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**Building an Industrial Society:  
Welfare Capitalism in the “City of  
Factories”. Sesto San Giovanni, Italy**

Valerio Varini

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# Building an Industrial Society: Welfare Capitalism in the “City of Factories”. Sesto San Giovanni, Italy

Valerio Varini\*

## Abstract

The article retraces the steps which marked the transformation of Sesto San Giovanni from a small agricultural centre in the vicinity of a great city such as Milan, to becoming one of the principal centres of Italian industry. Two preliminary questions, of notable importance, have been dealt with the definition of company town, as so considered by the most authoritative historiography. Following that there is a brief résumé of the diffusion of the company towns in Italy. The two premises serve to better comprehend the case of Sesto San Giovanni. Its uniqueness lies, however, in being the outcome of action by a plurality of businesses which contributed to building the ‘factory city’. From 1905, their choice of setting up their plants caused a sudden increase in the population, which was followed by an equally sharp increase in the demand for lodgings and social infrastructures. In the face of this necessity, the employers were forced to invest in building, at first with the intention of rapidly housing the workers and, then to proceed with a more rational planning of specific villages for the workforce. In the decades between the Wars, Sesto San Giovanni was provided with a wide range of services in the fields of health care, schooling and even leisure. These policies permitted the creation of solid, close-knit company communities, founded on the intense participation of the workforce in the functioning of the production activity. The social network, however, held together principally on the basis of the recognition of mutual obligations and responsibilities, rather than one mere subordination to a paternalistic domination.

Key words: Economic History; Company Town; Entrepreneur; Welfare

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\* Assistant Professor in Economic History and Business History, Department of Economics, Management and Statistics, Università degli studi Milano – Bicocca, Milano, Italy, Tel. +39 02 64483024, [valerio.varini@unimib.it](mailto:valerio.varini@unimib.it)

Since the beginning of industrialisation, different types of relationships have developed between the work place and the workers community. In spite of their great variety, some of these relationships took on a pervasive connotation and came to be described as company towns, which due to their multiple approaches have sparked a wide debate concerning their definition.<sup>1</sup>

Bearing in mind such complexity, the present study aims to focus on the links between the company and its workers, in the hope of giving some answers to the following pressing questions: why did companies invest in social and welfare services for their workers and the surrounding community? What is the relationship between the service supplier, the company and the beneficiaries, i.e. the workers?.<sup>2</sup>

We could ascribe this relationship purely to the subordinate role of the worker, as suggested by the interpretation offered by the more consolidated historiography<sup>3</sup>, especially concerning the Italian cases<sup>4</sup>, or consider them as more complex connections, recalling their mutual links and shared ethical and religious values, that could determine not just a conflicting relationship but also a mutually cooperative behaviour.<sup>5</sup>

The case here analysed is that of Sesto San Giovanni, one of the main industrial districts within the Italian industrialisation process and one that can be compared, for its importance and duration, to other European experiences such as Le Creusot in France<sup>6</sup> or to the Ruhr area in Germany.<sup>7</sup> Its

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<sup>1</sup> John Garner (ed), *The Company Town: Architecture and Society in the Early Industrial Age*, (Oxford, 1992).

<sup>2</sup> For a more recent reflection on the Company Towns: Marcelo J. Borges, Susana B. Torres (eds) *Company Towns. Labor, Space, and Power Relations across Time and Continents*, (New York, 2012).

<sup>3</sup> For an international historical reflection on paternalism, see: Huber Bonin, Paul Thomes (eds), *Old Paternalism, New Paternalism, Post Paternalism (19th -20 th Centuries)*, (Bruxelles, 2013); *Patronage, Paternalism, and Company Welfare*, "International Labor and Working-Class History", 53 (Spring 1998); A. Gueslin, *Le Paternalisme revisité en Europe occidentale*, "Genésis", 7 (mars 1992); and for a significant discussion on the nature of the paternalism: R. Price, "The labour process and labour history", *Social History*, I (January I 983); P. Joyce, "Labour, capital and compromise: a response to Richard Price", *Social History*, 9 (Jan., 1984), pp. 67-76; R. Price, "Conflict and co-operation: a reply to Patrick Joyce", *Social History*, IX, 2 (May 1984); P. Joyce, "Languages of reciprocity and conflict: a further response to Richard Price", *Social History*, 2, (May, 1984), pp. 225-231.

<sup>4</sup> For a concise summary see: Benenati Elisabetta, "Cento anni di paternalismo aziendale", Stefano Musso (ed), *Tra fabbrica e società. Mondi operai del Novecento*, (Milano 1999), pp. 43-48; Duccio Bigazzi, "Le permanenze del paternalismo: Le politiche sociali degli imprenditori in Italia tra Ottocento e Novecento", Maria Luisa Betri, and Duccio Bigazzi (eds), *Ricerche di storia in onore di Franco Della Peruta*, (Milano, 1994).

<sup>5</sup> Gillian Darley, *Villages of Vision: A Study of Strange Utopias*, (Nottingham, 2007); on the company as an 'historical subject', 'governed primarily by affectiv logic and identity, based on faithful social relationships', see Giulio Sapelli, *Perché esistono le imprese e come sono fatte*, (Milano, 1999), p. 120.

<sup>6</sup> Jean-Pierre Frey, *Le ville industrielle e ses urbanites: La distinction ouvrieres-employés, Le Creusot, 1870-1930*, Liege, Mordaga, 1986; Dominique Schneider, Caroline Mathieu, Bernard Clément (eds), *Les Schneider, le creusot: une famille, une entreprise, une ville : 1860-1960*, (Paris, 1995).

characteristics make it at the same time a unique example, since it is the outcome of a collective action on behalf of more companies, and also allow for a deep analysis regarding the creation of a wide and differentiated company welfare system. In fact, the plurality of companies involved created an open environment where there was no dependence of the worker on a single employer, a situation that favoured the growing attention of the companies towards welfare and social services. To begin with, this study will analyse the definition of company town to highlight the different existing forms but also to understand the importance of the case here examined.<sup>8</sup> Then, a brief description of welfare communities in Italy in the 1930s will follow, highlighting how they became a main characteristic of the Italian approach to industrialisation, worthy also of international comparison. Finally, an analysis of *the city of factories*, Sesto San Giovanni, will be presented. In consideration of the vast welfare approach created by companies in this area, a general summary is given in the final appendix, to avoid a long and somehow repetitive description. The main attention will concentrate on the more relevant aspects, able to supply exhaustive answers to the questions listed above.

### *Company town in historical prospective*

The variety of company towns is such that it is difficult to describe them in a single, univocal manner. Their significant and numerous variations do not permit the adoption of rigid boundaries to identify successive historical experiences. John G. Garner identified the company town as “a settlement founded or sustained by a single enterprise that is also its chief employer,” tracing the origin of the definition back to the period between the nineteenth and twentieth century.<sup>9</sup> The satisfaction of basic needs pushed companies “to build houses, stores, and schools [that] did not exist at the outset,” thus increasing their influence on the life of the communities created around the areas of production.<sup>10</sup> For a long time, researchers concentrated their attention on architectural and urban aspects, while recently dedicating growing attention to “the changing structure of industrial technology and social relations that composed the production process at [their] core,”<sup>11</sup> thus

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<sup>7</sup> J. Ronald Sheare, "Shelter from the Storm: Politics, Production, and Housing Crisis in the Ruhur Coald Fields, 1929-24", *Journal of Contemporary History*, 34, 1 (1990), p. 19-27.

<sup>8</sup> For a wide selection of industrialisation processes in Italy and the European context, see Giovanni Luigi Fontana (ed), *Le vie dell'industrializzazione*, (Bologna 1997).

<sup>9</sup> John Garner, "Company Towns", in Neil Shumsky (ed), *Encyclopedia of Urban America: The Cities and Suburbs*, vol. I, (Santa Barbara, Cal. 1998), p. 200.

<sup>10</sup> Garner, "Company Towns", p. 201.

