How Successful Was The Italian Economy Under Mussolini?

Before you begin the assignment read background information in your textbook (section on the Italian economy) and the sheets provided. List the important goals for the Italian economy under Mussolini.

What problems did Mussolini face in achieving his economic goals?

Task One: On a separate sheet of paper make decisions about how successful the Italian economy was in the following areas. Use evidence from the background sheets to support your decisions. You can use point form or full sentences.

1. Agricultural Production:
2. Industrial Production:
3. Trade:
4. Transport:
5. Public (Government) Debt:
6. Taxation and Standard of Living for the Italian People:

Task Two: After you have finished making individual decisions about the particular areas make an overall decision: To what extent was the Italian economy better off under Mussolini and the Fascists?

- Use evidence from the six categories to support your decision.

You need to develop criteria that will help you decide if the economy was better or worse off. To do this you must consider Mussolini's economic goals and the key factors in determining the success or failure of an economy.
## Marking Rubric

<table>
<thead>
<tr>
<th>Categories</th>
<th>Incomplete/Does Not Meet Expectations</th>
<th>Approaching Expectations</th>
<th>Meeting Expectations</th>
<th>Exceeding Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decisions (in the Six Categories) About How Successful the Economy Was and are Plausible</td>
<td>The decisions about the success of the economy are not plausible</td>
<td>Some of the decisions about the success of the economy are not plausible</td>
<td>Most of the decisions about the success of the economy are plausible</td>
<td>All of the decisions about the success of the economy are plausible</td>
</tr>
<tr>
<td>Important Evidence and Complete Explanations Are Used to Support Decisions in the Six Categories</td>
<td>Evidence is not included and explanations are not complete</td>
<td>Some evidence is included to make decisions, but the majority of explanations are not complete</td>
<td>Most important evidence is used to support decisions, and most of the explanations are complete</td>
<td>All important evidence is included, and all explanations are complete</td>
</tr>
<tr>
<td>Criteria for Determining Whether the Italian Economy Was Better Off Under Mussolini is Sophisticated and Used As a Guideline to Make Judgments</td>
<td>Criteria is too brief and unsophisticated and is not used to make an educated judgment</td>
<td>Criteria is somewhat sophisticated, but it is not used or followed when making judgments</td>
<td>Criteria is sophisticated in most cases and is followed and used to make judgments</td>
<td>Criteria is highly sophisticated and followed and used when making judgments</td>
</tr>
<tr>
<td>Final Conclusion on the Economy is Historically Plausible and Fully Supported With Evidence From the Background Sheets</td>
<td>Final conclusion on Mussolini is not plausible or lacks sufficient evidence to make a plausible judgment</td>
<td>Final conclusion is plausible but explanation is lacking evidence, or includes inaccurate evidence or understandings</td>
<td>Final conclusion is plausible and is supported with an adequate amount of accurate evidence from the background sheets</td>
<td>Final conclusion is fully plausible and is supported with a great deal of rich and accurate evidence</td>
</tr>
</tbody>
</table>

**Total:** 16
A. Aims
- To consolidate the political system
- To make Italy economically self-sufficient
- To provide the economic base for military might

B. Mussolini's economic inheritance
- Very limited raw materials (see page 12)
- Industrialising North with modernising agriculture:
  - more backward South, with large estates and mass poverty
  - Tradition of close industry-labour-state links
- Limited literacy

C. Key economic periods
1. 1922 onwards: Economic recovery in Italy. Mussolini coming into office with no specific programme pursues traditional liberal economic policies of lowering inflation and limited government intervention.
2. 1927 onwards: Economy begins to weaken. Some of the pain is self-inflicted due to problems caused by the overvaluation of the lira.
3. 1929 onwards: Italy hit by the Great Depression. Mussolini responds with growing government intervention to bail out industrialists. Efforts are made to establish the distinctively Fascist Corporative State.
4. 1936 onwards: The economy is increasingly burdened by the stress on autarky and the needs of war

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**CHART 7C** Overview of the Fascist economy

**Agricultural production**
- Value (in constant prices) of sold agricultural produce

- Wheat production up 100% 1922-39
- Wheat Imports fell by 75% 1925-35

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**CHART 7F** Key areas of the Fascist economy
Industry

Most industry benefited from supportive government policies and the growth of large firms. Private and public CARTELS continued. Newer industries, such as chemicals and synthetic fibres, grew particularly well.

Major firms:
- FIAT (cars)
- Montecatini (chemicals)
- Fisili (rubber)
- ILVA (steel)

Growing government intervention as slump hit from 1929, especially 1931 (see page 179).

Trade

Trade should have been important for a country lacking many basic resources. However, Mussolini sought a country which was self-sufficient. Foreign policy entanglements increasingly affected the direction and nature of Italy's trade in the 1930s.

Unintentionally encouraged by...
Transport

There was clear progress in transport but prestige projects, not necessarily the most economically vital, were stressed. Autostradas (motorways) were built and 5,600 kilometres of railway were electrified, but many local roads were left untouched.

Autostradas

- 5,600 km built by 1940
- Only 290,000 cars on road by 1939

Taxation

Initially the wealthy benefited from Mussolini's tax policies but, as the state intervened more in the economy, taxation became heavier and more widespread.

Wealthy

- Taxes reduced to stimulate investment.
- High taxes raised

Mass of population

- Indirect taxes raised
- 1934 about 60% indirect, 40% direct taxation
- State support for regime declined
- Tax reform

Wealthy

- Low high taxes.
- 1935 National Prices Committee to control prices, inflation controlled until 1941.

Government expenditure

- State bureaucracy
- Prestige projects
- Help to industry
- Public works
- Welfare measures
- Armaments was
**SOURCE 7.32** Changes in government tax policy (% of revenue)

<table>
<thead>
<tr>
<th></th>
<th>1921-22</th>
<th>1931-32</th>
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</thead>
<tbody>
<tr>
<td>Direct taxation</td>
<td>1942</td>
<td>28%</td>
</tr>
<tr>
<td>Indirect taxation</td>
<td>24%</td>
<td>29%</td>
</tr>
</tbody>
</table>

**SOURCE 7.30** Average real wages 1923-38, and those of three particular groups

**SOURCE 7.31** Annual per capita income and expenditure in lire (1930 prices)

<table>
<thead>
<tr>
<th></th>
<th>Per capita income</th>
<th>Private consumption</th>
<th>Public expenditure*</th>
</tr>
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<tbody>
<tr>
<td>1924–30</td>
<td>2948</td>
<td>2648</td>
<td>179</td>
</tr>
<tr>
<td>1931–35</td>
<td>2902</td>
<td>2479</td>
<td>250</td>
</tr>
<tr>
<td>1936–40</td>
<td>1191</td>
<td>2522</td>
<td>369</td>
</tr>
</tbody>
</table>

*Cover government help to industry and armaments expenditure as well as welfare