Towards An Orderly Society. Capitalist Planning and Corporatist Ideology in Britain in the Great Slump (1931-1934)

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Abstract

Much of the current literature on Corporatism pays particular attention to the international diffusion of corporatist ideas and practices, especially focusing on fascist and authoritarian regimes and movements appeared in Europe and Latin America during the 20th century. Retrieving the idea of Corporatism elaborated by P. Schmitter, this article argues that Corporatism was not only an element of Fascist ideology, thus suggesting a more fruitful cross-national and cross-political analysis. Following this approach, the attention is on the British post-1929 crisis intellectual scenario, and on the corporatist principles underpinning the Political and Economic Planning group plans between 1931 and 1934 and its legislative proposal entitled *Self-Government Industry Bill*. Finally, the article discusses how the PEP ideas could be considered a non-fascist part of the inter-war global corporatist network.

1. Introduction

Corporatism is a vague and ambiguous concept within the vocabulary of history, political science and economics, encompassing a very wide range of definitions, theories and political approaches. Traditionally, it refers to the political and economic systems practised during the 20th century by several authoritarian regimes, such as Fascist Italy, Vichy France and Portugal under Salazar.

However, the purported equivalence between Fascism and Corporatism fails to explain why similar socio-economic and political projects emerged in different national environments during

the 19th and 20th centuries. In order to go beyond this narrow historiographical perspective, this paper takes a European transnational perspective in the study of Corporatism. Connecting ideas at a European and global level reveals the presence of a complex network of corporatist similarities, including non-fascist political subjects.

So far there has been little discussion of the diffusion of corporatist ideas in the United Kingdom. This essay offers some insights into these multi-faceted and transnational cultural discussions through the analysis of the theoretical experience of the Political and Economic Planning group (PEP), established in London at the beginning of 1931. While some studies on this topic have been made, none addressing the corporatist ideas underpinning the group's internal debates and proposals have been found. Likewise, very little is known about similarities and differences of PEP with other, coeval European corporatist theories.

However, it has to be underlined that the Political and Economic Planning group represented just a part of a surprisingly lively British corporatist milieu, which had spread in Britain at least since the first decade of the century. The great number of corporatist varieties that existed at European and global level is mirrored in Britain in a large number of theories, such as Guild Socialism, early Federation of British Industries ideas, Macmillan's third way in the 1920s, the socio-catholic theory of Distributism, Mosley's New Party and the British Union of Fascists of 1932. The corporatist similarities concerning the responses to the political and economic crisis of the liberal State during the 1920s and the 1930s highlight two different but complementary aspects: firstly, a corporatist pattern acting in the whole of Europe; secondly, the distinctive forms that this particular ideology assumed in different cultural and national environments.

The article is structured in three parts. The first addresses the concept of Corporatism, seeking to develop a clear general model as a heuristic tool to shed light on the similarities and differences of the several corporatist elaborations. The purpose is not to reveal the unusual or the amazing but to define the subject of the ongoing historical inquiry in order to disencumber the term of its many ambi-

guities, avoiding further misunderstandings and misinterpretations. The second section focuses on the blueprints for a national plan outlined by the PEP group. Founded in 1931 as a response to the economic and political crisis, PEP positioned itself outside orthodox liberalism and sought to develop a formula of planning that would harmonise an organised society with a private enterprise economy. Their efforts culminated in October 1934 with the release of the "Self-Government Industry Bill," a proposal to reorganise the entire political and socio-economic system. The third and final section highlights the PEP's proposed solutions and how they can be ascribed to the corporatist trend acting in the whole Europe and beyond, at least from the second half of the 19th century.

2. The Concept of Corporatism: Creating a Model for the Social Sciences

As suggested, the first purpose of this article is to clarify the concept of Corporatism in order to specify the subject of this historical inquiry. However, the idea is not to produce a comprehensive history of the corporatist idea, nor to present a mathematical model of Corporatism. The objective is to depict the central principles of the corporatist prescriptive theory, highlighting a set of guidelines to assist our thinking, study and analysis. Therefore, the general model proposed will necessarily not be precise, but it will help to highlight some important affinities between various political and socio-economic theories.

As is shown by L.P. Carpenter, one of the first scholars to study the diffusion of corporatist ideas in Britain, "the bulk of corporatist thought lay outside the organised fascist movements".[1] This indication is still valid when applied to a wider, European point of view and does not fail to describe the corporatist concept itself. In fact,

[1] L.P. Carpenter, "Corporatism in Britain 1930-40", in *The Journal of Contemporary History*, vol. 9, n. 1, 1976, p. 4.

considering Corporatism as a socio-economic attachment of Fascist ideologies is one of the most important methodological errors preventing a complete understanding of the corporatist phenomenon.

Even though they had been intertwined for a long time, it is impossible to recognise complete equivalence between the two historical phenomena, which remain separate in origin and in development. Therefore, taking Corporatism to be a product of Fascism fails to consider a number of projects for social reorganisation elaborated in Europe after the World War I, all designed to promote a "third way" – based on sectoral industrial organisms – between Russian collectivism and classical liberalism.[2]

The paper, that is, considers Corporatism not as an original and typical product of post-World War I Fascist ideology, but as a more widespread reflection on the relationship between State, society and market that emerged in Western societies beginning in the second half of the 19th century. We leave all the political, ideological and emotional baggage attached to the concept aside. As Philippe Schmitter recalled in his fundamental article, "Still the Century of Corporatism?"[3] corporatist ideas can take several forms: Catholic as well secular; right-wing, left-wing or centre-oriented; socialist as well fascist or capitalist, with different backgrounds, sources, tools, modalities and labels.

Defining the boundaries of the corporatist ideas and creating a general model for social science work on the topic is the necessary starting point for designing a heuristic tool able to shed light on this variegated theoretical world, including all those political theories that, although never labelled as Corporatism, shared similar premises, objectives and expectations.

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[2] See in particular E. Rota, "La tentazione corporativa: corporativismo e propaganda fascista nelle file del socialismo europeo", in M. Pasetti (ed.), *Progetti corporativi tra le due guerre mondiali*, Rome, 2006, pp. 85-98; S. Cassese, *Lo stato fascist*a, Bologna, 2010. Similar suggestions can also be found in C. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany and Italy in the Decade after World War I*, Princeton, 1975.

[3] P. Schmitter, "Still the Century of Corporatism?", in *The Review of Politics*, vol. 36, n. 1, *The New Corporatism: Social and Political Structures in the Iberian World*, January 1974, pp. 85-131.

