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The Myth of an Autonomous State: Industrialists, Junkers, and Social Policy in Imperial Germany

George Steinmetz

The Prussian state and the various historical incarnations of the state in Germany between 1870 and 1945 have played a prominent role in the ideal-typical unconscious of the institutionalist (or “state-centered”) tradition of state theory. Theda Skocpol’s emphasis on Max Weber and Otto Hintze as central forefathers of the “state-centered” perspective underscores the theoretical centrality of Germany to the statist approach (See Skocpol 1985, 7–8; Hintze 1962–67; Weber 1971; Beetham 1985; Büsch and Erbe 1983; and Kocka 1983). Skocpol represents the Prussian state as archetypically autonomous, calling it an “extraordinarily disciplined and efficient administrative machine” (1979, 106). Although the traditional Prussian landed nobility—the Junkers—

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1. I will refer to the Prussian and German states as the “German” state throughout, although a real German state emerged only gradually over the course of the nineteenth century and was finally constructed as a political unit at the end of the 1860s. This shorthand is justifiable, even though the Prussian state continued to exist separately after 1871, since Prussia was intertwined with the German state in terms of competences and personnel until the fall of the Second Empire.

2. By the “institutionalist” (or state-centered) approach to the state, I am referring to the work of contemporary theorists such as Theda Skocpol, Stephen Krasner, Alfred Stepan, and Eric A. Nordlinger, in addition to the earlier writers mentioned in the text. Contemporary sociologists such as Charles Tilly (1975a, 1975b, 1985, 1990) and Fred Block (1977, 1980) seem to stand in an intermediate position between state-centered theory and an opposing set of approaches that explain the state in terms of societal forces. Recent discussions of the statist perspective include Evans et al. 1985; Almond 1988; Brenner 1988; Cammaack 1989; Jessop 1990, 278–88; Jürgens 1990; Krasner 1984; and March and Olsen 1984.
were still economically dominant in the early nineteenth century, Skocpol argues that they were "in no institutional position to block concerted policy initiatives" undertaken by the state (1979, 108). This reading of the Prussian/German state as essentially autonomous from the dominant social class echoes the judgments of German writers over the course of several centuries, reaching back from postwar historiography in East and West Germany to Carl Schmitt, Weber, Siegel, and even the cameralists of the eighteenth century.

The thesis of the autonomous state has coexisted somewhat uneasily with an alternative reading according to which the Prussian and German states are beholden to the Junkers, even after industrial capitalism had become the leading sector of the economy in the Kaisersreich. This definition of the state as basically aristocratic is, after all, the political component of the German exceptionalism narrative (Eley 1984). I will discuss the thesis of the "Junker state" and David Blackbourn and Geoff Eley's critiques below. What is crucial to recognize at the outset is that both the autonomous-state and Junker-state interpretations, when applied to the Kaisersreich, are compatible with statist theory, since both suggest a rather radical autonomy of the state from society. Both see the Kaisersreich as an era in which the German state piled a course independent of industrial capitalism, acting at key moments and in key policy areas against the interests of German industrialists. Even if the two interpretations disagree about who actually controlled the state, they both imply a rather radical disjuncture between political and economic forms, for industrial capitalism was the leading economic sector in the German Empire by the 1880s at the latest (see below). Such noncorrespondence between state policy and class structure is paradoxical from the standpoint of societal theories of the state.

A few historians depart from the prevailing wisdom, describing the German political system from the 1860s onward as expressing the interests or hegemony of the bourgeoisie (Eley 1984, 1986; Machan and Milles 1980).4

5. In a significant though perhaps unintentional elision, Skocpol writes that the Prussian state later became the "core of ... Imperial Germany" (1979, 109), rather than the core of the state in Imperial Germany, thus reducing society to state.

4. East German historians wavered between an interpretation of the Imperial German state as controlled by the Junkers or by industrial capital or as relatively autonomous; indeed, these notions are often combined in a single analysis (e.g., Gushee 1976, esp. 51). In another study the "system of rule of the empire of 1871" is described as both principally "bourgeois" and as dominated by the Junkers (Conius 1992, 24, 31). On the various strands of cameralism, see Maser 1980; Rauff 1983; and Small 1990.


6. Somewhat surprisingly, this view of the imperial state was not characteristic of the historiography of the former German Democratic Republic, whose historians frequently described the empire as dominated by the Junkers, with industrial capital playing a supporting role. Several contradictory impulses were operative in pulling East German accounts of the imperial state in different directions: (1) a commitment to the basic Marxist theorem of base and superstructure, which required that states match their economic bases; (2) a dogmatic attachment to almost anything written by Marx, Engels, or Lenin, whose comments on the German state were notably underdeveloped and self-contradictory; (3) the historical legacy of Nazism, which in the early years of the GDR led to historical interpretations along the lines of the deutsche Mütze, emphasizing the survival of prebourgeois values and elites as explaining Germany's profound deviation from the West (cf. Althaus 1997; and Linkies 1954); (4) the efforts "by the nascent East German state to define itself as the heir of a progressive, democratic tradition" (Lügger 1988, 16-17); and (5) the GDR's competition with the West, where in the 1950s the regime was being evaluated positively and where "reactionary powers" were said to be using "unification and the Reich as examples and models for impending political decisions" (Seebier and Wolter 1972). The result of these clashing pressures was a great deal of confusion in most East German writing on the imperial state. The clearest East German work employed the concept of "Frankfurtism" favored by critical historians in the West.
that public policy was aligned with industrial capitalism due to the ongoing socialization of many of the state's civil servants into modernizing an ethos supportive of industrial capitalism, and due to the state's increasing dependence on resources generated by "private" actors in civil society.

**State Theory**

Neo-Marxist Theories of the State and the "Class Correspondence Thesis"

At the most general level, Marxist and neo-Marxist writings on the state have in common the claim that states located within capitalist societies tend to reproduce and promote capitalism. Some neo-Marxists make the slightly weaker argument that there are broad but powerful structural limits on dysfunctional state policies. How do Marxists account for this complementarity between state and economy? The simplest mechanism is the ability of the dominant classes to manipulate the state directly. But the fact that parliamentary systems usually preclude such direct (or "instrumental") control by capitalists, allowing non-proprietary groups opportunities to register their will, has provided Marxist state theory with its central puzzle. States are subject to numerous pressures from subordinate groups, and business is often too fragmented to pursue a unified policy. Yet most neo-Marxists have nonetheless insisted that class correspondence (defined as a broad complementarity between public policy and dominant class interests) exists as a sort of boundary condition, regardless of the specific relations between business and the state. Given that business leaders do not generally monopolize political offices in capitalist societies, the central question is, What guarantees that the state will not be used against the interests of the propertied classes? Marxists have proposed three main accounts of class correspondence other than direct capitalist control of the state. The simplest explanation for an overrepresentation of capitalist interests in policy is that capitalists and their organizations usually possess more resources than other classes (or resources that are more easily mobilized; see Offe and Wiesenthal 1980). The political access of powerful groups may also be enhanced by the state's bureaucratic insulation. But such explanations are weakened in societies like nineteenth-century Germany, where industrial capital faced other powerful and mobilized upper classes with very different interests. As we will see below, German policymakers were frequently forced to choose between these two resource-rich groups.

A second argument is that a range of "structural selectivities"—laws, institutional rules, and norms—are built into the state apparatus itself. The result of these structural biases is that policies are shaped, selected, and censored in ways that systematically benefit a specific class (see, e.g., Offe 1974, 1984b; Offe and Ronge 1984; and Jessop 1983, 1990, 1982, 103-11, 164-65). To avoid functionalism, the original implantation of such selectivities into the state is often traced to active interventions by conflicting social classes, parties, organizations, social movements, and the like (see Esping-Andersen, Friedland, and Wright 1976, and Wright 1978, 181-252). Such biases may be viewed as contingent rather than necessary outcomes, but once they are established, they obviate the need for direct intervention by their beneficiaries.