<sup>11</sup> Joseph Melling, "The Company Town: Architecture and Society in the Early Industrial Age", *The Business History Review*, 67, 4, (Winter 1993), p. 685.

creating a strong drive towards an interpretation “of the company town as a part of the movement to restructure industrial enterprise and work relations from the chaotic disorder of the nineteenth century. Rationality and the social gospel were shared texts rather than antagonistic doctrines”<sup>12</sup>, but this revision has not found an adequate attention by the business historian.<sup>13</sup>

The expansion of the company town boundaries took into consideration not only the communities created around a single business but also those connected with groups of companies, where the discriminating variable is “the substantial part of the real estate and houses.”<sup>14</sup> Studying aspects concerning the economy, labour, and social dimensions of the company towns becomes a priority, rather than concentrating on the physical environment, thus acquiring more evidence of the diversity of situations as opposed to a presumed tendency to uniformity. The same paternalistic approach, considered as a form of domination by the companies beyond the production line, is not adequate enough to explain the formation and duration of “the company town as a regulatory mechanism ... [for] the new form of industrial production.”<sup>15</sup> Indeed, the mutual aid behaviours generated conspicuous “economic advantages for both employer and employee.”<sup>16</sup> The search for “a sense of identification between employer and employee” became one of the main objectives of company welfare, capable of restoring “the personal relationship that had existed in smaller firms ... above all the welfare worker was intended to embody middle-class virtue” that would justify “welfare programs strictly in terms of economic rationality.”<sup>17</sup>

The premise above enables us to better understand the origin, evolution, and role of company towns in the process of industrialization in Italy. In particular, it allows to revise the paternalistic perspective that has long influenced Italian historiography.<sup>18</sup> Indeed, there is in the growing attention for company towns<sup>19</sup>, an excessive importance attributed to paternalism, indicated as one of the key factors behind their existence.<sup>20</sup> In particular, the paternalistic approach is not suitable to comprehend the cases of company towns from the beginning of the twentieth century—especially in capital intensive sectors like iron and steel, mechanical engineering, and the chemical industry.<sup>21</sup> This phase enriched the social activity of companies, which went beyond the mere construction of

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<sup>12</sup> Melling, “The Company Town: Architecture and Society in the Early Industrial Age”, p. 685.

<sup>13</sup> Patrick Fridenson, “Business History and History”, in Geoffrey Jones, Jonathan Zeitlin (eds), *The Oxford Handbook of Business History*, (Oxford, 2008), p. 19.

<sup>14</sup> Horace Davis, “Company towns,” in *Encyclopedia of Social Sciences*, (New York, 1937), 4 vol., p. 119.

<sup>15</sup> Margaret Crawford, *Building the Workingman’s Paradise: The Design of American Company Towns*, (London and New York, 1995), p. 6.

<sup>16</sup> Crawford, *Building the Workingman’s Paradise*, p. 45.

<sup>17</sup> Crawford, *Building the Workingman’s Paradise*.

<sup>18</sup> For example, Luigi Guiotto, *La fabbrica totale: Paternalismo industriale e città sociali in Italia*, (Milano, 1979).

<sup>19</sup> “The Company Towns in Italia,” in *Annali di storia dell’impresa*, n. 13 (2002); Augusto Ciuffetti, *Casa e lavoro: Dal paternalismo aziendale alle “comunità globali”: Villaggi e quartieri operai in Italia tra Otto e Novecento*, (Perugia, 2004); Angeli Nesti (ed), *I villaggi operai*, in *Ricerche Storiche*, 1 (Jan.-Apr. 2009).

<sup>20</sup> Angelo Nesti, *Introduzione*, in Nesti, *I villaggi operai*, pp. 11-3.

houses and involved them in the concept of the *welfare company* which in some cases, like that of Dalmine, Marzotto and Sesto San Giovanni, enabled them to achieve considerable success.

In this perspective the case of Sesto San Giovanni, examined here, suggests that the main influence exercised within the company towns was that of commonly shared values, like belonging to a cohesive community,<sup>22</sup> and the mutual interest on behalf of both the entrepreneurs and the workers alike in building efficient companies that would last through time.<sup>23</sup> For this reason, the case study of Sesto San Giovanni offers many clues in support of a more convincing understanding of the company towns, such as the idea of a shared building process between the entrepreneurs and the workers, instead of a mere paternalistic imposition of the former on the latter. Sesto San Giovanni gives an opportunity to research further the end of the company towns that reached their final days during the second post-war period to give way to a progressively diminished involvement of the companies in the governing of these communities. Company towns were now being conditioned by other protagonists such as union representatives, as far as contractual negotiations were concerned, and by public authorities at local and national level, occupied with the creation of the welfare state. Before proceeding to present the case study of Sesto San Giovanni, it would be useful to introduce a brief picture of the company towns in Italy in the early 1930s.

#### *A general overview: welfare communities at the beginning of the 1930s*

It will be helpful here to outline the salient aspects of Italian company towns in the period in which they reached their level of maturity—that is, in the 1930s, when some research was conducted at national level. This research was promoted at national level by the Association of Industrialists to obtain an overview of the Italian company welfare. What emerges from this study allows us to describe the dimensions and chief characteristics of Italian company towns, although the research itself lacks objectives of systematic or indeed exhaustive data gathering. Instead, rather descriptive needs prevail, aimed at underlining the multiple projects realised by the company towns in a clearly celebrative tone.

<Table 1>

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<sup>21</sup> Benenati, *Cento anni di paternalismo aziendale*, pp. 71-5.

<sup>22</sup> Aldo Carera (ed.), *Opere sociali e responsabilità d'impresa: Casi e temi nel Novecento*, (Milano, 2009); about the relevance of community see John C. Walsh, Steven High, "Rethinking the Concept of Community," *Histoire Sociale/Social History*, 32:64 (1999), p. 255.

<sup>23</sup> Duccio Bigazzi, "Le permanenze del paternalismo: Le politiche sociali degli imprenditori in Italia tra Ottocento e Novecento", in Maria Luisa Betri and Duccio Bigazzi (eds.), *Ricerche di storia in onore di Franco Della Peruta*, (Milano, 1994).

The fact alone of having a total of around 240,000 workers involved reveals the importance of this organisational form and leads to further classifications.<sup>24</sup> One of the first classifications regards the dimension of companies around which company towns were created. The distribution according to the number of workers highlights a wide range of situations where, besides the big names among Italian enterprises such as Fiat, Montecatini, Terni and Snia, there was an equally substantial presence of smaller companies. In the first case, they were complex organisations with production plants distributed on the territory and characterised by specific solutions (like the mining villages of Montecatini)<sup>25</sup> or by a great concentration (like Turin the “city industry” of Fiat).<sup>26</sup> In the smaller categories, especially in the minor ones, there were cases where a deeply rooted presence on the territory constituted one of the main factors for a company’s life-span, as it is well documented by the cases of Beretta in Gardone Val Trompia (Brescia), whose origins date back to the sixteenth century<sup>27</sup>, or Cartiera del Maglio (Bologna), founded in 1765. The regional location is also very revealing.<sup>28</sup> Even if regions with a solid industrialisation like Lombardy and Piedmont are predominant, border regions like Veneto and Liguria also stand out for the number of companies and workers. A few cases are found in central Italy, while Southern Italy is completely absent. Finally, the distribution based on the production sector completes the picture. The textile sector is the most widespread, confirming its relevance for the industrial system as well as by the particular managing structure it adopted. In fact, when it comes to its internal structure, cotton (with eleven factories which employed 24,940 workers) and wool (with eight factories with 21,000 workers) cover the earliest experiences and those that lasted longest—for example, the workers’ villages of Crespi d’Adda<sup>29</sup> and of Campione del Garda (cotton)<sup>30</sup> or Valdagno and Schio (wool).<sup>31</sup> Again, in the textile sector there are many significant experiences concerning the silk industry, as well as the

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<sup>24</sup> In the same period, in Italy, people employed by the manufacturing industry were 3,730,000. See Albert Carreras, “Un ritratto quantitativo dell’industria italiana”, *Storia d’Italia, Annali 15* (1999), p. 255.

<sup>25</sup> Augusto Ciuffetti, “I villaggi di miniera della Montecatini nell’Italia centrale (1919-1943): modelli insediativi e tipologie edilizie”, in G. Allegretti, E. Sori (eds.), *Sopra l’Inferno. Il villaggio di Miniera di Perticara*, (Montefeltro, 2003).