Schmitter's article was an early attempt to define Corporatism. Even though his analysis dealt with the neo-corporatist universe – that is, the socio-economic policies of several western countries after World War II – his reflections are particularly useful in inquiring into the spread of Corporatism before the War.

Schmitter traced the origins of Corporatism mainly to its economic determinants, stressing three aspects in particular: the need for a modern State able to ensure social harmony and political stability; the increasing advocacy of central planning following the experience of World War I; and the desire to bring both labour and capital into the decision-making process. Let us cite Schmitter's celebrated definition of Corporatism:

> Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular compulsory, non-competitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.[4]

However, the aim of defining a single general model of Corporatism clearly clashes with historical reality, with its striking variety of corporatist scenarios in both space and time. For a more reliable interpretation, further specifications are necessary.

Schmitter hinted at two main sub-categories, further developed by several scholars during the 1970s and the 1980s,[5] that are still essential in our analysis: State Corporatism – authoritarian and dictatorial – and Societal Corporatism – participatory, pluralistic and democratic.

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[4] Ivi, p. 93.

[5] See in particular: P. Schmitter, G. Lehmbruch, *Trends Toward Corporatist Intermediation*, Beverly Hills-London, 1979; G. Lehmbruch, P. Schmitter (eds.), *Patterns of Corporatist Policy-Making*, Beverly Hills-London, 1982; L. Ornaghi, *Stato e corporazione*, Milan, 1984; P.J. Williamson, *Varieties of Corporatism*, Cambridge, 1985; A. Cawson, *Corporatism and Political Theory*, New York, 1986.

It has to be recognised that this dichotomy, while important and insightful, fails if applied too rigidly. Otherwise we cannot fully understand the cases – uncertain and hybrid situations – that are to be found in the middle. Indeed, other studies have suggested that Schmitter's two categories should be considered as the extremes in the corporatist cultural universe, where theoretical outcomes diverge significantly, realising very different versions of a single idea. Therefore, corporatist ideas can fluctuate between two political and socio-economic poles, namely democracy and dictatorship, assuming different shapes, with different backgrounds, tools and objectives.[6]

Nevertheless, all the corporatist proposals do share at least one common political tendency. Our historical and political reflection highlights three basic principles: social harmony seen as the absence of industrial conflict; an economy based on private property, as the main impulse to increase productivity and guarantee the progress of the entire society; and finally, the central role of self-governing industrial sectoral agencies, acting as institutional intermediaries between State and society.

Since Corporatism first emerged in the 19th century as a reaction to the end of the *ancien régime*, its advocates always emphasised the benefits of a medieval-type society, harmoniously ordered as an organic community in which all the parts work together for the general good. This idea arose from an interpretation of the crisis of the *ancien régime* as a social crisis: in corporatist thinking, the French Revolution, the philosophy of the Enlightenment and the consequent liberalist ideology were decisive in breaking down the social bonds that were assumed to maintain social unity.[7] The primary aim of cor-

[6] See especially H.J. Wiarda, *Corporatism and Comparative Politics. The Great Other "Ism"*, New York-London, 1997.

[7] As was observed by René de La Tour du Pin, one of the earliest Catholic corporatist intellectuals, another revolution is necessary "pour faire le contraire de ce qu'a fait la Révolution: renouer les liens sociaux au liens de les briser". R. De La Tour Du Pin, *Vers un ordre social chrétien*, Paris, 1917. For the spread of the Catholic version of Corporatism see J.P. Corrin, *Catholic Intellectuals and the Challenge of Democracy*, Notre Dame, 2002.

poratist theorists in the post-Revolutionary era was to reknit these bonds, which were mainly moral, and transpose them to the industrial relations between capital and labour.[8]

One of the main questions taken up by corporatist thinkers in the 19th and 20th centuries was peaceful solution to class conflict and the restoration of a mythical social harmony. This was seen as the necessary foundation for production and the wealth of the entire nation, always one of the main points for corporatist thinkers.

Moreover, although Corporatism can be considered as an intellectual response to the advent of industrial capitalism and liberal politico-economic systems, it strongly urged the maintenance of private enterprise as the best form of ownership of the means of production. In fact, the main idea behind its critique of the liberal ideology was not essentially economic: the main flaw of liberalism was not its endorsement of private property but its amorality, which left individuals without any moral – that is, social – responsibilities towards one another. Therefore, the original sin of liberalism was not its economic organisation, i.e. the private ownership of the means of production, but the undoing of the social ties that bind society together, turning it into an atomistic mob of self-seeking and egotistic individuals with no moral purpose.

Therefore, the primary objective of corporatist writers was not to break down the capitalist economy but to correct it, especially in its ethical implications. Liberalism was also indicted as the main force behind the increase in inequality throughout Europe at the turn of the century. The solution envisaged by corporatist thinkers was a powerful and efficient State organisation, able to intervene and regulate society and market to create a hierarchical society in which each individual has precise rights and duties, playing a precise role within the societal organism. Naturally, Corporatism opposed socialism no less than liberalism; that doctrine threatened to destroy private property, raising the banner of internationalist class conflict against the bourgeoisie and capitalism.

[8] See in particular M. Battini, *L'ordine della gerarchia*, Turin, 1995.

Apart from such criticisms of the other main ideologies of the day, the main feature of Corporatism lay in the espousal of a new kind of societal architecture. In opposition to liberal and socialist views, almost all corporatist thinkers wanted to set limits on the authority of the central State to regulate the economy and society, essentially by institutionalising a range of self-regulating and semi-independent work-based agencies. One of the main components of Corporatism, that is, was functionalism. The central State, in this view, would only be assigned to arrange the general framework, often with the contribution of individual associations, while leaving extensive autonomy to the industrial agencies. The State would then delegate most of its power to occupational organisations that would act as political and economic regulatory intermediaries, bringing the private and public spheres together: they were to be the linchpin of the entire institutional order. According to the corporatist writers, corporations were natural entities that would manage the society in the best possible way, recouping the role of the medieval guilds and corporations and adapting them to modern industrial society.

In summary, let us recall the three main features of Corporatism: first, the necessity of restoring harmony among all social classes and groups, which compose the living body of the nation; second, private property must be retained as the best way to guarantee economic progress, productivity and wealth for all the parties involved in the process; and finally, State-licenced intermediaries must be formed as institutional links between State, society and market. As noted above, these three key principles can be and were elaborated on in different ways, generating a great variety of hybrid and mixed forms, running the gamut between the two extreme poles of authoritarian Corporatism and pluralistic-democratic Corporatism.

3. Capitalist Planning and Corporatist Ideas in Britain

Having defined our conceptual tools, we can now apply them in a case study of Corporatism in Britain during the 1930s, namely

the Political and Economic Planning debates and proposals between 1931 and 1934.