The third account focuses on the state's supposed exclusion from large-scale engagement in productive activities. Thus prevented from becoming self-supporting, the state is forced into dependence on resources generated in the private economy—taxes, credit, and the like. State policies that overstep certain boundaries of acceptability to business will normally be met by disinvestment or capital flight. In essence, state managers cannot erode business confidence without undermining their own position.

Although this third solution offers an explanation for class correspondence, it still has several problems. First, the state's dependence on funds generated in the private economy can describe only the outer limits, but not the actual content, of policy. Second, it is unclear why state managers may not be led to sabotage the state, either inadvertently or deliberately. The theorists could respond that this would lead inevitably to a business backlash. Yet even in the face of an alienated capitalist class, state officials could attempt to retain power, guide investment, and extract revenues by force. A third problem with this argument is that it relies on the subjective perceptions of class actors and state managers and assumes inappropriately that these perceptions will coincide with objective economic interests. As indicated by the psychological reference in the phrase "business confidence," the intolérability of public pol—

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7. There is no space here for a detailed discussion and comparison of Marxist and neo-Marxist state theories; see the excellent treatments in Jessop 1983, 1985.

8. The claim that public policies in capitalist societies are functionally related to social relations need not be equivalent to arguing that the state is explained functionally. Without repudiating the familiar disputes about functionalist explanation in Marxism, suffice it to mention the following clarification (made in Cohen 1978): the state can be functional (i.e., beneficial) for production relations without being functionally explained by those relations. As will become clear, I am inclined toward a nonfunctionalist explanation of German state policy, but I also will suggest that such policies were generally functional for capitalist industrialization.

9. Block (1977, 1980) suggests that the private economy's ability to censor state managers' initiatives is lowered during economic crises and wars, events that give officials more leeway. A similar argument was proposed by Rudolf Goldscheid and Joseph Schumpeter after World War I, analyzing the limitations imposed on the state's social-policy initiatives through its dependence upon tax revenue. In Hans-Ulrich Webler's summary of Goldscheid's theory, "the state's fiscal arrangements hold the key to an understanding of its true social constitution" (Webler 1985, 137; see also Goldscheid 1926; and Schumpeter 1918).
stances is at least partially subjective (at least up to the threshold where the state appropriates the entire surplus). State policy will affect investment behavior only if business perceives it as endangering profits. The theory brackets the ideological construction of politics. Finally, the assumption that states cannot become financially autonomous from society is derived logically rather than demonstrated empirically. Although it has been the historical norm in societies dominated by capitalist property relations for states to be separated from production, 10 no reasons have been adduced for the necessity of such a separation. It seems more reasonable to regard tax dependency and exclusion from production not as universal but as constraints that state officials frequently face.

State-Centered Theory and the Thesis of State Autonomy

The so-called state-centered approach is actually a cluster of perspectives and emphases: a Hintzean view of the state as a personality or actor, embodying the sui generis interests of its political incumbents; an "institutionalism" focus on the ways in which state structures, capacities, and discourses shape the incidence and form of policy outputs (i.e., the state as structural constraint); and finally what Skocpol (1985, 21) calls a "Toquevillian" concern with the ways in which states shape civil society. State-centered theorists vary in terms of the vigor of their rejection of class and societal dynamics as determinants of state action. In this section I will distinguish two main elaborations of the state-centered perspective and examine their treatment of business-state relations.

The first variant is compatible with the argument that states tend to promote industrial capitalism, but the reasons given for that outcome differ from those suggested by neo-Marxists. It is argued that officials pursue their own agendas, although they must rely on class forces in civil society in order to do so. One way of formulating the state's ultimate dependence on business has already been discussed under the rubric of neo-Marxism (again accenting the fluidity of the boundaries between statist and class theories): state elites are driven to promote accumulation in order to pursue their own goals. Other theorists trace the need to promote capitalist industry specifically to the pressures of the international system of competing states. States' intrinsic territoriality pushes rulers to defend or expand their states' geographic boundaries (Mann 1988, 139). At a minimum, state officials must promote industry at levels adequate for national defense. There are divergent understandings of the effects of such interstate pressures. For Charles Tilly (1990), the constraint on absolutist states pursuing their irrecusable military aims lay in their need to strike bargains with merchant capitalists in order to gain the credit necessary for fighting wars. As warfare became more industrialized, political officials also came to believe that only private industry could provide the weaponry needed to compete militarily (Steinmetz 1993, chap. 4). As a result, states were increasingly tied to industrial producers.

At least two other forms of pressure may have led states to foster industrial capitalism. Rulers' desire for domestic stability, valued as an end in itself, may have wedded them to capital. For example, state managers might accommodate private industry because they fear the destabilizing consequences of unemployment. A final source of pressure could derive from competition for standing in the international states system. This striving for prestige is exemplified by nineteenth-century governments' enthusiastic participation in universal expositions and industrial fairs (Plum 1977). What a nation needs to rise in international rankings of distinction has varied historically, of course, but most of the ingredients since the nineteenth century have presupposed a booming industrial economy. 11

In sum, states may seek to attain domestic peace or the resources for war or international political competition by overseeing profitable capital accumulation. 12 The underlying logic here is usually understood as more "state centered" than "society centered," since the motor is "internal" to the state. But state elites are forced to accommodate actors in civil society to attain their goals. Like neo-Marxist theories, these attenuated statist views imply that policies will meet the interests of major sectors of business. The distinction between this approach and society-centered theories is really one of emphasis.

A second version of statist theory poses a stronger challenge to societal theories of politics (see Skocpol 1979; Orloff and Skocpol 1984). This approach suggests that officials and bureaucrats often develop policies independently of social interests and pressures, and that their autonomy from dominant classes is potentially complete. States in capitalist societies may reach a "tipping point" (Block 1980), at which they free themselves entirely from the

10. An exception is cases where external sources of revenue or military weaponry are so generous that political leaders are liberated from reliance on the domestic economy; see Tilly 1990 218–20.

11. In early-to-mid-nineteenth-century Europe, the key ingredient may have been a positive trade balance, quality manufactured goods, or a national railroad system; later in the century, overall industrial output was probably more central. Military power was another obvious asset. From 1845 to the 1960s, the emphasis was probably as much on democracy and relative distribu- tional equality, while the current period again emphasizes material rather than normative values.

12. This provides a further twist to Block's argument that war produces the conditions for state autonomization, but it also forces these autonomous states to accommodate industry. Conditions that could loosen this dependency include state takeover of the military industry and a willingness to rely on foreign arms supplies. Yet reliance on arms trade rather than indigenous arms production may create a dangerous situation of dependency and vulnerability to boycotts. Where a nation monopolizes some internationally essential product, this danger may be attenuated; the obvious example is oil states, which could be the "exception which proves the rule" (Brenner 1988) of state heteronomy.
moorings and constraints of society and are able to violate the interests of the most powerful socioeconomic actors.

Class-correspondence theories are not weakened by evidence that state managers are elaborating policies in bureaucratic isolation. If it is to be more than a refinement of other approaches, therefore, state-centered theory ultimately requires the demonstration of "class noncorrespondence," that is, instances in which state officials directly and systematically transgress the interests of the economically dominant class(es). Statists need to show that the state can be "captured" by a declining class or that it can be used by state managers to their own benefit, solidifying themselves into a self-reproducing Beamtensproletariat (bureaucratic class).

The German Welfare State as an Example of State Autonomy

The most generic test of state-centered theory would involve examining states with strong administrative capacities and executive leaders, both of which are expected to be conducive to state autonomy (Evan et al. 1985). Much of the state-centered work has focused on Anglo-American states, however, with their relatively weak bureaucracies, or on twentieth-century Scandinavian states, which have been penetrated by social democratic parties that are the ostensible instruments of social interests. The German state in the later nineteenth century seems more likely to fit the statist scenario; it had a rationalized and well-trained Weberian bureaucracy, and its leaders, especially Bismarck, conveyed an intense belief in the notion of raison d’État.

