Göze, 1968, p.50) The other school of thought, Social Christians, also did not give an effective role to corporations. Tour du Pin, a philosopher of this school, proposed that taxpayers, the Church, the universities, and the occupational organizations should be represented in the parliament. These parliaments based on corporative representation system do not have a say in the state administration, these are only consultation chambers responsible for taxing and controlling the use of state income. (Göze, 1968, p.60-61) Social Christians, generally, elaborated that the workers, the employers, and the technicians belonging to same branch constituted a social organization. They argued that these social organizations, namely corporations, could make decisions binding for the branch they are organized in, however, this was proved to be an illusion in a short time. (Göze, 1968, p.62, Pirou, 1925, p.180) Once a proponent of efficient corporations, social christians turned to integral syndicates after a while. (Pirou, 1925, p.180)

As one could see, between the schools of thought advocating corporatism, there were the ones that base the state on the corporations and place them as the decision mechanism on the one hand; there were the ones that place parliaments representing corporations as consultation chambers and place a monarch, a president or a political parliament as decision maker on the other. This section will continue

analyzing how the corporations and corporative parliaments appeared in renovation studies of liberalism.

In the first section of the second part of this thesis study, the work in the context of renovation of liberalism of liberal philosophers participated in Colloque Walter Lippmann, Louis Rougier, Walter Lippmann, Ludwig von Mises, Louis Marlio, and Wilhelm Röpke was analyzed, and their thoughts about implementation of corporatist doctrine as an economic system were mentioned. The conclusion achieved from this analysis was, summarily, the difficulty/impossibility to implement corporatist economic system in the period subject to research and the inefficiency it brings; the destruction of the state sovereignty and the decreases in general welfare brought by leaving the decision-making processes to interest groups; the negative effect of autonomous structure of corporations on the welfare of consumers. Because of these reasons, liberal philosophers were negative on corporatist doctrine as an economic system.

In his work titled *Dictature ou Liberté*, Louis Marlio, one of the liberal philosophers mentioned above, indicated that corporations may be useful as social organizations in new liberal system tried to be built. The benefit of these “social corporations” as Marlio called was the assistance along the way to social peace through removing or easing the class conflict.

Marlio advocates “social corporations” in his design of new social order called “social liberalism”. According to Marlio, the laws of liberal economic system known as Manchester Doctrine is only viable under certain domestic and foreign policy, technical advancement and technological development. (Marlio, 1940, p.217) Marlio added that, for these laws to be viable, there is need for a hierarchy dependent on value and work, a mass willing to achieve high standard of living, and certain social psychologic circumstances including protection of human dignity. (Marlio, 1940, p.217) As drifting apart from these circumstances, Marlio adds, the efficiency of market economy decreases, and after a while, market economy stops working. (Marlio, 1940, p.217) According to him, instead of the orthodox liberalism, social liberalism which is a new social order, should be brought.

In this social liberalism, state could take economic precautions other than free movement of prices led to for a good cause, it means there is state intervention. As an example for this, Marlio indicated the state intervention on labor market citing the work of Jacques Rueff on the unemployment in Britain. According to laws of orthodox liberalism, to get rid of this unemployment problem, there should have been a dramatic decrease in wages, however, Britain chose to keep the high wages and to pay high unemployment benefits. (Marlio, 1940, p.218)

Marlio indicated that the people of the period he analyzed gave a high importance to wealth, however, they thought that social system should cover demands of the majority of people and he stated an appropriate social system should not be based on wealth or myths, it should be based on solid principles. (Marlio, 1940, p.221) Marlio stated that two of these solid principles that social liberalism defined were the protection of “free game” of private initiatives subject to state intervention, and a just progressive social policy. (Marlio, 1940, p.221) In Marlio's social liberalism state was “neither libertarian, nor authoritarian.” The main duty of the state was to carry out mediation or judging, if a conflict of interest between individuals or groups occurred. State had not a liability to be impartial. (Marlio, 1940, p.231)

The design of social liberalism Marlio brought up and the place of the state in this design shows some similarity to the state in Fascist Italy. As it was analyzed in the first section of this part, private enterprises are active in the economic area subject to state intervention in Fascist Italy. Fascist state carried out the mediation, and judging if necessary, through the corporations it founded; and it was never impartial or objective, it always sided with the capitalist.