Though little studied, Corporatism had its own British traditional background, rooted mainly in a form of paternalistic conservatism bound up with nostalgia for a medieval society. These ideas can be traced back to Edmund Burke's paternalist-conservative political thought, with its doctrine of an organic society, and to the exaltation of medieval rural society ruled by specialised guilds, as outlined by such social thinkers as John Ruskin and William Morris in the later 19th century. These thinkers represented the cultural referent for a series of intellectuals and politicians who devised proposals for the corporatist and guild-based reorganisation of British society from the turn of the century until the 1930s.

Nevertheless, it is worth noting that those ideas took different forms according to their various ideological premises and objectives. While differing, however, a number of political and cultural figures envisaged a society based on some kind of industrial organisms or economic agencies. This peculiar corporatist world included the pluralist thinkers William F. Maitland and John N. Figgis, influenced by the work of the German law historian Otto Von Gierke; social thinkers such as Arthur J. Penty, Alfred R. Orage and the so-called New Age Circle; S.G. Hobson, G.D.H. Cole and Guild Socialism; Ramiro De Maeztu's monarchical Organicism; G.K. Chesterton and H. Belloc's Distributism, based on Leo XIII's encyclical *Rerum Novarum* and on the ideas of Cardinal Edward H. Manning; the capitalist-technocratic idea of an economic parliament espoused by Dudley Docker, founder of the Federation of British Industries in 1916; Harold Macmillan's peculiar conservative third way, developed during the later 1920s; and lastly, Oswald Mosley's corporatist path, from the New Party of 1931 to the British Union of Fascists of 1932.[9]

[9] The historiographical literature on these topics is vast, but works dealing expressly with Corporatism are relatively rare. See L.P. Carpenter, "Corporatism in Britain 1930-40", in *Journal of Contemporary History*, vol. XI, n. 1, 1976, pp. 3-25; A.W. Wright, *G.D.H. Cole and Socialist Democracy*, Oxford, 1979; R.T.P., Davenport-Hines, *Dudley Docker*, Cam-

The Political and Economic Planning group certainly formed part of this corporatist tendency as a particular hybrid form of capitalist-corporatist planning in which semi-public agencies were assigned to correct the distortions provoked by unrestrained liberal capitalism, which the group blamed for the economic disaster of the 1930s.

In the following pages, we recall the group's early history, recounting how the internal controversies of 1931-1932 fit with Schmitter's analytical categories. Then we illustrate the resolution of these debates and the final PEP proposal, developed in 1933-1934, for a decentralised, capitalist and technocratic Corporatism.

3.1 The Week-End Review National Plan

The Depression came while the United Kingdom was still far from a complete recovery from the effects of the World War I. Labour Prime Minister Ramsay Macdonald decided to create a "national government" together with the Conservatives and the Liberals in order to deal with the dramatic consequences of the slump, which was especially severe in the industrial areas of North England and the Midlands.

Nevertheless, part of the society was not satisfied with the orthodox remedies that were envisaged.[10] In this scenario, the Political

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bridge, 1986; G.R. Elton, *F.W. Maitland*, London, 1986; D. Nicholls, *The Pluralist State*, London, 1994; T. Linehan, *British Fascism, 1919-1939*, Manchester, 2000; G. Taylor, *Orage and the New Age*, Sheffield, 2000; R.C. Thurlow, *Fascism in Modern Britain*, Sutton, 2000; M. Stears, *Progressives, Pluralists and the Problems of the State*, Oxford, 2002; T. Villis, *Reaction and the Avant-Garde*, London, 2006; M. Worley, *Oswald Mosley and the New Party*, London, 2010; M. Bevir (ed.), *Modern Pluralism*, Cambridge, 2012.

[10] Plans for social reconstruction that rejected the liberal orthodoxy and sought to correct a collapsing capitalist system were prompted also by the First World War: for instance, the Withley Report of 1916, the Federation of British Industries proposals and the National Industrial Conference of 1919-1921. On these themes see: J.W. Stitt, *Joint Industrial Councils in British History: Inception, Adoption and Utilization, 1917-1939*, Wesport, 2006; R.P.T. Davenport-Hines, *Dudley Docker: the Life and Times of a Trade Warrior*, Cambridge, 1984; R. Low, "The Failure of Consensus in Britain: The National Industrial Conference, 1919-1921", in *The Historical Journal*, vol. 21, n. 3, September 1978, pp. 649-675. Other

and Economic Planning group represented an effort to respond both to the crisis and to the apparent political inertia of the government. Founded in 1931, the PEP was the brainchild of the editorial team of the *Week-End Review*, a dissident Tory publication launched in March 1930 and edited by Gerald Barry and Max Nicholson. The group essentially interpreted the crisis as the product of the ineffectiveness of the entire political class.[11] On the constructive side, the review called for national regeneration through new ideas in politics as well as economics. On this, in December 1930 Max Nicholson affirmed that "what Britain desperately needs to-day is leadership: political leadership, industrial leadership, moral leadership. But though we need men we need measures too. At the moment we have neither".[12]

After a period of fascination with Mosley's rebellion against the political establishment, in February 1931 the *Review* group produced its political programme, "A National Plan for Great Britain". Drafted by Nicholson, the Plan served as the starting point for the further inquiry conducted by the PEP, and for this reason it deserves a careful analysis. More than the technical and institutional solution proposed, which is barely sketched out, the Plan's most interesting feature for our purposes is its general tone. Two characteristics stand out: firstly, the emerging repulsion for both liberal and socialist ideologies; and secondly, the central role assigned to the producers, whether manual workers, managers or industrialists. The Plan

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plans were broached during the 1920s, especially by dissident young Conservatives and, during the 1929-1931 crisis, by Oswald Mosley, the future leader of the British Union of Fascists. See M. Worley, *Oswald Mosley and the New Party*, London, 2010; D. Ritschel, *The Politics of Planning. The Debate on Economic Planning in Britain in the 1930s*, Oxford, 1997.

[11] On the political dissatisfaction of the 1930s and the search for other solutions, see L.P. Carpenter, *op. cit.*; A. Marwick, "Middle Opinion in the Thirties. Planning, Progress and Political Agreement", in *The English Historical Review*, vol. 79, n. 311, 1964, pp. 285-298; A. Booth, "Corporatism, Capitalism and Depression in Twentieth-century Britain", in *The British Journal of Sociology*, vol. 2, n. 33, 1982, pp. 200-223; R. Overy, *The Morbid Age. Britain Between the Wars*, London, 2009.