Assessments of state autonomy should also focus on contested policy areas, such as the welfare state. Yet the world’s first welfare state, which emerged in Germany in the 1870s and 1880s, has not yet been the object of a seriously focused study. The central goal of this essay is to explore the relations between social policy and social classes in what can be seen as the Germanic "home territory" of statist theory. The questions that guide the analysis are:

1. Was state policy related in a systematic way to dominant class interests, or was the state able to detach itself from those interests?
2. Did dominant class interests relate systematically to state policy, and if so, how was such correspondence achieved?

To make sense of the state’s relations to dominant class interests and actions, I will focus first on the content of public policies, and secondly on the formal and organizational aspects of state interventions. More specifically, I will evaluate the match between welfare programs and the expressed wishes of different segments of the industrial bourgeoisie and the agrarian Junker class, and then examine the policies’ fit with an abstract, formal logic of industrial capitalism. I will examine two different sets of policies: poor relief and social insurance, exploring both programs at the local and national levels of the state.

To anticipate my conclusion, I will argue that both poor relief and social insurance policies coincided with the interests of the leading fractions of the business elite and corresponded formally to the general structural features of industrial capitalist society. This match came about through different mechanisms at the national and local levels. Industrial elites directly dominated the local level of government, especially before 1900, but their impact was only indirect at the national level. It is therefore possible to discern a "pristine" model of state-centered politics in the municipal realm, i.e., a politics based on direct connections between state power and bourgeoisie agents. Industry and commerce provided both the personnel and the social base for urban and local state. Nationally, key industrialists took a positive stance toward various welfare policies. Yet these interventions were not the major reason for class correspondences:

traditional poor relief as well as social insurance and covers the local and regional levels of the polity. Naturally, there are certain areas of late-nineteenth-century social policy that cannot be dealt with here (see Ritter 1986; Streeck 1993).

16. It is necessary to challenge the notion of a unified state. The concept of the state must be disaggregated not only horizontally—looking separately at the military, fiscal, welfare, educational, and other apparatuses (see, e.g., Geyer 1984)—but also vertically—distinguishing the local, regional, and central levels. My use of the term "local state" does not imply acceptance of a specific theoretical orientation whereby the local level is seen as performing certain functions in a hierarchical division of political labor among different parts of a "state system." See Cockburn 1977 for the origin of the term "local state"; see Clark and Dore 1984; Shapka 1975; Saunders 1979, 1982, and especially Good 1987 for excellent discussion of different views.

While it is certainly true that the local states in Germany were delegated specific tasks by central governments, they had a great deal of autonomy in the implementation of such tasks and in fiscal terms. Nonetheless, local governments were stymied on a number of dimensions: they exercised legally binding and (generally) legitimate authority backed by violence; their sovereignty operated within a bounded territory; they were institutionally differentiated both internally and externally, i.e., from civil society; and their binding decisions were made in the name of the general will (see Jessop 1980, 338-49).
spondence of national policy. Instead, state elites' commitment to industrialization was prompted by a dual concern with social order and with international competitiveness. This resulted in an overlap of state and industrial interests, obviating direct business interventions. Nonbourgeois German officials were compelled to promote capitalist industrialization, even while they pursued ultimate goals not fundamentally different from those of classical absolutist states. One result was that even aspects of state policy that were far removed from clashes of economic interest and direct capitalist intervention assumed a "bourgeois" form. The appropriate outcome from a class-correspondence perspective thus resulted from quasi-statist dynamics, and not from a complete subordination of state to society.

While this essay is primarily structured around discussions of state theory, it is also an appraisal of the dominant view of the imperial state among German specialists. Here I am concerned with the thesis, outlined below, that Imperial Germany was somehow politically backward, exceptional, or premodern in comparison with its neighbors. The demonstration that welfare policy was essentially bourgeois is a partial refutation of the thesis of the German Kaiserreich's "exceptionalism." Indeed, German policies actually foreshadowed many of the prevailing forms of welfare policy in twentieth-century Europe, rather than lagging behind or merely keeping pace. Social policies at the urban and national levels were in the avant-garde in organizational terms—a quality of the programs hereafter referred to in shorthand as their "modernity." This is not a judgment of the programs' value, but rather of the degree to which they anticipated features of an ideal-typical model of later social policy.17

State and Social Policy in Imperial Germany and the Exceptionalism Thesis

Studies of the emergence of the world's first welfare state in Germany during the 1880s have been deeply conditioned by the thesis of German exceptionalism. Eley (1981, 1984, 1986) and Blackburn (1984) have criticized this view of German development as having followed a unique, "exceptional" path, or Sonderweg, profoundly different from the other major capitalist countries. At the core of the exceptionalism thesis is a basic disjuncture between the economy, class, and social structures on the one hand, and political and cultural subsystems on the other. In a typical formulation, "the internal structure of the Kaiserreich was riven by a discrepancy between the political and social con-

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17. "Modernity" refers here to a group of formal dimensions of welfare policy that approximate an ideal-typical twentieth-century model. These dimensions were embraced for reasons of political and administrative efficiency and do not have any evident class logic. While referencing them as indicators of relative modernity, I hope that this characterization avoids any essentialist or teleological inclinations. Modernity is intended here as a historically specific ideal type.

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18. Müllro speaks of the conservative political opposition to a proper "synchronization of economic and political development" (1976, 17).

19. Another approach is to single out national social insurance as one of Germany's few "positive" deviations from the Western norm—although admitting the modernity of such a key element of German politics would seem to undermine the coherence of the Sonderweg thesis. See Pulice 1981, 45, and the more recent opinion of Wehler, which seem to exempt municipal politics and state social policy (as well as scientific research) from the negative balance sheet on the Kaiserreich (Wehler 1983, 33).
thesis. Societal theories, including Marxism, expect the rise of industrial capitalism to be accompanied by a series of parallel changes in civil society and the state. But the supposedly distinguishing feature of German development is that the most important of these concurrent effects failed to materialize, even during the height of capitalist industrialization.

Historiography and the German State: Junkersaat or Autonomous State?

There are at least two major interpretations of the Imperial German state that challenge the view that business interests were at the heart of state policy. The first, exemplified by Hegel, Gustav Schneller, and Hitze, accepts the traditional view of the Prussian bureaucracy as “a neutral force above the competing particular interests of party and class, embodying the universal interest of society as a whole, and endowed with a special political wisdom” (Beetham 1985, 63). According to this reading, the German state stood “above the classes” (Conze 1985, 79). This interpretation provides the closest fit with the strong state-autonomy thesis. Yet it often conjoins the attempts by state officials to sustain an antibusiness course and their actual successes in doing so.20

The second and more common challenge to the economy-centered analysis is what I call the “main” version of the exceptionalism thesis. Rather than arguing for state autonomy, it is claimed here that the state was beholden to Junker interests, which it favored against industry in a number of key policy areas (Bonham 1984, 210).21 This assertion flies in the face of even the most flexible class-correspondence theories of the state. Arguments about the privilege of agrarian interests over industrial ones are made with regard to the tariff reforms of 1878–79 and 1902, the finance reform of 1908, the granting of special state subsidies and tax breaks to agrarians, the Stock Exchange Act of 1896, and the fights from 1894 through 1901 on the construction of the Mittellandkanal (a waterway linking the western and eastern parts of Prussia).22

The Mittellandkanal debate, in which the agrarians gained a series of key victories, “indicated how the administration was ultimately willing to side with the Junkers against heavy industry” (Segre 1980, 334).23

The literature on the Sammlung between agriculture and heavy industry (the “alliance of iron and rye”) often suggests that conflicts of interest between agrarians and industrial capitalists were ultimately amenable to resolution through trade-offs—or else that the two groups’ common interest in “keeping the proletariat from gaining control of state power” (Kehr 1973, 276) was sufficient to harness them to one another.24 The locos classicus of this assessment of the possibility for compromise is the literature on the 1902 tariff reforms and the navy bills, according to which industry granted the reforms in exchange for the bills (Steigmann 1970; Wehler 1985, 97; Barkin 1970, 1987; and Kehr 1973, 276). There was a difference, however, in the relative capacities of the two economic classes to abide by such compromises. Heavy industry could survive and even flourish behind the tariff walls and was therefore ultimately predisposed to accept tariffs for the sake of anticapitalist unity.25

undermines the comparison with the French Second Empire. The use of the term seems more appropriate for writers who view the imperial state as stunted toward capitalist industry.