<sup>26</sup> Robert Doty, “The Italian Detroit”, *New York Times*, February 17, 1968; Giuseppe Berta, “Torino: una company town? Alcune considerazioni,” *Annali di storia dell’impresa*, 13 (2002), pp. 9-22.

<sup>27</sup> Marco Morin, *Beretta : the world's oldest industrial dynasty*, (Chiasso, 1980).

<sup>28</sup> In order to evaluate the companies’ geographical distribution, their registered or main office has been taken into account since the source used does not supply adequate information on the location of the single production units. It is possible to outline the regional distribution, albeit approximately, as follows: Lombardy 37 companies, 138,963 workers; Piedmont 7 companies and 60,430 workers; Veneto 7 companies and 15,492 workers; Liguria 5 companies and 15,492 workers; Emilia Romagna 2 companies and 1,150 workers; Tuscany 2 companies and 1,100 workers; Friuli Venezia Giulia 1 company and 3,911 workers; Umbria 1 company and 13,000 workers.

<sup>29</sup> *Villaggi operai in Italia. La Val Padana e Crespi d’Adda*, (Torino, 1981), p. 130.

<sup>30</sup> Carlo Simoni, *Oltre la strada. Campione sul Garda: vita quotidiana e conflitto sociale in un villaggio operaio periferico*, (Brescia, 1988).

<sup>31</sup> Giovanni Luigi Fontana, “Formazione ed evoluzione di una città de lavoro: Schio, “Nuova Schio” e l’industria Laniera”, in Nesti (ed), *I villaggi operai*.

village of Torviscosa belonging to Snia Viscosa.<sup>32</sup> Partially known company town projects, developed by medium-size companies, should be added to the above list of better established ones. It is also useful to underline the diverse productive sectors involved, as for example in the food division with the village of Santa Vittoria d'Alba, belonging to Cinzano.

Creating company towns proves then to have been an effective solution that could adapt to a variety of different situations as far as social and cultural conditions were concerned, besides the employment of a wide range of technologies and managing structures. The cases cited above confirm how company towns represented an adequate management solution for the needs of companies and workers because they were capable of “building real communities with services that were sometimes quite refined” and suitable “to the context and type of relationship that was established with the surrounding settlements.”<sup>33</sup> These solutions usually included houses for workers and employees, canteens and boarding houses to reduce commuting, especially for women. The same attention was dedicated to the hygienic conditions and medical assistance provided to the workers, with hospitals in the most organised towns, or with contributions towards medical expenses in smaller realities. It must be highlighted how schooling and training were essential for companies, especially those committed to the rationalization of production and management, that provided the same, and often an even higher level of education as the standard school system. Therefore, they were not only instrumental to the company's need to function but were also favourably welcomed by the workers and their families. Training extended also to other activities such as cultural entertainment and sports that required a voluntary form of participation, another sign of sincere participation in the factory community.

### *Sesto San Giovanni: the exemplary city of factories*

Although distinguishable for its originality, Sesto San Giovanni seems to be quite representative of a multiplicity of experiences taking place in Italy in the same period and having similar characteristics.<sup>34</sup> From this case study, it is possible to better comprehend the significant support of the company town in favour of the industrialization process, consequently highlighting the necessity to understand which elements made them particularly suitable to reconcile the different productive

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<sup>32</sup> For example, Tessitura Serica Bernasconi, with offices in Cernobbio and Cagno, owned 600 rooms and 2 workers villages. See *L'Italia nelle sue opere assistenziali*, (Roma, 1933) vol. I, pp. 176-80.

<sup>33</sup> Giovanni Luigi Fontana, “Dar casa agli operai. Logiche d'impresa e ingegneria sociale nell'industrializzazione moderna”, *Quaderni della Fondazione Dalmine* (2003), p. 21.

<sup>34</sup> Augusto Ciuffetti, *La città industriale. Un percorso storiografico*, (Perugia, 2004).



aspects; and, ultimately, to understand why they died out.<sup>35</sup> Sesto San Giovanni is considered an example of the changes that transformed the main industrial areas in Italy. Its mutation from a small rural village to a large industrial pole was brought about by the combined intervention of entrepreneurs, who built the most important factories in the area, and the main landowners of the rural village, an involvement mediated and made effective by the most important national and international financial institutions.<sup>36</sup> The planning of the new urban settlement saw the involvement of the company founders Ernesto Breda and Giorgio Enrico Falck, the main protagonists together with Ercole Marelli, of the *visible hand* that governed the “city of factories” from its foundation in the early twentieth century until its end in the second postwar period.<sup>37</sup> Their location outside of Milan allowed these companies to have a deep influence on the way the emerging industrial society was being built. This was the result of an overall restructuring of the regional economy, involved in a wave of technological innovations, symbolised by electricity, and occupied in a collective effort to reorganize the productive activities traditionally rooted on the territory, such as textile, metallurgy, mechanical engineering and chemical, including the modernisation of agriculture.<sup>38</sup> Sesto San Giovanni played an important role as a breeding ground as far as economic, social and cultural changes were concerned, thanks to three main plants that deeply marked its evolution: Acciaierie e Ferriere Falck (steel and iron), Ernesto Breda (mechanical) and Ercole Marelli (electro-mechanical). A first evident result following the settlement of the three plants, which started in 1903, was the attraction of a conspicuous migration flow that during the brief period between 1905/1906 and World War I increased the population of Sesto from a few thousands to more than 15,000 inhabitants, an increase of about 7,500 people.<sup>39</sup>

<Table 2>

The arrival of manpower imposed a rapid growth in the number of infrastructures available to house the commuting workers, at first in a temporary fashion, then in more stable accommodation for those who decided to move closer to the workplace. Due to the growing demand for public services,

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<sup>35</sup> About the importance of the organisation of production in relation to a paternalistic approach, see Giulio Sapelli, *Organizzazione del lavoro e innovazioni industriale nell'Italia tra le due guerre*, (Torino, 1978).

<sup>36</sup> Valerio Varini, *L'opera condivisa: La città delle fabbriche: Sesto San Giovanni, 1903-1952: L'industria*, (Milano, 2006).

<sup>37</sup> On the leading role of Falck, Marelli e Breda see Franco Amatori, “Entrepreneurial Typologies in the History of Industrial Italy: Reconsiderations,” *Business History Review*, (Spring 2011), pp. 151 – 180.

<sup>38</sup> Aldo Carera, *I confini dello sviluppo. La regione economica lombarda come questione storiografica*, (Milano, 2000); Andrea Colli, “Cent’anni di “grandi imprese”, in *La Lombardia. Storia d'Italia. Le regioni dall'Unità a oggi*, (Torino, 2001).

<sup>39</sup> Laura Francesca Sudati, *Tutti i dialetti in un cortile: Immigrazione a Sesto San Giovanni nella prima metà del '900*, (Milano, 2008), pp. 56-67.

the attraction exercised by large industries created heated disagreements between companies and public authorities.<sup>40</sup> The disputes concerned the amount of resources to be invested in the construction of the city that was long to remain insufficient compared to the needs of the population, so much so that public institutions were constantly urged to intensify the investment for social works, without reaching satisfactory results nonetheless.<sup>41</sup> Consequently, the only organizations that could adequately intervene were the companies: pushed by ceaselessly growing production, emphasised even more by the wartime mobilisation that started with World War I, they found themselves in the position of having to intervene directly to satisfy the needs of a rapidly growing population.<sup>42</sup>

The first constructions of this impressive building project were realised thanks to the financial participation of the larger companies in the friendly societies, that were created at the turn of the twentieth century, and were supporting and providing welfare assistance to the workers but without actually having the economic resources to cover the growing demand, especially that for housing.<sup>43</sup> The same building project that due to the amount of resources required was sponsored directly by the companies and started in the years immediately after the factories were built, continuing relentlessly in the following decades, although showing different approaches at different stages.<sup>44</sup> At first, the urgent need for housing imposed solutions that were limited to simply providing lodgings for workers in dormitories and boarding houses that offered minimum services as far as accommodation and eating facilities were concerned. Solutions that brought to recycle some old farm houses<sup>45</sup> that were bought and refurbished by the main companies located in Sesto to accommodate the workers.<sup>46</sup> As time passed, however, the need to stabilize manpower pushed the companies to start more complex and longer lasting town planning works. Among these companies, Falck took a leading role in experimenting with adequate town projects and became a reference point for other companies.