[12] M. Nicholson, "A 'National' Government?", in *The Week-End Review*, December 6, 1930, p. 816.

aimed to overhaul the entire society, addressing the "replacement of the present chaotic economic and social order by a national planned economy […] in order to allow the necessary quickening of action and increase of efficiency".[13]

Nicholson believed that neither the current liberal policy nor socialist collectivism could ever attain the economic efficiency necessary to compete in the international market. The entire proposal was imbued with a "third-way" atmosphere. Liberalism and socialism were criticized, and the search for a third policy, a third way, different both from traditional British liberalism and from Russian collectivism, was central to the Plan. The concept is stated clearly in the introduction:

> Under pure Socialism or Communism, for example, there would be nothing but the continuous line of hierarchy, from the sovereign body down to every person and organisation of any kind. This is the condition which Soviet Russia is rapidly attaining. Under present English conditions, on the other hand, it would be impossible to draw any satisfactory lines of relationship, because the relationship is everywhere chaotic.[14]

As we can see, the author focused on the chain of command and the decision-making process. In his opinion, both liberalism and socialism failed to meet the requirements of industrial society efficiently; their proposals were either a society without any kind of bonds between individuals or a community in which bureaucracy and the State were overwhelming. Therefore, the solution to the problems of industrial society problems did not lie in either liberalism or socialism.

One corporatist element in the Plan, then, was its rejection of the two major ideologies that stemmed from the French Revolution and the Enlightenment. But the key corporatist feature is found in the

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[13] "A National Plan for Great Britain", in *Supplement to The Week-End Review*, February 14, 1931, p. III.
[14] Ivi, p. II.

constructive part of the proposal, namely the concept of self-government in industry. Stressing the need for the radical reorganisation of the entire political and economic system, the *Week-End Review* planners set forth the fundamental principles that underpinned their intentions. The first was rearrangement of society according to the principle of function. Every industrial association had to fulfil a precise role within the social mechanism, superseding competition within the group. In order to avoid economic conflict, Nicholson said that "all organisations must review their position showing that they possess a present function, that they fill it without *lacunae* or needless overlapping, and that they are ready to take their part in a more orderly national life".[15]

The other principle to shape the society of the future was responsible self-government in industry. The liberal state had clearly been remiss in managing the conflict between capital and labour, failing to bring the two social classes together to cooperate for the national good.

Thus, the entire political process had to be reorganised on a completely different basis. There were three main points to the prospective political and socio-economic form. Firstly, Nicholson called for "rapid amalgamation into large-scale units, scrapping lost capital and inefficient men, methods and machines".[16] Secondly, a governing structure for each industry had to be created, in the form of "a Council or Commission, with representation for consumers (through M.P.'s), management, shareholders, workers and other interests concerned".[17] Note that the elected political members, i.e. the M.P.s, were to represent the category of consumers. That is, they would abandon the holistic objective of representing the entire nation, as in the liberal tradition, and instead play a partial, functional role. Thirdly and lastly, an Industrial Court would be established, "created with large powers and wide discretion for settling disputes, in-

[15] Ivi, p. III.
[16] Ivi, p. IV.
[17] Ibidem.

terpreting competence, and confirming orders or agreements between industries".[18]

To conclude the discussion of the "National Plan for Great Britain," we can set out some final considerations. The Plan aimed to structure a new kind of policy-making process by proposing the creation of several functionally determined agencies. Within this new process, self-governing industrial organisations ruled by an Industrial Council would play the central role, where members of all the parties involved in the economic process – managers, capitalists, workers, consumers – would be represented. Let us emphasise, once again, that elected members of Parliament, which was to be converted into an agency, would represent this last group. As in organicist political philosophies, the different parts of the society were to act as the arms of a body. In fact, they were to be harmonised at national level by legislative cooperation between the National Planning Commission, representing the various industrial councils, and Parliament, geographically elected and ideally representing the category of consumers.

The traditional Parliament was not capable of managing a complex industrial society, as was underscored in one of Nicholson's early drafts. His solution to Britain's problems fell outside the existing political machinery and was to be found instead in "the Civil Service, the Professions, Industry, Commerce and Labour […], concentrating leadership in the hands of men better fitted to exercise it".[19] Hence the great prominence that the Plan assigns to corporatist self-governing industries, which are seen as the core of a new model of planned capitalism, acting in partnership with the traditional representative Parliament.

3.2 Between Centralised and Decentralised Corporatism

The *Week-End Review* National Plan served as the bonding point

[18] Ibidem.

[19] British Library of Political and Economic Science Archive (hereafter BLPESA), PEP / A Committee and Miscellaneous Papers (1930-1938), box 1, M. Nicholson, *The Week-End Review Plan: Draft. III. Scope of the Plan*, December 29, 1930, p. 26.

for a number of planners from various parts of the political spectrum, called to discuss Nicholson's analysis. This was the initial *milieu* from which the Political and Economic Planning group emerged at the beginning of 1931. As Nicholson confirmed, "the draft Plan of the Week-End Review was adopted as a starting point".[20] The group's preliminary meetings were held in March 1931[21] at the Ivy Restaurant in London, and they were attended by personalities such as Sir Basil Blackett, Julian and Aldous Huxley, Gerald Barry, Max Nicholson and Kenneth Lindsay.[22] At the second of these dinners the name Political and Economic Planning was suggested by J.C. Pritchard and adopted.[23]

The first general meeting of the new group was held on the 29th of June 1931 at the Royal Society of Arts in London. In his introductory statement, Sir Basil Blackett, who was elected chairman, said that for the first two years the PEP would not be a propaganda body, but would "confine itself to study with a view to educating itself and its members and in the hope of gradually building up a comprehensive Plan".[24] Blackett explained the main aims of the new organisation and its methodological approach. What emerges most clearly is the awareness of being in a completely different world,

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[20] BLPESA, PEP/UP/10 *History of PEP (1931-1961)*, box 1, M. Nicholson, *A History of PEP (1931-1947)*. The great importance of the *Week-End Review* National Plan is stressed by several authors and contributors, who dedicated some efforts to describe the early history of the PEP. See also BLPESA, PEP/UP/10, *History of PEP (1931-1961)*, box 2, K. Lindsay, *The Thirties. A Preliminary Survey*, pp. 2-3.

[21] The news of the formation of the PEP was first announced by *The Week-End Review* in an article entitled "The National Plan: A Society", March 21, 1931.