The “social corporations” in Marlio's design of social liberalism are social organizations including employers and employees of a profession, as it is in theory. (Marlio, 1940, p.227) The duty of these social corporations is not the administration of the economy. The characteristic of the duties of corporations is non-effectiveness on economic administration like social security concerns, apprenticeship and occupational training. Corporations which could be on national, regional, or local level would solve the conflicts between employers and employees, manage the social

organizations regarding employees, be responsible for the family allowance, form the labor quarters, etc. (Marlio, 1940, p.228) Marlio argued that execution of these duties by the state created inefficiency, and indicated that, with the spread of “social corporations” to all regions, decision-making process would become particular to regions or professions, and the inefficiency would be eliminated. (Marlio, 1940, p.228) Being in the same organization, employers and employees could discuss the problems in an equal environment, they would be familiar with each other's problems, therefore, they would be tolerant with each other. Thus, Marlio stated, class conflict could be eliminated and social peace could be achieved. (Marlio, 1940, p.228?)

From this aspect, “social corporations” which was designed by Marlio, a liberal philosopher, is similar to corporations of Organic Theorists and Social Christians, which was analyzed in the first part of this thesis study, and shortly metioned above; Marlio stated that this type of a design is compatible with the point of view of Catholic Church. (Marlio, 1940, p.230)

In conclusion, after the Great Depression of 1929, some arguments started on liberal thought and following these arguments, studies of renovation of liberalism started, and liberal philosophers brought up their own designs of new liberalism. Social liberalism, which was brought up by Marlio as a new social order, is similar to both implementations of state on markets in Fascist Italy, and from the aspects of not leaving the economic administration to corporations, classing corporations as social organizations that are responsible for non-effective duties, Social Christians and Tour du Pin, and Hegel from Organic Theorists.

In this part of the thesis study analyzing the relation between liberalism and corporatism from the aspect of political economy, the similarities between the liberal system and corporatism in action, and between the designs of new liberalism and corporatism both in theory and in action were analyzed. It is concluded that Fascist Italy was implementing a liberal capitalist economic system with a strong state by being a proponent of private property and private enterprise regarding labor and capital policies, a proponent of capital regarding conflicts between capital and labor; that new designs of liberalism included the state interventions of Fascist Italy into

liberalism; that corporations which were non-effective in economic decision-making were included in designs of neoliberalism/social liberalism to achieve social peace.

CONCLUSION

In this thesis study, the relationship between corporatism and liberalism was analyzed from a political economy aspect subject to the period between the years 1929 and 1939. Research was conducted to understand whether there was a relationship between the economic systems these two doctrines proposed. Was Mussolini's claim indicating that corporatist economic system was a new system, a system that would solve the problems the society was having at that period is true? Or was corporatist economic system just another system that served capitalism like liberalism?

The analysis was done in three parts. In the first part, a historical development of corporatism was given. In the second part, liberal philosophers' approach towards corporatism was analyzed. In the third part, the actual relation between corporatism and liberalism was tried to be built.

Analyzing the historical development of corporatism, it was seen that although corporatism means an economic system based on corporations, there were variations about this aspect. It was seen that there were various schools of thought advocating corporatism, six of them was analyzed in this thesis study, namely the Organic Theorists, Pre-Marxist Protosocialists, Social Christians, Radical Bourgeois Solidarism, Anti-Capitalist Syndicalism, and Fascist Authoritarianism in detail. It was seen that only philosophers belonged to Pre-Marxist Protosocialists, Radical Bourgeois Solidarism, and Anti-Capitalist Syndicalism left the economic administration to corporations. Moreover, Pre-Marxist Protosocialists and Anti-Capitalist Syndicalists proposed an economic organization of the state, instead of the political one, therefore, their conception of state was based on only economic relations. However, contrary to the original definition, Organic Theorists, Social Christians and Fascist Authoritarians did not base their state on the corporations. In

these schools of thought political state and administration continued, in addition to the political state, i.e. a monarch, a monarch with a parliament, or only parliament, there was a second corporative parliament with consultation duty. They were non-effective. Then, in the context of Fascist Authoritarianism, the economic structure of Fascist Italy was analyzed in detail. This analysis was concluded that although the form of corporatism was placed in the economic structure of Fascist Italy, it was no more than a statist economic administration.