Immediately after the first post-war period, Falck started to plan the first workers' village, equipped with all the necessary services to satisfy the needs of a community that was forming and that was

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<sup>40</sup> Sudati, *Tutti i dialetti*, pp. 152-3.

<sup>41</sup> For an analysis of the lack of hygiene and the demand for housing during the 1910s, see Luigi Trezzi, "La società nel primo ventennio del nuovo secolo," in Luigi Trezzi (ed.), *Sesto San Giovanni 1880-1921; Economia e società: La trasformazione*, (Milano, 1997), pp. 156, 164-8.

<sup>42</sup> In a letter sent in 1923 to the municipal authority, the general manager of Falck complained that "our initiative involving the set up and promotion of social security for our personnel... is almost isolated." Cited in Sudati, *Tutti i dialetti*, p. 193.

<sup>43</sup> Luigi Trezzi, "La convergenza verso una città industriale sino alla Grande guerra", in Paolo Tedeschi and Luigi Trezzi, *L'opera condivisa: La città delle fabbriche: Sesto San Giovanni, 1903-1952: La società*, (Milano, 2007), pp. 125-6.

<sup>44</sup> Trezzi, "La convergenza verso una città industriale sino alla Grande guerra".

<sup>45</sup> Franco Alasia, *La vita di prima*, (Milano, 1984), pp. 83-84.

united by the same working experience. Due to the project's complexity and the size of the investment required, the building work continued throughout the 1920s and was completed only at the beginning of the 1930s. Once completed, the first Falck village, a predecessor for further buildings, included more than one thousand inhabitable rooms and all the services required for the life of a whole community.<sup>47</sup> The workers' houses were built in small groups and inhabited by a small number of families in order to preserve their compactness and avoid episodes of family disintegration. Especially for Falck, the objective of preserving family unity became a central concern of the entrepreneurial activity carried out by the founder, Giorgio Enrico Falck, and continued by his successors, inspired by their religious faith.<sup>48</sup> Preserving family unity also had important economic implications as it contributed to establish a lasting permanence of the workers, in particular of the more specialised ones. The need to contrast excessive workers' turnover, especially after adequate training, pushed the companies to offer good housing conditions.<sup>49</sup> It was also appreciated by the workers themselves who found that Falck villages represented an ideal environment to build significant bonds with other families in the community.<sup>50</sup>

The work on the company town undertaken by Falck, started in 1906 at the same time when the plants were being built, distinguished the company because of the organic unity of the operation, which, although not formally prearranged and planned, proceeded in harmony with the expansion of the company's production. With reference to the motives that led Falck to operate directly, the reasons that have been repeatedly stated, at least in their initial form, were that the aim was "to endear the location to the workers" with no specific purpose of control, so much so that the company management tried to involve the local municipality.<sup>51</sup> When this failed, Falck was pushed to act directly, absorbing also the additional costs of building streets, sewers, aqueducts and everything else required for the functioning of the new settlements.<sup>52</sup> Public intervention was insufficient compared to the requirement expressed by the population, at least in the first years after

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<sup>46</sup> At the beginning of twentieth century, Breda bought a farmhouse, Cascina Torretta, and Falck later bought Cascina Parpargliona and Cascina Rabina. Sudati, *Tutti i dialetti*, p. 183.

<sup>47</sup> Silvio Fiorillo, "Il villaggio Falck: Architettura e note storiche," *Quaderni del Museo dell'Industria e del Lavoro*, 1 (Apr. 2002).

<sup>48</sup> Information about the founder, Giorgio Enrico Falck, comes from Archivio Falck (Falck Archives, hereafter AF), Minute from the board of directors meetings, 15 January 1948. For information about his first son, Enrico, see the various writing collected in Enrico Falck, *Scritti politici e sociali* (Milano, 1955). For information about the last successor, Alberto Falck, see *Il punto è la responsabilità sociale*, (Milano, 2009).

<sup>49</sup> On the high level of labour turnover, see Ilaria Suffia, *Il caso della forza lavoro della Sezione Ferroviaria della Società Italiana E. Breda tra il 1894 e il 1951* and Stefania Licini, *Operai e operaie del gruppo Marelli: composizione mobilità della forza lavoro*, both found in Ilaria Suffia (ed.), *Registri del personale classe operaia italiana*, (Milano, 2010).

<sup>50</sup> Sudati, *Tutti i dialetti*, p. 232. References to solidarity are common in workers' accounts. See "Raccolta di testimonianze operaie sulle dismissioni delle grandi fabbriche a Sesto San Giovanni," in <http://www.fondazioneisec.it>; last accessed 10 Novembre 2013.

<sup>51</sup> *Le Acciaierie e Ferriere Lombarde nei loro stabilimenti ed impianti*, (Milano, 1926), p. 6.

<sup>52</sup> Trezzi, "La convergenza", p. 135.

the arrival and development of the main companies.<sup>53</sup> Finally, concerning the control on the Falck's village, it is significant how the discipline, that was applied by the company, was much more a way of making some hygienic practices a common occurrence and of favouring orderly cohabitation than a way of imposing company dominion over the communities linked to it.

The large investments made by the main companies had a collateral effect on the housing market,<sup>54</sup> previously marked by a strong increase in the demand compared to a limited offer, with the consequence that rent prices decreased and speculation, that would have been detrimental to workers' interests, was avoided.<sup>55</sup> Even though there was a risk of an instrumental use of company housing to control labour, there were never enough cases, at least in the first decades, to support the hypothesis of blackmailing of the workers, to whom the houses were assigned on behalf of the companies.<sup>56</sup> Then again, the chronic lack of houses created constant public order issues that neither the housing market nor the borough authorities were in a position to cope with.<sup>57</sup> The same companies brought significant changes to the modality of their intervention in the building sector during the 1930s. From being directly involved with the construction of houses, Breda and Falck later preferred to collaborate with public bodies such as the housing office in Milan,<sup>58</sup> so as to further reduce the risks of an arbitrary use of the accommodations.<sup>59</sup>

The rules and regulations that governed the tenants were mainly norms that aimed at helping to create a peaceful social coexistence and avoiding foreseeable conflicts, deriving from the absence of common traditions and established customs that had not had time to cement, rather than of attributing any discriminative power to the company.<sup>60</sup> Moreover, the need to establish rules of

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<sup>53</sup> As an example of the difficulties met by the municipality in carrying out works of general interest, see the construction of the public slaughterhouse, planned in 1912 and only opened in 1934. Angelo Gaetano Spampinato, *Profili di Sesto antica*, (Sesto San Giovanni, 1980).

<sup>54</sup> In the 1930s, large companies came to control almost half the rented accommodation market of Sesto San Giovanni. Paolo Abbiati and Bruno Franceschini, "Settore edilizio e sviluppo urbano a Sesto San Giovanni dal 1916 al 1936," (Dissertation, Politecnico di Milano, 1982-1983).

<sup>55</sup> Sudati, *Tutti i dialetti*, pp. 186-7.

<sup>56</sup> For a discussion of the potentially paternalistic use of the houses built for the workers, i.e. their misuse as a worker/tenant control, see Giancarlo Consonni and Graziella Tonon, "La terra degli ossimori," *Storia d'Italia: Le regioni dall'unità ad oggi: La Lombardia*, (Torino, 2001), pp. 129-133. Nevertheless, there is a lack of specific research concerning the housing politics applied by Falck and Breda that can corroborate these theories.

<sup>57</sup> About the precarious housing conditions, especially for those who were not employed by large companies, see Sudati, *Tutti i dialetti*, pp. 189-210.

<sup>58</sup> In 1960, Falck managed 7,257 rooms. For a report on the building activity carried out by Falck in favour of its own workers, see "1 vano ogni 2 dipendenti," *La Ferriera*, (July 1960), pp. 1-10.

<sup>59</sup> Luigi Trezzi, "Lo sviluppo della società", in Luigi Trezzi (ed.), *Sesto San Giovanni 1923-1952: Economia e società: La crescita*, (Milano, 2002), p. 175.