21. It is also argued that Junker interests triumphed over conservative-agrarian ideologies in one key area: the Russian question. Whereas conservative favored an alliance of the monarchies against the democratic Western states, agrarians’ interests were threatened most directly by Russian grain. The German-Russian alliance, of course, eventually collapsed, and the key domestic factor contributing to this was the new trade treaty, which was “extorted” from the Russian government under duress following the 1905 revolution. Thus agrarians’ economic interests took the upper hand over their political interests. See Kehr 1973, 273–74, especially n. 3.

22. On the Sammlungen, see Steigmann 1970; and Wehler 1985, 84–99. Recent critical discussions of the model include Pfaffen 1983; and Slavin 1986, 110–33. Eckard Kehr’s uneasy combination of the Anschluss and Sammlungen thesis is characteristic of later writers. Even “without open public demand,” he writes, “Germany was guided according to the directives of capitalist economy” (1973, 261). Nevertheless, however, he throws into question the functionality of the state’s interventions for industry (e.g., 1973, 277).

23. This is despite the complaints of organizations such as the heavy-industrial Centralverband Deutscher Industrieller (CVI), whose congresses in the 1890s and thereafter are filled with complaints about agrarians. See CDI, Verhandlungen, Mitteilungen und Berichte, no. 100, “Situation des Auslands” on 5 May 1905, 22–23, 28–29. As the CDI chief Henry Axel Buck explained, the CDI had inspired the creation of a wirtschaftliche Auswies (an advisory council
Agrarians, however, were less able to compromise. The frequent emphasis on the iron-clad alliance notwithstanding, it is clear that in many policy areas a true alliance was impossible. Policies favoring industrialization appeared to threaten the very survival of the eastern agrarian system. Most strongly opposed were programs that loosened the bonds of rural labor or raised the attractiveness or plausibility of migration to the cities and factories. As one analyst put it,

To the extent that [the Junkers] were buying fertilizers and agricultural machines they had a vested interest that industry would develop somewhere: preferably not in Germany, however, since the factories would have allured [sic] labor into the cities and away from the eastern estates. . . . The manufacturers were of course oriented in the opposite direction: as they envisaged the question, industrial growth should not be discouraged even if it was bound in the long run to undermine the economic and political strength of the landed entrepreneurs. The cherished hope of the latter, that Germany would be a static grain-exporting agricultural nation under its own control, was antithetical to that of the manufacturing class. (Segre 1980, 332)

Sandro Segre voices the orthodoxy of a wide array of historical studies of the empire when he writes that "the administration . . . pursued the alliance of all the conservative forces even at the cost of hampering the country's industrial growth." Although they were allied with heavy industry, the agrarians "had it their own way" when the two interests clashed (332–33). Similarly, Otto Pflanze argues that for Bismarck "the protection of agrarian interests [was] the highest duty of economic policy," and "the course he followed was agrarian or even anticapitalist"; Bismarck attacked one branch of industry after another during the 1870s and 1880s (1983, 158, 192). Earlier in the century, Robert Michels claimed that it was "not the legitimate representatives of the industrial-capitalist economic order, the 'bourgeoisie,' but the legitimate representatives of an essentially antiquated economic system, feudalism, [who] set the empire in its policy abroad, and also and especially its internal direction and goal" (quoted in Kehe 1973, 277).

There are differing views of how this correspondence came about. Some authors emphasize agrarian recruitment into the upper bureaucracy or the aristocratic heritage of the major Prussian and imperial officials, such as Bismarck himself. John Gillis writes that by the 1870s "the civil service was . . . firmly connected to agrarian interests" (1968, 127). According to Hans-similar to the Zeilensemble, or Tariff Advisory Board of the early 1890s), but the government "has stuffed it with the most extreme agrarian interests" (31). In general, however, heavy industry does not seem to have strongly opposed the tariffs (cf. Kehe 1973, 297 ff.).

Peter Ullmann (1976), the Junkers' ability to exercise "passive influence" over German officials was enhanced by values shared by the two groups. Other writers focus on alleged purges of the bureaucracy during the 1890s, which were tied to law's compelling bureaucrats to defend the official positions of the Kaiser and the chancellor.26 Emphasis is often placed on the powerful agrarian pressure groups, especially the more radical ones that arose in the 1890s. Whatever the mechanisms, this argument differs from those that portray the state elite as autonomous from civil society—although the two theses are often merged in specific analyses.27

Marxist Theory and the Critique of German Exceptionalism

The elements of the exceptionalism thesis that have elicited the most critical commentary are the underdeveloped democratization of political relations and the missing "bourgeoisie" (Verbraucherung) of values and norms in everyday life. The critics of the Sonderweg thesis have paid relatively little attention to business-state relations. The exceptionalists' image of the German state is central to my current purposes, however. Ely's writings have attempted to reformulate the questions about state and society in Imperial Germany. With respect to political liberalism, Ely's interrogation of the Sonderweg thesis has involved a quite persuasive critique

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26. Kehe (1965) made the original argument about the purge of the bureaucracy under Robert von Puttkamer as Prussian minister of the interior. See Anderson and Barkin 1962 for an important critique of this thesis; also Mossey 1957, pp. 186–243. 27. There is a great deal of confusion between these two arguments. Gary Bonham notes that the perception by the "liberal" critics of the Wilhelmine bureaucracy of "an independent administration appears to be contradicted by their contention that it was also dominated by a landed aristocratic social elite" (1984, 207). This confusion is even present in most current writings on the Wilhelmine state, including Welter (1985). A further dilemma is that the so-called Kehrling (cf. Puhle 1978; Ely 1986) are often considered Marxists because of their emphasis on class control of the state. Yet their assumption that the Junkers controlled the state is deeply at odds with the class-correspondence thesis. Hans-Jürgen Puhle (1978) is thus correct in doubting the unity of the category Kehrling, to the extent that Welter and Kehe occasionally portray the imperial state as promoting industry.

Both East German historians and some representatives of the Blieskath school have suggested that industrial, especially monopo, rather than agrarian interests were served by state policy, even if Junkers held office. Many East Germans stressed a Junker-capitalist entente as opposed to pure capitalist domination (e.g., Klein 1976; and Baudis and Nussbaun 1978). As Ely points out, Welter's writings tend to assert a discrepancy between "the state as a system of political domination . . . and its role in the economy (its 'modem' interventionist character)" (1985, 131). But it is precisely the "modernity" of the latter, i.e., the problem of discerning which classes and factions were favored by the state's interventions in the economy, that is in question here. Welter's writings are particularly enigmatic in this regard, however, even when he endorses the polysemous term "organized capitalism," I would tend to agree with Leopold Gass's assessment of Welter as viewing the interventionist state as "patrimonial and social-conservative, and not as an instrument of new and offensive economic dynamics" (Gall 1978, 558 n. 15).
of the idea that it is possible to identify certain liberal-democratic ideas or institutions as having an essentially bourgeois character, providing a standard by which the German middle class can then be judged. Eley argues (1984, 58, 75–90) that values and ideologies are not associated in an essential, one-to-one way with social classes and modes of production, echoing Ernesto Laclau and other critics of orthodox theories of ideology (Laclau 1977; Laclau and Mouffe 1989). Contrary to both modernization theorists and Marxists such as Nicos Poulantzas (1978), Eley insists that parliamentary structures, liberal ideas, and democratic revolution should not be conflated, nor should they be seen as having an ontological affinity with either capitalism or the bourgeoisie.