[22] As was noted by Daniel Ritschel, the editorial staff of *The Week-End Review* remained at the centre of the emerging body, but it was joined by other groups: one headed by Sir Basil Blackett that was debating current domestic and imperial affairs; and another, headed by the engineer and modernist designer J.C. Pritchard, called "Young Prometheans," which had already published a Planning Manifesto in January. Cfr. D. Ritschel, *The Politics of Planning. The Debate on Economic Planning in Britain in the 1930s*, Oxford, 1997.

[23] See the documentation in BLPESA, PEP/UP/10, *History of PEP (1931-1961)*, box 2.

[24] BLPESA, PEP A/7, *Meetings (1931-1933*), box n. 1, *First General Meeting Report*, June 29, 1931, p. 2.

both politically and economically: "The country is facing a new industrial revolution and a new economic era," he observed, "and we need a new political and economic technique".[25] On the methodological side, several small study groups were formed, each assigned to address one specific issue within the greater topic of planning. The most important of these study groups, for our current historical inquiry, were the Tec Plan group, the Industry group, and the Permissive Legislation group.

The founding members came from a wide variety of backgrounds, with white-collar workers, professionals, academics and businessmen from the world of commerce, management and industry. Politically, the formation was uneven, as the group brought together individuals from the Liberal and Conservative parties – mostly dissident left-wing Conservatives – but there were also a number of former members of the Labour Party, such as Kenneth Lindsay, who had been a member of the ILP after the war and had stood twice as a Labour candidate during the 1920s.

In spite of these differences in background and experience, the main purpose of PEP was clear from the start. The objective was to develop a planning scheme to renew declining capitalist society, countering both the orthodox liberal view and the appropriation of the planning concept by Labour propaganda: "It will be a misfortune and a political blunder," affirmed Nicholson in October 1931 in *The Week-End Review*, "to leave the Labour Party alone in possession of a planning policy."[26]

Beyond this, however, the group was far from cohesive and its concept of planning was not particularly precise. In fact, during the early years (1931-1932) it made a number of attempts to produce a clearer definition of the concept of a planned society. Two main types of institutional reform were postulated. The first was represented by the so-called Tec Plan group, headed by Nicholson,[27] the second by

[25] Ivi, p. 5.
[26] M. Nicholson, "The Outlook of Planning II. Agriculture", in *The Week-End Review*, October 3, 1931, p. 386.
[27] In addition to Nicholson as chairman, the sub-group consisted of J. Craven Pritchard,

the Industry group, headed by Noel Hall, professor of political economy at the University College of London.[28] From the summer of 1931 to March 1933, these two sub-groups engaged in a lively debate, showing that within the PEP there were advocates of two different kinds of corporatist society, differing over the issue of the distribution of powers within the institutional architecture.

The Tec Plan sub-group was one of the most active, seeking to develop a new corporatist philosophy for the entire organisation. The group was guided principally by Nicholson's idea that the concept of planning was a tendency common to all western societies: it was, in his words, "a necessary working pattern for an industrial civilisation".[29] Interestingly, in Nicholson's mind the concept of planning was strictly bound up with the desire for order: "Planning," he said in October 1931, "simply expresses acceptance of the principle of order, and this principle is rapidly winning the field not only in Russia, Italy, and Germany, but in the United States and Great Britain".[30] The Tec Plan group appreciated all the ordering and planning experiments carried out in the various European countries, dwelling especially on Soviet Russia and Fascist Italy. Those experiences were particularly well received for their rejection of traditional liberal democracy, for the active involvement of experts in the decision-making process and, finally, for the general economic rationalisation of the entire system of production.

A deep distrust of the representative democratic method was central to the Tec Plan ideas, under which effective power was to go to civil servants, directly elected inside the industrial world. As one of the group's members, A.E. Blake, observed:

P. Hutchinson, A.E. Blake, N.J. Gordon Clark, J.W. Lawrence and Norman Smith. The list is in BLPESA, PEP WG/1 "Planning Group (1933-1936)", b. 2 T*echnique of Planning Group*.

[28] The Industry group's most prominent members, apart from Hall, were Michael Zvegintzov, a Russian refugee from the Bolshevik Revolution, and Kenneth Lindsay, a member of the National Labour Group led by Ramsay Macmillan.

[29] M. Nicholson, "The Outlook of Planning IV. Approach to a National Plan,", in *The Week-End Review*, October 17, 1931, p. 475.

[30] Ibidem.

> I believe in the expert. I am not a democrat if democracy means government by the amateur. […] I believe that government should be the function of people expert in the art of government, or rather, in the art of political and economic co-ordination – instead of expert in the art of getting elected.[31]

This fascination with technocratic society was coupled with the rejection of the political implications of Soviet and Fascist solutions, while nevertheless applauding their rational, efficient socio-economic order as an alternative to the "disorderly existing political and economic system".[32] The new social engineering envisaged by the Tec Plan group was intended to preserve the benefits of private ownership of the means of production while overcoming its damaging effects through planning and economic coordination.[33]

Perhaps the most comprehensible illustration of the Tec Plan view is a December 1933 paper for internal circulation entitled "A View of Planning," signed by Nicholson, Blake, N.J. Gordon Clark, J. Craven Pritchard and Norman E. Smith.[34] The ambitious objective was to produce a synthesis among various political cultures in order to realise planning, which "in one form or another, has plainly become inevitable for Western civilisation".[35] The basis for the group's idea of society was repudiation of what they considered to be a bogus idea of individual freedom. In fact, their final goal was to reconnect individual freedom with the needs of the society.

> Throughout this document runs the attempt to reconcile personal freedom with an orderly community. […] We have tried to set against the false association of personal liberty with

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[31] BLPESA, PEP-PSI/13 "E. Max Nicholson's Papers", b. 10, *Technique of Planning Group (1931-1939)*, A.E. Blake, *Planning in U.S.S.R.*, November 1931. See also b. 12, *Planning Methods in U.S.S.R.*, May 12, 1931.
[32] BLPESA, PEP A/7 "Meetings (1931-1933)", b. 4, *Tec Plan. Supplementary Report: Statement of Aim*, October 13, 1931.
[33] Ibidem.
[34] BLPESA, PEP A/5 "Committee and Miscellaneous Papers (1930-1938)", b. 2, *A View on Planning*, December 1933.
[35] Ivi, p. 3.