<sup>60</sup> The intervention of the entrepreneurs to meet the ever-growing housing demand was advocated by local authorities in the early 1920s, appealing to their 'sense of civilization', (Comune di Sesto San Giovanni, *Relazione del R. Commissario straordinario Avv. Comm. Giovanni Cairo al ricostituito Consiglio del Comune*, (Milano, 1923) p. 8.

behaviour was born out of the necessity to integrate families coming from increasingly distant regional areas, a trend that through the years extended to involve the whole national territory.<sup>61</sup>

Similar behaviour is to be found in the actions of Breda, which became the main manufacturer of railway material in Italy.<sup>62</sup> In effect Breda started in 1906 to plan houses for its workers and in 1910 completed the work on 26 estates, including annexed services such as laundries, power supply, nurseries and gardens.<sup>63</sup> Breda specifically indicated in the company literature that what caused them to intervene was the need to create an “emotional bond” with their workforce. For this purpose, the companies started building houses to rent out at convenient prices to their workers, with undeniably substantial advantages for the company that enjoyed a higher level of collaboration and reduced potential conflicts.<sup>64</sup>

All in all, the intervention of companies allowed them to contain the price of housing, not just for their workforces but for the whole population. Furthermore, due to the need to house the manpower, a lot of care and attention was put into the urban décor<sup>65</sup> and the town planning consisted mainly of single houses based on the model of the Garden City.<sup>66</sup> A choice that distinguished the offer coming from the companies; a very different approach if compared to other private houses on offer that were known for the high level of decay and overcrowding, as reported by investigations carried out at the beginning of the 1920s by public authorities.<sup>67</sup> Until the 1950s at least, companies made up for the lack of substantial public investments especially that of town councils which limited their activity as far as building houses was concerned.<sup>68</sup> To confirm the central importance of companies in this respect, one needs only to think that in the tough years of the reconstruction in the second post-war period, between 1948 and 1950, Falck and Breda built a total of 850 rooms and 71 new flats, as opposed to an almost inexistent public investment.<sup>69</sup>

The intervention on behalf of the workers by the companies did not just involve housing. In order to create cohesive societies it was also necessary to look after other aspects in the lives of workers. In

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<sup>61</sup> Paolo Tedeschi, “L’incremento demografico,” in Tedeschi and Trezzi, *L’opera condivisa*, pp. 22-32.

<sup>62</sup> *La Breda: Dalla Società Italiana Ernesto Breda alla Finanziaria Ernesto Breda, 1886-1986*, (Milano 1986).

<sup>63</sup> *La Società Italiana Ernesto Breda per Costruzioni Meccaniche: Dalle sue origini ad oggi, 1886-1936*, (Verona, 1936).

<sup>64</sup> An examination of the low level of union conflicts found in Sesto San Giovanni in comparison with other areas with strong industrial settlement until the beginning of the 1920s in Giuseppe M. Longoni, “La nascita e l’affermazione del movimento sindacale,” in Luigi Trezzi (ed.), *Sesto San Giovanni 1880-192: Economia e società: La trasformazione*, (Milano, 1997).

<sup>65</sup> P. Nurra, “Un nuovo grande quartiere a Milano nella zona compresa tra Milano e Sesto san Giovanni,” *Le case popolari e le città giardino*, 6, (1910).

<sup>66</sup> Ebenezer Howard, *Garden Cities of To-Morrow. Being a Second edition of To-Morrow. A Peaceful Path to Real Reform*, (London, 1902).

<sup>67</sup> Sudati, *Tutti i dialetti*, pp. 187-93.

<sup>68</sup> Luigi Trezzi, “Verso una più avanzata frontiera per una libertà dal bisogno,” in Luigi Trezzi (ed.), *Sesto San Giovanni 1953-1973: Economia e società: Equilibrio e mutamento*, (Milano, 2007) pp. 96-7.

<sup>69</sup> Sull’attività edilizia vedasi Comune di Sesto San Giovanni, *Sesto san Giovanni ieri oggi domani. 14 anni di attività 1945-1960*, (Sesto San Giovanni).

particular, companies were interested in satisfying a whole range of needs that the worker and his/her family had. Above all, special attention was given to social welfare in order to protect workers as far as social security and medical assistance were concerned.<sup>70</sup> Often this type of assistance was limited to the workers only, but in a lot of cases it was progressively extended to cover their families and all the inhabitants of Sesto San Giovanni, even those not directly employed by the companies.

The first area of company intervention concerned the conditions of hygiene and workers' health with the institution of sickness funds and medical assistance, including proper specialised surgeries, as in the case of those supplied by Breda, Falck and Magneti Marelli. Health care also included mother and child assistance through special services such as the creation of summer and winter camps, nursery schools, and the supplying of food for children. These interventions intensified, especially during the 1920s, and in the following decade they were extended to the whole town population. For example, the social services offered by Magneti Marelli for mothers-to-be and newborn babies opened in 1933, offering such high quality that the female workers were considered "the most privileged working mothers in Italy."<sup>71</sup> As part of the health service, special attention was also dedicated to work safety (albeit the object of continuous opposition on behalf of the workers, companies' efforts towards this goal were substantial).<sup>72</sup> Falck, in particular, created a permanent health and safety service operated by specialised medical staff that extended its care and attention also to external workers<sup>73</sup>.

Another important area of intervention was that of schooling and professional training. Community aims such as ensuring basic instruction for all young people came together in this sector, which included elementary and professional schools, and these aims were shared by the companies that required skilled manpower. The initiatives to promote education were quite diverse and included, at their height, two elementary schools (at Falck and Breda), three professional schools, and a rich variety of grants (from scholarships to book vouchers) destined to increase the level of education for the population of Sesto San Giovanni.<sup>74</sup> In particular, it is important to underline how professional schools, created to prepare the workforce required to make production plants work,

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<sup>70</sup> Due to the extent of company welfare, only a few examples are given here; for a more in-depth description, see the Appendix.

<sup>71</sup> Perry Willson, *La fabbrica orologio: Donne e lavoro alla Magneti Marelli nell'Italia fascista*, (Milano 2003), p. 158.

<sup>72</sup> Pietri Crespi, *Capitale operaia: Storie di vita raccolte tra le fabbriche di Sesto San Giovanni*, (Milano, 1979).

<sup>73</sup> Safety at work became the reason behind harsh conflicts with the unions, especially in the 1950s and 1960s. See Paolo Patanè, "Prevenzione e infortuni tra paternalismo e repressione: Il caso della Falck negli anni Cinquanta," in Istituto Milanese per la Storia dell'Età Contemporanea, della Resistenza e del Movimento Operaio (Imsrmo), *Annali 5, Studi e strumenti di storia contemporanea*, (2000).

<sup>74</sup> Initially, the companies examined here limited their support to financing the school funded at the turn of the last century by "Società Operai di M.s di Sesto San Giovanni" and built proper company schools only later. Istituto per la

were also appreciated for the career opportunities they opened up. In fact, looking at workers' comments, it is clear that they viewed professional training as an important tool to "specialize oneself and become a good worker," and be able to access coveted positions such as supervisor or head of department.<sup>75</sup> Learning a trade became a distinctive feature that expressed a specific work ethic widely shared among the workforce of Sesto San Giovanni, an approach strongly supported by the companies.<sup>76</sup> Proof of such involvement was the high enrolment in the school supported by Marelli, created in 1929, that saw the number of students rise from 152 in 1933, to about 1550 in 1939<sup>77</sup>. A similar increment was registered in the school created by Falck that in 1941 counted more than 800 pupils.<sup>78</sup> The intervention of big companies extended also to public institutions, like the school patronage that in the second half of the 1930s supported about 4000 young students and that was effective thanks to the companies' substantial funding.<sup>79</sup>

The list of services offered by the companies included leisure activities such as libraries and sports - winter and motor sports in particular - painting courses, theatre, literary competitions and so on, which were organised by workers' clubs in the 1930s<sup>80</sup>. The significant role of company leisure associations and workers' clubs is proved by the number of people who subscribed to them, that in 1943 reached an overall total of 38,756 members. Among the workers' clubs, those belonging to the companies considered in this analysis had a central role as far as their dimensions and number of initiatives undertaken. Their activities, started in the 1920s, had a prevailing role, especially in promoting and supporting sports. For example, at Ercole Marelli there were groups dedicated to climbing, swimming, canoeing, motorcycling, athletics, basketball and many more. In addition to sport, there were groups involved with amateur dramatic and musical bands, meeting in company buildings that included a theatre, a library and dedicated reading rooms.<sup>81</sup> Falck set up a building dedicated to the workers' club including a cinema, a gym, a bowls green, a library and also a sports field, near to one of the two company villages. Falck had 30 sections that animated the leisure time

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storia dell'età contemporanea (Isec), Fondo Società di M.S. di Sesto, b. 4, Consorzio per l'insegnamento ... Scuola di disegno della Società operaia di m.s.