How does Eley analyze the German state and its relation to business? Rejecting “instrumentalist” theories, he insists that the bourgeoisie need not occupy the key positions in the state in order to “dominate” society as a whole. Eley suggests that analysts should be less concerned with asking who participates, and focus more on cui bono questions such as how well state policies and political practices met the interests of business. He has rightly stressed that many of the aspects of German “civil society” that had been viewed as pre-capitalist relics and holdovers were in fact beneficial to industrial capital. The paternalism and repressiveness of German business, for example, have typically been seen as somehow modern and irrational, yet Eley argues that these strategies represented a “specific form of capitalist rationality” (Eley 1986, 47). By the same token, the nondemocratic political forms of Germany’s “revolution from above” may have been “more closely linked to the realization of bourgeois interests than elsewhere”; in Britain and France this realization “was complicated by the unruly interventions of the subordinate classes” (1984, 84).

Eley’s point of departure puts him on more solid ground than those who would characterize Imperial Germany by measuring the direct participation of businessmen in government or the degree of illiberalism or paternalism in society at large. Eley argues that “it is by no means clear that the Kaiserreich actually was a state dominated by the Junkers” (1986, 51). He suggests that the concept of Bonapartism is probably the “best point of departure” for understanding the German state (1984, 149). Yet his treatment of the state per se is not fully elaborated. Both Eley and Blackbourn have been more persuasive in demonstrating the rationality of bourgeois practices in “civil society” than in explaining the relations between public policies and business interests.

Marxists have sometimes argued that the nineteenth-century German state fulfilled “bourgeois” functions while excluding manufacturing capital from political power. As Marx wrote, “the days when the [German] bourgeoisie wept in Babylonian captivity and drooped their diminished heads were the very days when they became the effective power of the land” (quoted in Elster 1985, 418). Engels argued that even during the early 1870s, “the bourgeoisie was . . . the economically most powerful class among the population; the state had to obey its economic interests” (1970a, 417). But, Engels continues, the bourgeoisie “was still far from actual political domination. . . . for the time being, the executive depended on it, at best, in a very indirect form” (418). German “Bonapartism” was characterized as ultimately benefiting capital: “The bourgeoisie buys gradual social emancipation at the price of the immediate renunciation of political power” (Engels 1969b, 167). On numerous occasions Engels provided what is now a familiar explanation for this indirect form of rule: “Our German bourgeoisie is stupid and cowardly; it even failed to understand how to take hold of and keep the political rule which the working class won for it in 1848... the German bourgeoisie has never had the ability to lead and represent the nation as a ruling class (1962, 383–84); “the mass of the bourgeoisie does not want to rule” (Engels 1969a, 160).

Two of the leading postwar Marxist theorists, Poulantzas and Perry Anderson, have offered quite different readings of the Imperial German state. Anderson interprets the Prussian state as definitive of a specific Eastern European variant of absolutism and as “the classical case in Europe of an uneven and combined development” (1974, 230). Between the seventeenth and the mid-nineteenth centuries, such “unevenness” counterposed the more advanced eastern state structures—"level with the Western States”—against the more traditional supporting social formations (p. 224). One distinct characteristic of Prussian absolutism, according to Anderson, was the degree to which it represented a continually renegotiated pact between the Hohenzollern monarchs and the landed nobility. Social classes whose impress could be felt in the western variant of absolutism, such as the urban bourgeoisie, were absent from this compromise. The second distinguishing feature of eastern and especially Prussian absolutism was its particularly violent and warlike nature. This violence was inherent in the eastern absolutist state, whose function was "to defend the class position of the feudal nobility against both its rivals abroad and its

28. Elsewhere Marx amended this view, calling the Bismarckians a state “nothing but a police-guarded military despotism, embalmed with parliamentary forms, alloyed with a feudal admixture, already influenced by the bourgeoisie and bureaucratically carpeted” (Marx 1970a, 27).

29. Elsewhere Engels seemed to concur with Marx in suggesting that the imperial state might not even be indirectly capitalist: “in the new German Empire . . . capitalists and workers are balanced against each other and equally for the benefit of the impoverished Prussian cabbage growers” (1970b, 329). “In Germany the state is still to a certain extent a power having independently over society, which for that reason represents the collective interests of society and not those of a single class” (1969a, 348).
peasants at home" (212). War was especially salient within Prussian absolutism, enhanced by the Prussian state's origins as a response to military threats from older powers such as Sweden and by the distinctive character of the eastern "second serfdom."

In the nineteenth century, according to Anderson, there was a shift in the axis of unevenness within Prussian absolutism. Anderson contrasts the powerfully industrializing economy in the western territories with the backward eastern provinces and their agrarian rulers (236). The rising capitalist industry, according to Anderson, gradually led Bismarck to include Rhenish capital along with the Junkers inside the state power structure. Although the state still bore certain precapitalist institutional features (presumably including the exaggerated coercive and military elements and the continuing political presence of the Junkers), in its main lines the state was now "unmistakably capitalist" (276):

The German state was now a capitalist apparatus, over-determined by its feudal ancestry, but fundamentally homologous with a social formation which by the early twentieth century was massively dominated by the capitalist mode of production." (278)

The German state, "despite its peculiarities, had now joined the ranks of its English and French rivals" and broken with absolutism (277, my emphasis).

While Anderson stresses the increasing correspondence between state and social structures in Germany, Poulantzas emphasizes their ongoing dislocation. Poulantzas's starting point is the proposition that the state in capitalist society is "relatively autonomous" from the dominant class, rather than controlled directly by it (1978, 47). The state, he argues, is "the official resumé of society," representing in condensed form the entire array of class forces and overlapping modes of production that make up a given social formation. A certain degree of discontinuity between the dominant class in German society and the class background of the state's officials would therefore not seem to pose any immediate problems for Poulantzas. 30

Complications arise, however, with Poulantzas's contention that the imperial German state was not fully capitalist, even in structural terms. Treating the German state as an anomaly, Poulantzas seems to reproduce the exception...

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30. Poulantzas thus argues that "under Bismarck, this state transformed itself from within, as it were, in the direction of a capitalist state" (1978, 186). By the end of the "Bismarckian régime," he suggests, the bourgeoisie was hegemonic (i.e., dominant in political and ideological relations), while the nobility had been reduced to the role of "governing class," or the class charged with running the state (238, 249). The post-Bismarckian state thus secured the interests of capital, even though its form was still somewhat dislocated with respect to capitalist social relations.

31. Poulantzas also makes the familiar claim that the German bourgeoisie, traumatized first by the French Revolution and later by the working-class movement, did not break decisively with the nobility and "left to the state the task of establishing its own political domination." Based on these comments, Eley enumerates Poulantzas to Georg Lukács and Isaac Deutscher as a Marxist proponent of the Sondervag thesis (cf. Eley 1984, 40).
One can think of Imperial Germany as a complex social formation characterized by a variety of articulated modes of production. The most significant kinds of production relations were (1) the latifundium-type mode of the great agrarian estates, capitalist agriculture with coerced wage labor; (2) small subsistence peasants; (3) the petty-commodity mode (consisting of artisans, homeworkers, and the commercial farming most common in the southwest); and (4) industrial capitalism. Industrial capitalism was itself integrated with the agrarian modes, which provided it with labor, material, and internal markets.

The industrial capitalist mode of production became economically dominant in Germany during the 1880s and 1890s at the latest (Bade 1983, 121). Even before that time—by the 1860s and 1870s—industrial capitalism was the most dynamic, if not the largest, sector of the economy (Hoffman 1965). This transformation is indicated in table 1, which shows the occupational structure and the national income produced in the agrarian and industrial sectors of the German economy between 1880 and 1913. By the 1880s, the German class structure was perhaps even more dominated by industrial capitalist social relations than in France or the United States (cf. Steinmetz and Wright 1989, table 3). Yet agriculture was still not a negligible factor: a full 26 percent of Germany’s net national product derived from agrarian sources in the 1900–1913 period. Again, it should also be kept in mind that agrarian production was itself structured along capitalist lines, even on the eastern estates, as Weber noted in his studies of East Elbian agriculture during the 1890s. But while large agriculture in Imperial Germany was entirely capitalist in terms of market-oriented production, estate laborers were still deprived of certain bourgeois rights and subjected to “pecuniarist” forms of coercion.