> economic anarchy a new conception of social and personal liberty based upon economic order.[36]

The endemic tension within society between individual desires and community needs was to be resolved by the active role of functional, economic groups, social bodies. The "View of Planning" affirmed that "there must always be tension between the claims of the individual and of the species […]; human society consists of various group organisations, or collective agencies, which mediate in such conflicts and carry the necessary tension."[37] In other words, the idea of planning itself was strictly bound up with the concept of function, the only possible justification for the public action of organised groups of private interests. As the authors observed, "the only defensible basis for a collective agency is functional."[38]

Partly recalling the tradition of Christian social thought, the group held that peaceful coexistence between individual desires and collective welfare had to be achieved through a revision of the concept of private property.[39] That is, the ownership of the means of production was not a natural individual right but had to correspond to a social function. A prerequisite for maintaining the right to private property was that it be used in a socially fruitful way.

> There is no ideal form of ownership. It is an ad hoc institution to be justified by its social usefulness and consequently no form of ownership is sacred. The community must reserve the right to expropriate any owners whose activities are incompatible with the plan.[40]

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[36] Ivi, p. 4.
[37] Ivi, p. 5.
[38] Ibidem.
[39] Catholic social thinking had been widespread in continental Europe since the second half of the 19th century through the work of intellectuals such as Emmanuel Von Ketteler, René de la Tour du Pin and Giuseppe Toniolo. Their efforts culminated in Pope Leo XIII's social encyclical *Rerum Novarum* in 1891. Catholic social thought was present in the United Kingdom as well from the late 19th century to the 1930s, as represented by such thinkers as Cardinal Henry E. Manning, Gilbert K. Chesterton and Hilaire Belloc. See J.P. Corrin, *Catholic Intellectuals and the Challenge of Democracy*, Notre Dame, 2002.
[40] BLPESA, PEP-PSI/13 "E. Max Nicholson's Papers", b. 10, *Technique of Planning Group*

The community will, expressed by a central government, had to keep strong control of the collective industrial economic and social agencies. In fact, more than a self-governing system, the Tec Plan proposal, somewhat vague though it was, more closely resembled the authoritarian corporatist model, in which the executives of the economic agencies are appointed by government rather than elected within the industrial sector. In this sense, Nicholson's sub-group was in tune with the ideas of Oswald Mosley's New Party and with the thought of people like Leopold Amery and Eustace Percy, who admired the corporatist architecture of Fascist Italy. All of these intellectuals proposed a system based on industrial corporations, but with powers of decision remaining in the hands of a strong central government.

The key issues on which the Tec Plan and Industry groups differed were institutional geometry and the distribution of power. The main concern expressed by Noel Hall's sub-group over the Tec Plan's planning philosophy was the lack of economic freedom. In the words of Michael Zvegintzov, a high-ranking manager at Imperial Chemical Industries, "The principle of economic freedom must not be lost sight of."[41] The documents produced during the period 1931-1933 by the Industry group can better define its peculiarities. Hall's sub-group vigorously opposed the concentration of power in the central executive, which would leave no space to the industrial world. Instead, it affirmed in a paper in April 1932 that "industry must work out their own salvation: it must not be imposed by a *deus ex machina* from above."[42] The institution of an all-powerful central authority, stated Hall, was the central tenet of the communist ideology, which ignored the importance of individual freedom.[43] Therefore, capitalist planning had to re-establish more individual freedom

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(1931-1939), A.E. Blake, *Planning in U.S.S.R.*, November 1931. See also b. 12, *Planning Methods in U.S.S.R.*, May 12, 1931, p. 13.

[41] BLPESA, PEP A/7 "Meetings (1931-1939)", b. 1, *Critique of Chairman's Pamphlet*, July 7, 1932, p. 6.

[42] BLPESA, PEP A/7 "Meetings (1931-1939)", b. 2, *Reply of Industries Group to Questionnaire From Directorate*, April 7, 1932, p. 4.

[43] See in particular BLPESA, PEP A/7 "Meetings (1931-1939)", b. 2, N. Hall, *Capitalst versus Communist Planning*, April 25, 1932, pp. 3-4.

through economic coordination, carried out by those directly involved in production. As Zvegintzov wrote:

> The object of planning is a greater freedom […] planning therefore must set out to create circumstances which will enable the individual to attain the greatest degree of self-expression, while, at the same time, creating the maximum of individual and collective responsibility.[44]

For the Industry group, the two main principles were economic efficiency and social justice. Since "the social and economic community is a living and growing body,"[45] economic freedom had to be part of a planned and co-ordinated general social framework, in which the institution of private property was assigned new social responsibilities. That is, said Kenneth Lindsay, it had to be "beneficially productive, economically efficient, socially just."[46] Along the same lines as the Tec Plan group's work, this represented the aim of re-establishing social bonds through moral obligations to the entire community.

> The conception of an organic growth towards a greater freedom gives a new value to property: that of responsible ownership. In a planned community property becomes a trust and a responsibility both on the part of the individual and on the part of the State. Planning should create such conditions, that the individual will feel that his right of possession is achieved and maintained for services rendered and being rendered.[47]

On this specific issue, there was a clear correspondence with the ideas of Nicholson's sub-group, which in fact constituted a basic principle of the entire PEP philosophy. Rejection of the idea of economic freedom as unrestricted *laissez-faire* and the proposal for a

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[44] BLPESA, PEP WG/1 "Planning Group (1933-1936)", b. 3, M. Zvegintzov, *Principles of Planning*, February 12, 1933, p. 3.
[45] Ibidem.
[46] BLPESA, PEP A/7 "Meetings (1931-1933)", b. 2, K. Lindsay, *A Note on Planning*, November 21, 1932, p. 1.
[47] BLPESA, PEP WG/1 "Planning Group (1933-1936)", b. 3, M. Zvegintzov, *Principles of Planning*, February 12, 1933, p. 5.

communitarian individualism – influenced by such schools of thought as the Oxford idealism of the 19th century, conservative paternalism and the social Catholic ideology of medieval guilds – were the foundation, that is, for the corporatist effort to reconcile the individual with the community in order to regenerate a declining capitalism. Noel Hall thought that this objective could only be fulfilled by creating economic agencies with the "fullest possible responsibility for its given function,"[48] acting within a network of industrial corporations.

Summing up, the crux of the PEP's internal debate in the period 1931-1933 was the allocation of powers among the various institutional subjects, namely the State and the industrial agencies. While the Tec Plan group proposed a social architecture in which power was concentrated with the central government, the Industry group envisaged an absolutely decentralised society, ruled exclusively by self-governing industrial organisms.