In the second part of this thesis study, liberal philosophers' views on corporatism was analyzed. The liberal philosophers subject to research was the philosophers who attended the “Colloque Walter Lippmann” which was organized in August 1938. This analysis was carried out under two sections. In the first section, liberal approach towards corporatism as an economic system was analyzed; and it is concluded that the liberal philosophers' critiques towards corporatism was negative. Firstly, they thought that an economic implementation of corporatism was difficult/impossible at the time subject to research. A second criticism is that giving corporations authority to regulate the economy would lead to loss of state sovereignty, and this would create negative effects on general welfare. A third criticism was towards the autonomous structure of corporations. They argued that this autonomous structure affected welfare of the consumers negatively. Liberal philosophers also addressed the countries trying to implement corporatism with their critiques. According to them, the states claiming to be corporative states actually did not implement corporatism. These implementations were some different kind of economic statism, corporations were only in appearance. They did not have the power to make decisions about the branches of industries they established in, the decision maker still was the state itself. These critiques of liberal philosophers are consistent with the systems of Organic Theorists, Fascist Authoritarians, and Social Christians. Then, in the second section of the second part, the liberal approach to corporatism as a social system was analyzed. In that section, Marlio's new social system, namely social liberalism, and the place of corporations in the social liberalism were investigated. It is concluded that harmful as an economic system, corporatism and corporations were useful used as a type of social organization.

In the third part of this thesis study, the actual relationship between corporatism and liberalism was analyzed. This analysis was done in two sections. In the first section, it was investigated if corporatist economic system of Fascist Italy had some similarities with liberal economic doctrine. To do this, the economic policies of Fascist Italy regarding capital and labor was analyzed. It was concluded that corporatist economic system of Fascist Italy served capitalism as the liberal economic system did. Fascism made the workers to be under the complete dominion of the employers, reduced the wages, destroyed the labor unions, made the workers be members of Fascist syndicates working hand in hand with capitalists, and removed employment securities. Regarding capital, Fascist state protected the private property and private enterprises. Fascist state did not intervene into economy unless the capitalists wanted, and state's interventions never contradicted capitalists, on the contrary, these interventions aimed to increase the profitability of capital. In the second section of this part it was investigated how corporatism affected the studies of renovating liberalism. To do this analysis, a short return to historical analysis was made, and a connection was tried to be put forward. It was concluded that, liberal philosophers thought it was useful to use corporations as social organizations, and the social liberalism put forward by Marlio, showed similarities to both Fascist state's interventions into economy in Italy, and some of the schools of thought advocating corporatism, namely, Social Christians and Organic Theorists from the aspect of duties of corporations in the economy.

To sum up, after doing the analysis from a political economy aspect, it could be said that corporatism and liberalism were in the service of capitalism, these two systems could be linked to each other from this aspect. In Colloque Walter Lippmann, liberal philosophers indicated the necessity of a strong state to protect the interests and the rights of entrepreneurs. Fascism in Italy provided for this need. It protected the capitalists rights and interests against the society. Further studies of linking corporatism to today's economic system could be conducted, for example, in Turkey, there is a policy regarding labor unions indicating that only the syndicates organized the majority of the workers in a branch could be one of the sides in the collective bargaining process; this was a principle of corporatist economic organization, too.

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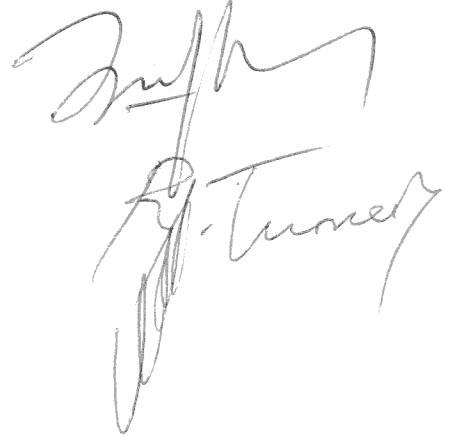
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