A neo-Marxist theory clearly does not need to insist that all state structures, policies, or regimes correspond to dominant-class interests. However, a Marxist theory would expect any state that pursued policies unacceptable to the bourgeoisie for a significant length of time to be confronted with economic crisis, capital flight, and the emergence of powerful antistate political forces. It is difficult to specify a priori exactly how long regimes, structures, or policies that are unpalatable to the economic elite can endure without throwing the theory into doubt, but the nearly half-century life span of the Kaiserreich would seem to be of adequate duration. Moreover, to the extent that such structural limits are based on capitalist perceptions of state policy, long-term political dysfunctionalism would be especially unlikely in a situation like that of Imperial Germany.

Table 1. National Product and Labor Force in the Agrarian and Industrial Sectors (in Percent)

<table>
<thead>
<tr>
<th>Agriculture, Forestry, and Fishing</th>
<th>Manufacturing and Extractive Industries</th>
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<tbody>
<tr>
<td>National Product</td>
<td>Labor Force</td>
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<tr>
<td>------------------</td>
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</tr>
<tr>
<td>1850–54</td>
<td>45.2</td>
</tr>
<tr>
<td>1880–84</td>
<td>39.2</td>
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<td>1885–90</td>
<td>35.3</td>
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<td>1890–94</td>
<td>32.2</td>
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<tr>
<td>1895–99</td>
<td>30.8</td>
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<tr>
<td>1900–1904</td>
<td>29.0</td>
</tr>
<tr>
<td>1905–9</td>
<td>26.0</td>
</tr>
<tr>
<td>1910–13</td>
<td>23.4</td>
</tr>
</tbody>
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*These figures refer to the average of 1849, 1852, 1855, and 1858. Source: Hoffmann 1965, 33, 35.

Imperial Germany, where even the heavy-industrialists who supported Bismarck complained about the Junkers’ overweening claims to social power, and businessmen frequently criticized the state’s perilously “agrarian” policies. Yet as I will argue in the next section, there is no reason to elaborate an explanation for class noncorrespondence, since there is little evidence that it existed, at least in the realm of social policy.

Industrial and Agrarian Interests in Poor Relief Policy

In this section I will argue that a series of key legislative decisions concerning poor relief favored industry over agriculture and promoted capitalism as the mode of production rather than the quasi-feudal form of agrarian social and property relations typified by the East Elbian estate. Despite continual agrarian attacks, national poor relief legislation persisted in its intrinsically capitalist form throughout the empire, with only a few minor changes. The relief system survived despite only rhetorical allegiance by key German and Prussian officials to the Agrarstaat (agrarian state). Not only was poor relief aligned with the long-term interests of the dominant industrial classes; it was substantially.

32. On these concepts, see Wolfe 1980 and Wright 1985, 11, 109–14.
33. Although this mode was capitalist in economic terms, “this wage labour . . . was itself regulated by a feudal Grundordnung . . . and imposed a ruthless material discipline on agricultural laborers and domestic servants” (Andersson 1974, 274).
34. See especially the results of Weber’s main study for the Verein für Sozialpolitik (1892, 1970). See also Moeller 1986; Perkins 1981; and Tribe 1983.
35. For an extension of the case against “class noncorrespondence” into other realms of imperial state policy, see Steinmetz 1993, chap. 4.
36. There have been few studies on the welfare state that have argued explicitly that agrarian interests—seen as opposed to pecuniarist values, which I will discuss below—affected the content of the welfare policy, although it is easy to construct such arguments. In fact, very little effort has been made until recently to understand the relations between elite-class interests and welfare programs in the German Empire.
Britain and a glance at the implementation of poor relief in German municipalities suggest that assistance was bourgeois and "modern" in formal terms.

The National Poor Relief Law and the First Industrialization, 1870–1914

No study of the welfare state during the Second Reich can afford to ignore poor relief, although most have done so. The first reason for emphasizing public assistance has to do with its contribution to the creation and reproduction of a mobile, national labor force (see below). Second, more money was probably spent on poor relief than on national social insurance. In 1885, the year of the first reliable national survey, expenditures on poor relief were almost twice as high as social insurance benefits. In 1912, after the Bismarckian system had been operating for almost three decades, poor relief spending still seems to have outstripped social insurance costs. One writer roughly estimated the costs of what he called "indirect unemployment relief" through public assistance as "at least one billion marks annually" (Oswald 1912, 14); spending for the three major social insurance schemes (health, workmen's compensation, and old-age pensions) totaled less than that in the same year (Holost et al. 1978, 154–56).

Last, poor relief provided enormous opportunities for public authorities to intervene directly in poor people's lives (even if more people were enrolled in social insurance funds than were assisted by relief). The number of voluntary and paid guardians working in the administration of poor relief was undoubtedly much larger than the numbers working in the social insurance bureaucracy. And while the labor movement had some impact on the implementation of national social insurance programs (especially sickness insurance; see Tenstedt 1976, 1983b), it was less able to influence the operation of relief. Poor relief was therefore an arena in which the conceptions of economic and political elites could be expressed more directly.

The clash between agrarian and industrial interests was also more immediate and drawn out about poor relief and related issues than about other forms of social policy. The agrarian view was that the national poor relief system favored the western and urban industrial parts of the Reich over the rural east and other agrarian regions that were losing population. Throughout the Kaiserreich, landless farmers tried to change the relief system through pressure on the chancellor, the Reichstag, and the Prussian Landtags, while industrialists opposed such changes. In the end, industrial interests prevailed.

What were the laws governing poor relief, and why did they find such different degrees of support? Both of the key national-level laws originated during the period of national unification. The Freedom of Movement Law (Gesetz über die Freizügigkeit) was passed on 1 November 1867, and the Law of Settlement, or Relief Residence Law (Gesetz über den Unterstüzungswohnsitz) on 6 June 1870. Both laws involved extensions of previously existing Prussian law to other states in the empire. Both were passed during the years of National Liberal dominance in the Reichstag of the North German Confederation and reflected the economically liberal atmosphere of the years preceding the recession of the mid-1870s. These laws were probably the most critical contributions by the state to the creation of a capitalist labor market since the Bauerbewegung in the early nineteenth century and had long been demanded by industry (Schissler 1978; Engels 1970a, 379). They made it both legal and financially feasible for rural workers to leave the east and migrate to sites of labor demand. In essence, the new Poor Relief Law was an undeclared form of unemployment relief. It was now more or less guaranteed that all needy German citizens—including the able-bodied—would receive relief at a certain level (specified in the laws, and left to the discretion of local authorities). The Freedom of Movement Law stipulated that "every citizen has the right to... stop or settle anywhere within the national territory where he has lodging or is able to obtain a place to stay" (Gesetz über die Freizügigkeit, §1). Local authorities were prohibited from evicting a newly arrived person unless...
it can be proven that he does not possess the necessary powers to support himself and his dependents," and were admonished that "fears of future impoverishment do not authorize local officials to reject such a person" (ibid., 14; emphasis added). Only if the person became impoverished before obtaining a new "relief residence" (Unterstützungswohnen) for reasons other than temporary inability to work was the town allowed to expel him (Gesetz über die Freizügigkeit, §5).42

In the agrarians' view, the 1870 Poor Relief Law installed a system that was disproportionately financed by the rural areas, which were losing population. The law regulated the acquisition and loss of the relief residence, which determined which poor law board was to bear the financial responsibility for relief.43 These regulations became the primary focus of agrarian discontent. The relief residence of an adult (defined as anyone at least twenty-four years old) was transferred to the town in which he or she had lived uninterrupted for two years without drawing relief. Two new administrative and fiscal units were created (or rather, extended over the entire empire): the local poor law board (Ortsarmenverband), which was usually coterminal with, and financed by, a single municipality, and the regional poor law board (Landarmenverband). According to paragraph 28 of the Poor Relief Law, all local boards were legally bound to provide an "adequate level" of relief to anyone who became needy while present in the community, regardless of the place of permanent residence. Implementing statutes in most of the federal states specified that a pauper was to be granted shelter, the basic necessities for living (Lebensunterhalt), medical care in case of illness, and an appropriate burial in case of death (Kaiserliches Statistisches Amt 1887, 5–6). Municipalities bore the relief bills of resident paupers, while the costs for aiding a nonresident could be demanded and reimbursed from the board in the area where the outsider had relief residence. The regional poor law board covered the costs of paupers for whom no relief residence could be determined.