<sup>75</sup> Evidence collected in Luigi Ganapini (ed.), "... *Che tempi, però erano bei tempi ...*": *La commissione interna della Magneti Marelli nella memoria dei suoi protagonisti*, (Milano, 1986).

<sup>76</sup> Award ceremonies were one of the most celebrated occasions for companies. See in particular the annual celebrations at Falck published in the in-house magazine *La Ferriera*.

<sup>77</sup> Trezzi, "Lo sviluppo della società", p. 57.

<sup>78</sup> Trezzi, "Lo sviluppo della società", p. 57.

<sup>79</sup> Opera Balilla, *Refezione scolastica, norme e considerazioni*, (Milano, 1937).

<sup>80</sup> Victoria De Grazia, *Consenso e cultura di massa nell'Italia fascista: L'organizzazione del lavoro*, (Roma-Bari, 1981). For Sesto San Giovanni, see Paolo Minella, "L'opera nazionale dopolavoro a Sesto", (Dissertation, Università di Milano, Facoltà di Lettere e Filosofia, 1975-1976).

<sup>81</sup> For an overview of the workers' club at Magneti Marelli, see "Venti'anni di lavoro alla Fabbrica italiana Magneti Marelli," *Sprazzi e bagliori*, n. 1 (1937). Information for Falck in Archivio Falck (Falck Archive) AF, Verbale assemblea dei soci (Vas), 23 April 1941, 17 April 1942. For Breda, see *La società italiana Ernesto Breda*.

there, mainly involved in the organization of various sport disciplines. And finally, Breda, which due to its grandeur boasted about having the largest workers' club in Sesto San Giovanni, distinguished itself for its three canteens and food and clothes shops that applied discounted prices to the Breda's own staff.

The effort carried out by workers' clubs became crucial to sustain the whole population of Sesto during the World War II.<sup>82</sup> It is important to point out how marginal Fascism was to this environment. Although individual companies formally respected the propagandistic directives coming from the government, they also strongly defended their independence and autonomy.<sup>83</sup> The distinctive element of all these initiatives is to be found in the purpose shared by all the social forces at play, primarily by the companies themselves, more than in an authoritarian approach aimed at dominating a community enclosed within the company's boundaries, as demonstrated by the extensive and passionate participation expressed by the workers and sustained by various facts. For example, Ercole Marelli was depicted by the socialist press as an "affable, courteous man without affectation, who takes care of workers as if they were brothers."<sup>84</sup> References to family bonds were a recurring theme in the letters written by the workers, where mentions of "our big Marelli family" were a frequent feature, underlining how intense and solid the sense of being part of the company was on behalf of the workers.<sup>85</sup> Even the most critical judgments, expressed by union representatives during the second post-war period, recognised how important "the actions... towards the workers (involving individual bonuses, loans, retirement funds, housing, etc.)" had been. Even though they were described as "paternalistic," all in all they were considered quite favourably.<sup>86</sup>

Without wanting to deny the existence of contrasting voices opposed to the company management, due to the twenty-year long fascist period and the consequent negation of union freedom these did not significantly interfere with the alliance between the companies and the workforce.<sup>87</sup> It is more

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<sup>82</sup> Vittorio Rifranti, "Una città industriale nella guerra: alimentazione, condizioni vita e lavoro a Sesto San Giovanni 1940-1943," in Imsrmo, *Annali 4, Studi e strumenti di storia contemporanea* (1995), pp. 514-9.

<sup>83</sup> An example can be found in the person of Pasquale Densi, who was responsible for the workers' club at Marelli and never subscribed to the Fascist Party, later accused of anti-fascist activities. Similar oppositions to the Fascist regime as far as the management of the enterprise was concerned could be found also at Falck, where the founder's sons were also arrested in 1943 for anti-Fascism. See Giorgio Manzini, *Una vita operaia*, (Torino 1976).

<sup>84</sup> "Glorifichiamo l'uomo", in *Sesto lavoratrice*, 11 November 1911. Similar judgements were expressed at the death of Ercole Marelli as can be seen in *La voce di Sesto*, 2 September 1922.

<sup>85</sup> The letters sent to the workers' club repeatedly referred to "our great company" and acknowledged "the commendable assistance given to relatives in need." See "Lettere al Dopolavoro della Ercole Martelli", Imsrmo, *Annali 2: Studi e strumenti di storia metropolitana milanese* (1993), pp. 243-56.

<sup>86</sup> Isec, Fondo Rossinovich (Ercole Marelli), Partito Comunista Italiano ... Il lavoro del partito alla Ercole Marelli di Sesto S. G. per l'unità della classe operaia.

<sup>87</sup> Investigations carried out by the prefecture in Milan highlighted episodes of dissent towards the decisions taken by the company management, especially during the deep economic crisis that started at the end of the 1920s. Nevertheless, these episodes were only few, mainly directed against the Fascist regime or complaints due to incidental situations.



relevant to highlight the mutual bond, a bond that became decisive in the years to come when, after the impetuous development of the early years, the companies had to rationalise their organisation. In this respect, the example offered by Magneti Marelli, set up in 1919 and originating from a division of Ercole Marelli with the joint participation of Fiat, is suitably representative of the main industrial groups of Sesto San Giovanni. Magneti Marelli was a pioneer in the adoption of a scientific management approach inspired by Taylorism and the standardisation of the production process, widely described in the company in-house magazine *Sprazzi e bagliori*. The magazine was distributed among workers and amply described the company's intentions. In particular, the workers' club activities, whose beginning was proudly underlined as anticipating similar provisions by the fascist regime, reaffirmed the intent of reinforcing the sense of belonging to "our work family", a family to which "dad Marelli and our managers" had paid a lot of attention right from the start, in order to make the "most loyal [and skilled] workers" bond with it.<sup>88</sup> That this was not just rhetoric and that there was a willing participation of the workers is confirmed by the widespread and constant participation in the initiatives promoted by the company, a participation that was found also in other company towns, as is meticulously reported by their in-house magazines.<sup>89</sup> To confine these activities to a mere state of subordination of the workers is not really convincing, more so in a context like Sesto San Giovanni where they had the possibility of moving from one company to the other. It is significant that Magneti and other companies in Sesto San Giovanni "directly intervened to retain their workforce" and the initiatives they promoted, including those relating to safety at work, aimed at improving the working conditions and reinforcing "loyalty and consensus among workers."<sup>90</sup> This was a central aspect for the smooth operation of the complex managing structure at Magneti. The main preoccupation for the company management was to maintain a continuous production flow. This ultimately depended not only on the careful planning of the different work stages but also on the twenty years "of experience [of the workers]...that adhered to the actual practical needs of the workshop."<sup>91</sup> After all, the collaboration of all the people involved with production, who shared the benefits produced, was based on reciprocal interest.

Breda offers a further example that confirms the decisive role played by the workers in ensuring the functioning of the company. At the end of the 1920s, the company started a scientific rationalisation of work, an intervention that in the end did not bring the positive outcome it hoped for. The people

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Archivio di Stato di Milano (Milan State Archives) ASM, Gabinetto di Prefettura, envelopes, 337, 342, 345, 357, 963, 1051, 1123.

<sup>88</sup> "L'attività del Dopolavoro nell'anno XII", *Sprazzi e bagliori*, 1 (1935).