3.3 Towards an Orderly Society: the Self-Government for Industry Bill

As 1932 gave way to 1933, the internal dispute was resolved, the ideas of the Industry group proving to be better suited to a capitalist-oriented planning scheme. A member of the Industry group, Israel Sieff, replaced Basil Blackett as chairman of the PEP in December 1932. The Tec Plan group was then disbanded, but Nicholson remained a member of the PEP as editor of the review *Planning*. From now on, PEP's efforts would be addressed to drafting a legislative bill for a system of industrial self-government. In March 1933 the organisation's activities were opened to public attendance. The first event was a dinner at the Savoy Hotel in London on March 29th 1933, attended by a good number of politicians, intellectuals and others interested in the concept of planning, corporatism and industrial self-government.[49] Among them were such figures as Gerald Barry,

[48] BLPESA, PEP-PSI 17/1 *Publications 1933-1939*, box n. 1, "The person, the group and the State", in *Planning*, March 27, 1934, p. 13.

Alfred Zimmern, an academic close to G.D.H. Cole and the Guild Socialism school, Arthur Salter, civil servant and author of *Framework of an Ordered Society*,[50] Harold Macmillan, the leader of a dissident group of young Tories and one of the authors of the volume Industry and the State,[51] and Eustace Percy, Conservative Minister of Education between 1924 and 1929 and the author of *Democracy on Trial: a Preface to an Industrial Policy*,[52] who was influenced by Mussolini.

In his inaugural address, the new chairman Israel Sieff announced PEP's reformulated objectives:

> I differentiate very clearly between the placing of our economic activities under State control, and the working out of an organised, planned, structure giving industry self-government; eliminating the existing causes of friction and inefficiency, whilst allowing the freedom of each unit and each individual to concentrate on their tasks.[53]

From that moment onwards, PEP's main effort was directed to drafting a legislative proposal for the group-based reorganisation of Britain's entire socio-economic and political system. An ad hoc subgroup was created, bringing together all the leading members of PEP, including Israel Sieff, Max Nicholson, Kenneth Lindsay, Noel Hall and Michael Zvegintzov.[54] At the same time Harold Macmillan was working for what he called, in an unpublished pamphlet written in March 1932, a "reasonable compromise between the rival

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[49] A list of the participants is in BLPESA, PEP A/4 "Guest List and Other Correspondence (1933-1964)", b. 1, *PEP Dinner at the Savoy Hotel*, March 29, 1933 and in BLPESA, PEP UP/10 "PEP History (1931-1961)", K. Lindsay, *The Thirties. A Preliminary Survey*, appendix 6.

[50] A. Salter, *Framework of an Ordered Society*, Cambridge, 1933.

[51] R. Boothby, J. De Vere Loder, H. Macmillan, O. Stanley, *Industry and the State*, London, 1927.

[52] E. Percy, *Democracy on Trial: a Preface to an Industrial Policy*, London, 1931.

[53] The address was published in Planning. See BLPESA, PEP-PSI 17/1 *Publications 1933-1939*, box n. 1, I. Sieff, "Speech", in *Planning*, April 25, 1933, pp. 1-2.

[54] See BLPESA, PEP-PSI/12 "Leonard Elmhirt's Papers (1930-1972)", b. 176, "Permissive Legislation, 1934", *Permissive Legislation. Personnel and Permissive Legislation Group Meeting*, April 6, 1934.

claims of individualist and collectivist conceptions of society"[55] through the institution of a "department of industry, an industrial sub-parliament."[56]

In 1933, Macmillan and Henry Mond (the son of Alfred Mond, founder of Imperial Chemical Industries) created the Industrial Reorganisation League, a study group to draft a bill for self-governing industry.[57] From the outset the group was very close to the PEP. Macmillan's ideas were very well received by *Planning*, which noted that they were "in substantial agreement on most points with the approach which PEP has likewise been using."[58] In fact, although the two groups eventually produced two separate legislative proposals, they showed unmistakable similarities based on the principle of function and grouping, perfectly exemplified by Macmillan's thesis: "The proper substitute for the individual is not the State, but the functioning group, substituting the initiative of the whole industry for that of the individual."[59]

In 1934 the two groups displayed considerable similarity of aims, means and philosophy. Both proposals envisaged a new economic decision-making process in the economic field based on the concept of industrial self-government:

> Internally, each industry needs a common agency for giving effect to its common decisions: externally each industry

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[55] H. Macmillan, *The State and Industry in 1932*, in BLSC (Bodleian Library Special Collections), Macmillan Papers, I.2 "Books and Pamphlets written by Macmillan (1926-1986)", MS. Macmillan dep c. 982, March 15, 1932, pp. 127-128.
[56] Ivi, p. 12.
[57] Henry Mond was fascinated by the Fascist Corporative State, and Macmillan too was familiar with the new corporatist institutional architecture of Fascist Italy. In fact, he showed special interest in Italy's "Syndical Law" of April 1926, signed by the Minister of Justice, Alfredo Rocco, and for years he continued to read about the institutionalisation of the Italian corporations. See the following documents: BLCS, Macmillan Papers, E.1 "General Correspondence (1912-1950)", MS. Macmillan dep. 359, *The Settlement of Labour*, undated; BLCS, Macmillan Papers, E.1 "General Correspondence (1912-1950)", MS. Macmillan dep. C. 454, *Letter to Hugh Williams*, December 16, 1929.
[58] BLPESA, PEP-PSI 17/1 *Publications 1933-1939*, box n. 1, *Notes. A Plea for a National Policy*, in *Planning*, December 19, 1933, p. 12.
[59] Ivi, p. 10.

needs an accredited representative for treating with Government, with other industries and with other interests.[60]

The recognition of the multiplicity of economic and social interests within modern industrial society implied advocacy of a polycentric system composed of sectorial industrial associations. The associations would represent the separate socio-economic interests, coordinated by a national industrial council.[61] The Parliament would accordingly lose its leading role and sovereign authority, devolving very substantial powers of decision in industrial matters to private organisations. In this new scheme, Parliament was conceived of as an assembly with its own functional characterisation. It would represent the category of consumers and would have only the power to approve or reject the economic legislation formulated elsewhere. This geographically-based Parliament would also retain considerable authority in traditional political affairs, such as foreign policy.

The democratic system proposed by the PEP differed radically from the traditional liberal democracy, because it was not founded upon the principle of individual freedom but on the concept of function and productive unity. The industrial democracy so envisaged was designed to represent not individual opinions but rather the ideas, needs and necessities of the various productive sectors and socio-economic interests. The role of voicing them was to be played by the industrial corporations: "We favour voting by units of production […] – it was stated in the draft bill – "weighted according to value or volume of production or to wages and salaries paid."[62]

The role of organised labour in this new decision-making process was unclear, however. In fact, the internal constituency of the industrial corporations was not very well outlined. The matter was resolved with the vague proposition that "ideally […] all the persons who work in an industry should form the constituency, or

[60] BLPESA, PEP WG/5, "Working Group Papers (1932-1938)", b. 2, *Self-Government for Industry Bill*, October 1934, p. 4.
[61] Ivi.
[62] Ivi, p. 7.

one of the constituencies, to which its governing body is responsible."[63]

4. Conclusions

Between October 1934 and April 1935, a version of the bill, proposed by Macmillan's Industrial Reorganisation League, was discussed in the House of Lords and the House of Commons, getting a very tepid reception. Although it won the approval of minorities within the Conservative Party and the National Labour group, the proposal for corporatist self-government was attacked in a number of quarters and eventually rejected by the National Government. Aside from the Liberals, who maintained their old *laissez-faire* ideas, the Labour Party in particular set itself against the bill.