42. This provision resembled settlement laws in colonial America (Abramowitz 1985, 128).

43. The Relief Residence Law was complemented by a number of implementing statutes (Ausführungsgesetze) of the various federal states. See Bützer 1873; Gugel 1910; and Wehlers 1876. It was taken over by Württemberg and Baden after their entry into the newly founded German Empire but was not adopted by Alsace-Lorraine until 1910 and Bavaria until 1916. Until 1910, laws dating from the French Revolution (1793 and 1796) regulated poor relief in Alsace-Lorraine, where it remained voluntary (Drechsler über die Lage des Armenwesens der Stadt Kehl 1908, 4–5; Böhmer 1888, 105; Goltz 1896; and Schelle and Temmstedt 1980, 264). See also Reichsgerichtsblatt 1913, 459; and Zentralblatt Staatsarchiv I Potdanc (hereafter ZSR I, now Bundesarchiv, Abteilungen Potdanc), Rep. 15.01, Nr. 1266. Bavaria retained the older system (Heimatarchiv), whereby the place of birth was also the relief residence throughout a person's life, although by 1896 legislation had converged with the national norm to the extent that a new relief residence could be gained within the state of Bavaria if one resided in a town for four uninterrupted (and nonimpoverished) years (Baron 1983, 20).

The significance of this legislation for the agrarians derived from their status as major local taxpayers in the eastern agrarian regions. The agrarians saw themselves as underwriting the creation of a new industrial labor force by paying a disproportionate part of the costs of mass labor migration to the west. In principle, Junker estates and rural communities would retain their responsibility for the relief bills of former residents whom they had not seen for years—until those people lost their original relief residence. Indeed, during the first two decades of the law, rural communities paid several million marks to subsidize what Claus Oss (1984a) calls "active proletarianization."44 As a commission of the quasi-official agrarian organization Deutscher Landwirtschaftsrat (German Farmers' Council) reported in 1876, rural workers go the cities and the industrial areas when they are seventeen or eighteen—the girls at an even younger age. . . . It is a great burden for the countryside that the hometown must bear the risk of everything that happens to this frivolous lot until it reaches the age of twenty-four, and still for two more years in the place where its labor power is exploited. (Deutscher Landwirtschaftsrat 1880, 446)

The East Prussian Agrarian Central Association (Landwirtschaftlicher Centralverein) complained in a petition to the Reichstag of the continuous emigration of young male and female workers from the countryside to the big cities, and from the agricultural east to the industrial west. . . . While the countryside bears the costs of these workers' physical and spiritual education and suffers an unremitting loss of potential labor [Arbeitskapital] through their steady exodus, they are a gift to the large cities and industrial regions, in the form of trained labor power. . . . They often begin their migration to these areas when they are only sixteen or seventeen, yet the home poor law board . . . retains responsibility for their fates until they reach the age of twenty-six.45

44. In the two eastern, agrarian provinces of East Prussia and Posen-Braithen alone, almost 19,000 marks were paid in 1848 by local and regional relief boards for people who had immigrated to the west and become impoverished there; in 1890 the total was nearly 26,500 marks. Over the total seven-year period (1888–90), 165,557 marks were paid out in reimbursements to western relief boards by these two eastern provinces. If these figures are representative for other agrarian regions losing population, several million marks may have been paid by rural relief boards to boards in areas receiving their rural workers during the first two decades of the Relief Residence Law. See ZSR I, Rep. 15.01, Nr. 1274 (pp. 57–58): report of 23 January 1892 on "costs of relief paid by eastern relief boards for persons impoverished in the west."

45. Reichstag, Verhandlungen, Altenstrichte, 4th legislature period, 3rd session, 1880, no. 183, 944.
movement of those under twenty-one years; after 1894 the government was somewhat responsive to such measures.48


The financial drain introduced by the reimbursement system sharpened agrarian opposition to the Poor Relief Law. Gradually, agrarians came to accept the existence of the relief residence system. Since it was unlikely that workers could be prevented from migrating westward, this system meant that the hometowns would at least not be supporting them forever.49 The agrarians were now interested in making it easier for migrants to obtain a new residence or to lose their old one. After a lull in agitation against the laws during the 1870s, a petition to the Reichstag from the East Prussian Landwirtschaftlicher Zentralverin in 1880 called for changes in the Poor Relief Law. This inaugurated a steady stream of petitions and bills from the conservative parties, rural county representatives (Kreisvertretungen), the Deutscher Landwirtschaftsverband, and later the Bund der Landwirte.50

Bismarck’s views on the Poor Relief Law resembled the system favored by the agrarians and the Conservative Party. In 1877 Bismarck argued that the best arrangement would be one in which the full costs of relief would simply be carried by the town in which a pauper became needy. Bismarck also suggested making the town in which the pauper worked, rather than the town in which he or she resided, liable for the costs of sickness relief. Finally, Bismarck stressed

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46. Reichstag, Verhandlungen, Stenographische Berichte, 4th legislative period, 4th session, 1881, 1300.

47. It is impossible to establish whether the Poor Relief Law actually increased people’s willingness to emigrate, or whether freedom of movement regulations, combined with economic and social pressures, provide an adequate account. It is interesting that while a steep rise in overseas immigration characterized the years immediately following 1870, “internal” migration did not become dominant until the first half of the 1890s, when the shortage of industrial jobs abated (Deutscher Landwirtschaftsverband 1883, 485; Langewiesche 1977).

49. Many southern German officials—from the Reichspastori, and the Center, Conservative, and National Liberal Parties—preferred the old Heimatschonung or Heimatschutz (hometown relief residence system), in which the Heimat (usually the birthplace) remained the relief residence throughout one’s life. Cf. the typical argumentation by Karl Konrad von Völkl in Reichstag, Verhandlungen, Stenographische Berichte, 6th legislative period, 2nd session, 1895, 163; and Reichstag, Verhandlungen, Stenographische Berichte, 4th legislative period, 2nd session, 1891, 1313; also Alfred Fetscher von Rembold in Reichstag, Verhandlungen, Stenographische Berichte, 9th legislative period, 2nd session, 1894, 977.