<sup>89</sup> For Falck, see to the house publication *La Ferriera*, and for Breda, *Notiziario Breda*.

<sup>90</sup> Willson, *La fabbrica orologio*, pp. 112, 160.

<sup>91</sup> "Workers and production managers are considered to be responsible for the good quality of the production...due to their experience and the competence they have acquired", (R. Vannucci, "La qualità nella produzione", *Sprazzi e bagliori*, 6 (1936), p. 29).

who had planned it, mainly external consultants, had to recognise that the best production results were achieved thanks to the professional approach of the workforce and the high degree of autonomy with which workers operated within the factories.<sup>92</sup> Similarly at Falck, the relevance of the professional and organisational skills of the workers determined the factory hierarchies that were fundamental to the smooth operation of the melting furnaces and to forge steel products.<sup>93</sup>

The significance of professional competence was such that workers spontaneously engaged in the production of “masterpieces” to prove the level of qualification they had reached, hence confirming their role within the factory.<sup>94</sup> In general, the importance of reciprocal duties as a company value is referred to constantly and insistently, lasting throughout the second post-war period. In fact, a year after the death of Falck’s founder, the board of directors recalled how “the responsibility towards one’s workers” is based “on the most loyal and active collaboration.”<sup>95</sup> The welfare system was appreciated by the recipients themselves and acknowledged as belonging to that principle of ‘social wellness’ that guided the founder, Giorgio Enrico Falck, in his entrepreneurial activity. In the account given by a family of workers, who had lived in the Falck village for some generations, the company welfare was meant as an intervention aimed at “bonding the workforce to the factory as if it was their safest harbour: if work is dedication, it means above all that one has grown roots’ and it was not just ‘the result of a utilitarian calculation.’”<sup>96</sup>

The company towns of Sesto San Giovanni reached their highest peak during the war years and then slowly disappear in the postwar years. Many factors were the cause behind this disintegration of functions of the company town, including company welfare, starting with the reconstruction that began after the end of the war. In the post-war years, these companies engaged in costly plant modernisation programmes that required large investments and were carried out also thanks to the substantial help granted by the Marshall Plan (officially known as the European Recovery Plan).<sup>97</sup> Especially at Breda, the reconstruction meant a major personnel reduction and in general this effort limited the possibility for companies to maintain a high level of social intervention. The reconstruction process was carried out in an intensely conflicting climate that concurred to dissolve the existing social cohesion, a union-based conflict linked mainly to national politics and to the

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<sup>92</sup> Varini, *L’opera condivisa*, pp. 130-131; Paolo Viani, “Il lavoro operaio a Sesto San Giovanni fra tradizione e tentativi di razionalizzazione: La Breda dal 1934 al 1951”, Imsrmo, *Annali 3, Studi e strumenti di storia contemporanea* (1994).

<sup>93</sup> In Sesto San Giovanni, Falck was divided into four plants, according the different production lines called Unione, Concordia, Vittoria and Vulcano.

<sup>94</sup> Manzini, *Una vita operaia*, p. 21.

<sup>95</sup> AF, from the records of the Board of Directors’ meetings, February 1947.

<sup>96</sup> Manzini, *Una vita operaia*.

<sup>97</sup> For the industrial reorganisation of post-war production, see Varini, *L’opera condivisa*, and for specific referements to the ERP Valerio Varini, *Technoly and Productivity. The Impact of the Marshall Plan on Italian Industry: an Empirical Study*, in Francesca Fauri, Paolo Tedeschi (eds), *Novel Outlooks on the Marshalla Plan. American Aid and European Re-Industrialization*, (Brussels, 2011).

deep economic crisis that affected the entire Italian economy.<sup>98</sup> The comparison between Breda and Falck is quite relevant here. The first became the centre of a long and bitter conflict with the workers, suffering the decreased public demand for guns and train equipment the most, while the second found that the recovery of the iron and steel consumption limited the duration of the conflict with the unions.<sup>99</sup> Against such challenge, the establishment of collective bargaining as a form of regulating the relationship between the two parts contributed to loosen the communal bond.

Other issues contributed to dissolve the distinctiveness of the “city of factories.” Among the most relevant, the intervention of public institutions in the governing of the company town had the main role, starting with the municipality up to the State at national level, as their presence reduced the scope of action of the big companies.<sup>100</sup> The rise of a national welfare system and the impact of increased taxation also added to the costs sustained by the companies. This in turn reduced the resources available to provide company welfare. In fact, company documents reported insistently that the reason for the decline of their welfare was to be found in the ever growing state interference.<sup>101</sup> Falck in particular, that had become the main company in Sesto San Giovanni after the cuts at Breda and Ercole and Magneti Marelli,<sup>102</sup> denounced that the mere cost of work had increased by 52 percent in the four years from 1959 to 1962, an increase due to both union negotiations and higher taxation imposed by the State.<sup>103</sup> Ultimately, the gradual closing down of the companies themselves brought their role to an end, first through the considerable downsizing of Breda, which became a state-owned company, followed by the closure of Ercole and Magneti Marelli, and then by Falck.<sup>104</sup>

A clear indication of the end of the company town of Sesto San Giovanni is found in the data concerning the evolution of the area’s population. While the population of Sesto San Giovanni as a whole grew from 44,935 in 1951 to 91,080 in 1971, the number of workers employed by the big

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<sup>98</sup> Information on union disputes during post-war years in Luigi Vimercati, “Storia sindacale della Ercole Marelli, 1945-1975”, Imsrmo, *Annali 2, Studi e strumenti di storia contemporanea* (1993); Lorenza Cingoli, “Fra cogestione e conflitto: L’attività degli organismi di fabbrica alla Breda dal 1945 al 1947”, Imsrmo, *Annali 3, Studi e strumenti di storia contemporanea*, 3 (1994); Marino Pozzobon and Roberto Mari, “Le Afl Falck nella ricostruzione”, *La ricostruzione nella grande industria* (Bari, 1978); Luigi Ganapini, *Una città, la guerra. Lotte di classe, ideologie e forze politiche a Milano, 1939-1951*, (Milano, 1988).

<sup>99</sup> In the reconstruction years, Breda saw a strong personnel reduction, from 15,872 in 1949 to 8,733 in 1952, (Varini, *L’opera condivisa*).

<sup>100</sup> Trezzi, “Verso una più avanzata frontiera”, pp. 81-84.

<sup>101</sup> See various references contained in the minutes of the Board of Directors’ meetings held at Falck during the 1950s and even more so with the occurrence of the economic crisis at the start of the 1960s. AF, Minutes of the Board of Directors’ meetings.

<sup>102</sup> Valerio Varini, “La metamorfosi industriale: Dalla città delle fabbriche all’impresa diffusa,” in Trezzi, *Sesto san Giovanni 1953-1973*.

<sup>103</sup> AF, Balance 1963.

<sup>104</sup> Varini, “La metamorfosi industriale”.

companies declined in the same period from about 24,000 to less than 15,000.<sup>105</sup> However, it is important to underline that what the companies promoted did not completely disappear. On the contrary, in a relevant sector like that of training, for example, the company schools of Falck, the Marelli group, and Breda came together in the second post-war period to become one technical school managed by the Salesian Fathers.

### *A general brief conclusion*

The boom years of the 1950s coincided with the end of the expansion for the large companies in Sesto San Giovanni. They had already reached their peak and were about to start a slow decline that was to be completed in the following decades—although, as already mentioned above, their end did not coincide with the decline of Sesto San Giovanni. The network of services they had created became a key factor for the development that followed. Other institutions such as the town council and small- and medium-size industries managed to fill the gap left by the large companies. In specific the municipality became the successor of enterprises and it assumed the management of welfare.<sup>106</sup>

The rich experience of Sesto San Giovanni also highlights that the evolution in the form of management—family business for Falck, management for Ercole and Magneti Marelli, and during the last years considered, state-ownership for Breda—did not cause any substantial modification to the social interventions carried out by these companies. In fact, the key differences found among the companies analysed here are to be found mainly in their way of managing the relationship with their workers, more than in the substance of such actions. Falck preferred to involve families directly, while Ercole and Magneti Marelli took a more bureaucratic approach as they were entrusted to specific company politics.<sup>107</sup> Finally, the State acquisition of Breda in 1952 is also relevant, as it did not bring an immediate interruption of the company's social intervention.