At the sessions of the House of Commons of the 3rd of April 1935, Stafford Cripps denounced the scheme as an embryonic form "of the industrial and economic side of Fascism," in which the industrialists would become "the absolute masters of the Fascist corporation which would thereby be created."[64] The bill was also criticised by the Federation of British Industries, which was reluctant to take on any public role, by such liberal press organs as the *Times* and the *Economist*, and, finally, by orthodox liberal academics, such as Friedrich von Hayek and Lionel Robbins. In the end, also the majority of the Conservative Party rejected the bill sponsored by the PEP and the Industrial Reorganisation League. The decision was taken in April 1934, after the final report of a committee to examine Macmillan's proposals chaired by Neville Chamberlain. The committee's final report, drafted in April 1935, denounced the very idea of planning, distinguished between industrial control, which had to be rejected, and industrial assistance, which was regarded as the only legitimate sort of State intervention in the economy. In partic-

[63] Ivi, p. 6.
[64] Parliamentary Archives (PA), HC/Deb, April 3, 1935, vol. 300, c. 429 and c. 424.

ular, the Conservative committee firmly rejected the devolution of State authority as a threat to the necessary, impartial role of the central State.[65]

The general rejection of the bill put an end to the campaign for corporatist/capitalist reorganisation. Neither the proposal of the PEP nor that of the Industrial Reorganisation League was ever published, and enthusiasm waned rapidly. Nonetheless, an examination of the PEP's theoretical debates and proposals in the period 1931-1934 can serve to better understand the global diffusion of corporatist thought and the variety of hybrid forms that this particular idea can assume. In conclusion, some issues warrant further discussion: first, the heuristic validity of Schmitter's analytical categories; second, the position of the PEP corporatist/capitalist planning scheme within the panorama of European corporatist theory; and third, the vast spectrum of corporatist possibilities that emerged in the late 19th and early 20th centuries.

Our analysis confirms the surprising power of Schmitter's definition of Corporatism and its sub-categories. In fact, his ideal-type remains essential to grasping the similarities and differences between many theories that are widely separated both geographically and chronologically. Assuming a paradigmatic idea of Corporatism is, to be sure, a historiographical artifice, but it furnishes a theoretical benchmark, a unifying concept to reveal a number of historical continuities that would otherwise remain clouded. These continuities consist in the idea of functional representation of organised groups expressing different socio-economic interests, in order to attain two different but complementary objectives: a more efficient and ordered community and peaceful, harmonious cooperation among all the parts of the society. Although these ideas are expressed variously, there does appear to be a common denominator for a great number of the corporatist theories and proposals that arose in the 19th and 20th centuries, drafted not only by fascist movements and regimes,

[65] Cfr. D. Ritschel, *The Politics of Planning. The Debate on Economic Planning in Britain in the 1930s*, Oxford, 1997.

but also by other political subjects, as described by Schmitter, Antonio Costa Pinto, and others.[66]

Analysis of the principles underpinning the ideas espoused by the PEP allows us to integrate this vast corporatist universe with another piece of the puzzle. This study shows the remarkable similarity between the proposals for self-government in industry and other corporatist thought, which always advocated the reorganisation of society on functional lines. Schmitter observes that an extraordinary variety of theorists, ideologues and activists advocated a new system for the representation of interests, aiming to link the organised interests of civil society – both economic and non-economic – with the decisional structure of the State. The list includes romantic theorists of the State, like Hegel; proto-socialists such as Sismondi and Saint-Simon; the organic solidarism of Durkheim and Leon Duguit; the revolutionary syndicalism of Georges Sorel and Hubert Lagardelle; the social Catholicism of Von Ketteler, Toniolo, La Tour du Pin, Alfred de Mun and Leo XIII; nationalists such as Manoilescu, Maurras and Alfredo Rocco; the syndicalist Corporatism of George Valois and the Charter of Carnaro, written by Alceste de Ambris; Henri de Man's planisme; the Italian national syndicalists Rossoni, Panunzio and Lanzillo; the totalitarian democracy of Giuseppe Bottai; the ownership Corporatism of Ugo Spirito; the capitalist and technocratic ideas of Walter Rathenau; the fascist regimes of Salazar in Portugal, Franco in Spain, Vichy France, Vargas in Brasil, and Peron in Argentina; the inter-war dictatorships in Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Greece; and, finally, Dolfuss's government in Austria and Kemalist Turkey.[67]

Although they differed on many key points, all these political and cultural movements shared one certainty, namely that human society rests upon socio-economic groups and interest organisations. Consequently, more efficient social engineering would have to

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[66] See in particular A.C. Pinto, "O corporativismo nas ditaturas da época do Fascismo", in *Varia Historica*, v. 30, n. 52, pp. 17-49.
[67] Ibidem.

recognise these natural associations and devolve a certain amount of political power to them.

Britain's Political and Economic Planning group is historically interesting for two main reasons. For one, in its first two years it developed two different interpretations of Corporatism: the sub-group headed by Max Nicholson adopted a particular State-oriented version of corporatist principles in which the final authority would lie with the central government, but with a key role for industrial corporations on the Italian Fascist pattern as a system of control and connection between centre and periphery, while Noel Hall's Industry group advocated a completely decentralised version of Corporatism, in which the industrial associations themselves had full powers in the economic field, creating true self-government in industry. Within a single think-tank, then, this debate reproduced the two main tendencies – authoritarian and societal – that the literature has traced in all corporatist theories.

Secondly, at the end of 1932, with the predominance of the Industry group's approach, PEP's plan came to represent one of the hybrid forms that Corporatism had assumed over the decades, namely a private self-governing industrial system. This system was to be based on sectoral economic associations with the statutory power to handle all socio-economic issues related to the world of industry. Like other corporatist experiences both on the Continent and in the United Kingdom, those plans were directed to restoring what was perceived as a lost social order and rebuilding national efficiency and unity through the collaboration of all classes and groups.

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