In conclusion, we can identify mutual interests, more than a restrictive paternalism, as a common ground on which the success of “the city of factories” was based,<sup>108</sup> which gave way to a

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<sup>105</sup> Data concerning the number of tenants were approximate as company sources did not always make a distinction among the various plants located on the national territory.

<sup>106</sup> Valerio Varini, "Un welfare composito. Intervento pubblico e protagonismo sociale negli anni della riconversione", in Luigi Trezzi (ed.), *Sesto San Giovanni alla fine del XX secolo 1973 - 1996. L'eredità volta al futuro*, (Milano, 2012).

<sup>107</sup> Concerning the “scientific” management of the welfare initiatives at Magneti Marelli, see Bigazzi, “Le permanenze del paternalismo”, p. 50.

<sup>108</sup> For an interesting comparison, see Shakila Yacob, “Model of Welfare Capitalism? The United States Rubber Company in Southeast Asia, 1910-1942”, *Enterprise & Society* 8, 1(Mar. 2007), where the author affirms: “the paternalistic practices of welfare capitalism ... were mutually complementary to both employers and employees” (p. 139).

"compliance"<sup>109</sup> and collaboration among all the parts involved in the production who benefited from in different ways.<sup>110</sup> As the case of Sesto San Giovanni illustrates, behind the foundation of company towns was the need to create communities based on long-term cooperation and agreement, and on the mutual nature of contributions on behalf of both workers and entrepreneurs. This cooperation, as observed by an esteemed Italian scholar, could generate shared values "incorporated in the company tradition" and lead to the creation of "collaborative and cohesive cultures"<sup>111</sup>, equivalent in many ways to other forms of 'Father – to – child' paternalism found in other productive environments.<sup>112</sup> This mutual sharing of duties and values would mark the whole life of the company towns of Sesto San Giovanni.<sup>113</sup> The experience of the company town ended due to the reduction of economic resources available to the companies and also to the changed environment in which they operated in the postwar years. In addition, the rise of the welfare state and the intensification of formal rules governing industrial relationships were further causes that contributed to the end of "the city of factories."<sup>114</sup>

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<sup>109</sup> The compliance "is a more useful conceptual tool in explaining the welfare contract between capital and labour than the model of industrial paternalism", (Jonathan Barry, Joseph Melling, "The problem of Culture: An Introduction", in Joseph Melling, Jonathan Barry (eds), *Culture in History. Production, consumption and values in historical perspective*, (Exeter, 1992), p. 18.

<sup>110</sup> For a perspective on this collaboration, see Charles Hecksher and Paul Adler (eds.), *The Firm as Collaborative Community: Reconstructing Trust in the Knowledge Economy*, (Stuttgart, 2007).

<sup>111</sup> Bigazzi, "Le permanenze del paternalismo", p. 63.

<sup>112</sup> Philip Scranton, *Endless Novelty. Special Production and American Industrialization, 1865 – 1925*, (Princeton, 1997), p. 73; Philip Scranton, "Varieties of Paternalism: Industrial Structures and the Social Relations of production in American Textiles", *American Quarterly*, 36 (1984), pp. 235-257.

<sup>113</sup> In the evidence collected among the factory representatives at Magneti Marelli, references to 'solidarity and... mutual respect among co-workers, moral support and teaching' are repeatedly mentioned and this is quite significant as it confirms the importance of shared values. Professional capabilities were the basis of relationships at work, that were assimilated to those of a large family. (Ganapini (ed), "... *che tempi, però erano bei tempi ...*").

<sup>114</sup> On the growth of the Welfare State in Italy see: Patrizia Battilani, Francesca Fauri (eds), *Consumare il Welfare. L'esperienza italiana del secondo Novecento*, (Bologna, 2013)

## Appendix

### Boarding houses

	Falck	Breda	E. Marelli	M. Marelli
Refectories		350 beds (1920)	Workers hostel (1926)	Canteen for workers and employees (1930)
Boarding houses	Hostel for managers, employees, workers 6 dormitories with 750 beds (1925)	Breda Hostel	Marelli Hostel (1922)	—

### Housing

	Falck	Breda	E. Marelli	M. Marelli
Workers houses	Houses mainly for managers and employees a total of about 1,300 flats, equal to 3,000 rooms (1920-1950)	300 rooms in 26 buildings (1910) 160 rooms (1926) 399 flats (1950)	Workers houses (1910–1925)	—
Villages	Falck Village, completed in the 1930s (1,000 rooms) Diaz Village (1939)	Two new areas with 300 lodgings (1925-1926)	Marelli Village (1929)	—

### Social security, welfare and cultural promotion

	Falck	Breda	E. Marelli	M. Marelli
Medical assistance	Sickness pay (1922) Company health service (1933)	Medical surgery 1906 Land bought to build a hospital (1919-1922) Workers' sickness fund (1921) Ernesto Breda Foundation (1921)	Sickness pay at least since 1922. Doctor and surgeon available at the factory (1930s)	—
Social security	Social	Social security	Mutual funds	Mutual

	security institution for workers and employees (1923) Goisis Widow Foundation (1930s)	institution for workers and employees (1906, 1913)	(1926)	funds (1926)
Elementary schools	Elementary school (1923)	E. Breda Foundations (1921)	—	—
Professional training	Technical school	E. Breda Foundations (1921)	Generous financing of the technical school (1919) Company school (1925)	—
Sports	AFL Falck sports group: football pitches, tennis, fencing, bowls, tamburello, cycling, target shooting, canoeing (1920)	Breda sports group: Workers' club - football pitches, athletics, gym (1920)	Sports group (1920)	—
Leisure and tourism	E. Rubini Foundation (1915)	One week paid holiday (1908)		
Sale of food and other basic items	Food and clothing co-op (1917) Six company stores (1944)	Co-op (1917)	Distribution of free items to families in need	Company stores at least since 1930
Cultural activities	Reading room and library-500 seats (1921)	Science institute (1917) Reading room and library Cinema/theatre-330 seats Off-licence (1922)		
Child welfare (nurseries,	Nursery school	Holiday Camp in Sella di	Mother and baby	Land concession

holiday camps, etc.)	Irene Rubini Foundation  Giovanni Devoto Association	Valsugana	consulting room (1927) Crèche (1933) Ferdinando Quintavalle Foundation for seaside camps in Loano and Canonica d'Adda	to build camps and medical services (1924) Nursery (1933) Sea and Mountain Holiday Camps
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*Sources: Varini, L'opera condivisa; Tedeschi and Trezzi, L'opera condivisa; Willson, La fabbrica orologio; Sudati, Tutti i dialetti in un cortile.* This list aims to give an overview of the welfare situation in Sesto San Giovanni, and is by no means exhaustive. In parenthesis, year of reference or start of service.



Table 1 Company Towns and Workers in Italy, 1933

Workers for Unit	Number of Company towns	Total Workers
More than 10,000	5	127,500
Between 5,000 and 10,000	7	50,363
Between 2,500 and 5,000	7	28,611
Between 1,000 and 2,500	11	19,462
From 500 to 1,000	12	8,755
Up to 500	11	4,205

Source: *L'Italia nelle sue opere assistenziali*, Roma, 1933.

Tab. 2 Sesto San Giovanni: Inhabitants and Workers, 1911/1951

Year	Inhabitants	Workers	Total A+B+C+D	A - Falck	B - Breda	C Magneti Marelli	D Ercole Marelli
1911	13.447	7.312	3.875	700	1.675		1.500
1934	36.095	17.260 (*)	15.715	3.770	4.749	4.612 (**)	2.584
1951	44.935	32.750	30.441	8.905	13.953	2.313	5.270

Sources: Valerio Varini, *L'opera condivisa: La città delle fabbriche, Sesto San Giovanni 1903-1952; L'industria*, (Milano, 2006); Paolo Tedeschi, "L'incremento demografico," in Paolo Tedeschi and Luigi Trezzi, *L'opera condivisa: La città delle fabbriche, Sesto San Giovanni 1903-1952; La società*, (Milano, 2007). \* Data refers to 1927; \*\* Data refers to 1942.