50. The Landwirtschaftlicher Centralverband demanded above all lowering the age from twenty-four to twenty; cf. Reichstag, Verhandlungen, Stenographische Berichte, 4th legislative period, 5th session, no. 103, 1880, 944–45. Conservatives called for changes throughout the 1880s and 1890s; see Reichstag, Verhandlungen, Stenographische Berichte, 7th legislative period, 1st session, 1887, 61, 7th legislative period, 4th session, 1889, 195; and 8th legislative period, 2nd session, 1891, 3363. On the Kreisvertretungen, see Reichstag, Verhandlungen, Stenographische Berichte, 6th legislative period, 2nd session, no. 223, 1886, 1045–46. At its 1876 and 1881 meetings, the Deutscher Landwirtschaftsverband called for a lowering of the age at which a new relief residence could be obtained and argued that the regional poor law boards should bear the costs of persons with no relief residence. The problem was discussed again at the twentieth plenary session of the Deutscher Landwirtschaftsverband in 1892; see ZSA I, Rep. 15.01, Nr. 1285, p. 4; and Nr. 1288, pp. 24 ff; also Deutscher Landwirtschaftsverband 1880, 441–63, 1881, 36, 239–87.
the need for a “workfare” regulation linking benefits to willingness to work.\(^{51}\) In 1881 Bismarck suggested that the regional poor law boards should assume the costs of all but the able-bodied poor, whose relief would continue to be covered by the local relief boards.\(^{52}\) This idea was aired simultaneously with his attempts to implement a national social insurance system largely financed by public funds (through indirect taxes). Bismarck was unable to gain the Reichstag’s support for any of these recommendations while he was chancellor.\(^{53}\)

During and after Bismarck’s tenure, eastern agrarian groups continued to press for a variety of changes in the law that they hoped would lower their fiscal burden.\(^{54}\) Above all, they tried to transfer most of the responsibility for assistance costs to the town in which the pauper had been working. The rationale was that industry, which had profited from the pauper’s labor, should also bear the burden of his or her care.\(^{55}\) Yet the agrarians were unable to alter the basic contours of the combined system of free migration and public support for the poor. They were able to relieve their financial burden slightly through two amendments to the 1870 law. A revision in 1894 lowered the age at which relief residence could be gained or lost from twenty-four to eighteen years, and transferred part of the costs to the town in which the pauper had been working.\(^{56}\) But this alteration probably had little effect, as most of the reimburse-

\(^{51}\) Given the likelihood of realizing this goal, however, Bismarck supported shortening the length of time necessary for gaining a new relief residence to one year. See ZStA I, Rep. 15.01, Nr. 1272, pp. 28 ff.; Bismarck’s vote of 28 March 1877 on reforms in the Poor Law.

\(^{52}\) ZStA I, Rep. 15.01, Nr. 1272, pp. 135 ff.

\(^{53}\) A bill from the Imperial Chancellery that would have made it easier for migrants to gain a new residence was rejected by the Prussian minister of the interior, who opposed placing new burdens on the cities, and it was defeated in the Brandenburg. ZStA I, Rep. 15.01, Nr. 1272, pp. 38 ff. The government responded to attempts to reintroduce the matter in the Reichstag during the 1890s with the claim that the social insurance legislation would remove much of the burden of the Poor Relief Law; see the statements by the state secretary.

\(^{54}\) In 1886, an East Prussian county (Kreisamt) petitioned to have the relief residence system introduced in Alten-Lorraine (Reichstag, Verhandlungen, Altenländische, 6th legislature period, 1st session, 1885–86, no. 223, 10:45–46). The law was not taken over by Alten-Lorraine until 1910. ZStA I, Rep. 15.01, Nr. 1266.

\(^{55}\) ZStA I, Rep. 15.01, Nr. 1275, pp. 192, 202 ff. list of demands sent to the Kaiser by the Prussian Haus der Abgeordneten following the debate on the crisis of rural labor.

\(^{56}\) It stipulated that the costs of aid for the first sixteen weeks of illness were to be paid by the relief board of the town in which the pauper had worked. In addition, §361 of the Criminal Code was altered such that a negligent parent who failed to care for dependents could be fined or fined up to 150 marks. See Bistär für das Armeemorden, 1804, 65; Reichs-Gesetzblatt 1894, no. 9, 259–77; Reichstag, Verhandlungen, Statistische Berichte, 8th legislature period, 2d session, 1893, 677–743; 9th legislature period, 1st session, 1894, 977–97; 1101–42; and Reichstag, Verhandlungen, Altenländische, 8th legislature period, 2d session, 1893, nos. 130, 751–54; 9th legislature period, 1st session, 1894, nos. 117 and 142, 727–44 and 897–08.

ments paid by rural poor law boards were for paupers over the age of twenty-four, and many migrants were younger than eighteen.\(^{57}\)

Agrarian agitation against the Poor Relief Law did not abate with the 1894 revision but actually intensified along with the rise of agrarian interest-group politics during the 1890s. However, little changed under the next two chancellors (1894 through 1908), for reasons similar to those that had prevented major revisions during the Bismarck era. The government feared further alienating industry with changes in the Relief Residency Law, especially in the context of battles over the 1902 tariff (see Batak 1970; Borham 1985). At a 1906 meeting of the Prussian Staatsministerium, Minister of the Interior Arthur von Posadowsky-Weber (then chiefly responsible for social policy) insisted that changing the Relief Residency Law was not a timely idea because “industry would see it as directed against its interests.” There was already danger of an industrial backlash due to the new tariffs. According to Posadowsky, it would be especially unfortunate to introduce the bill at that moment because the discussion in the Landtag had made the “tactical mistake” of tying Poor Relief Law reforms to limits on freedom of movement (Freizügigkeit)—a change that industry opposed even more strongly. Even the “agrarian” Prussian finance minister Johannes von Miquel agreed that it would be better to delay introduction of a bill, given that industry was becoming “difficult” (misslich) due to the “clumsy operations of the Bund der Landwirte.”\(^{58}\) This discussion suggests that the committees of top officials were the proximate mechanism by which industrial interests were translated into state policy. Why officials had these commitments is a separate matter, however, to which I will return in my conclusion.

A second modest reform in 1908 lowered the age and the number of years for gaining and losing relief residence to sixteen years and one year, respectively.\(^{59}\) But the overall contours of the system remained in place until 1924, including the seemingly iniquitous partial subsidization of the costs of relieving the unemployment and poverty of rural migrants by the areas they had left. Moreover, these limited progriarian changes in the Poor Relief Law were offset by the overall development of the national relief system. A network of “itinerant unemployed stations” (Naturverpflegungssituationen und Wanderar-

\(^{57}\) ZStA I, Rep. 15.01, Nr. 1274, pp. 97 ff.

\(^{58}\) ZStA I, Rep. 15.01, Nr. 1275, pp. 257 ff. Miquel had been the strongest Junker ally among the higher Prussian and Reich officials in opposing trade treaty revisions during the early 1890s, seeking “consistently either to prevent a reduction of the agricultural tariff or to undermine the treaties altogether” (Borham 1985, 178). He was also the leader of the resistance to the Mittelstands caual at the turn of the century, another measure strongly opposed by the Junkers (Borham 1983, 189, 206 n. 51, 211).

\(^{59}\) See Reichs-Gesetzblatt, 1908, no. 35, 377–96; and Deutscher Verein für Armenpflege und Wohltätigkeit. 1906 (vol. 76).
beistände) had been set up throughout Germany during the 1880s. These were relief stations typically spaced at approximately a day’s walk apart. Unemployed laborers could obtain food and shelter, usually in exchange for several hours of work, and then continue along the road. The stations were often coupled with a labor exchange or job office. This network was meant to provide further inducements to migration toward areas of labor demand. The number of these stations declined from 1,957 in 1890 to 1,285 in 1896,60 but by 1901, Hans von Hammerstein, the Prussian interior minister, was calling upon the provincial prefects (Oberpräsidenten) to set up stations in provinces that lacked them.61 In 1902 the Prussian government decided to increase by ten million marks state subsidies to the provincial authorities for the construction of more stations.62 Together with the creation of local “labour exchanges,” urban emergency public works, public housing, and other municipal social programs (Faust 1981a, 1981b, 1982, 1986), these institutions did nothing to halt the exodus of rural labor.

A Bourgeois Form of Relief?

One possible objection to the foregoing discussion is that regardless of the economic interests that were directly promoted by poor relief, the precise manner in which these policies were implemented by local elites, their form, was eminently traditional. And in the chain of connotations that has become common sense to students of German history, traditional equals neo-feudal, which means favorable to the agrarian Junker class. An appropriate response to this critique would involve demonstrating that poor relief was also “bourgeois” in formal terms. This requires that we reject the collapsing of the terms “modern” and “bourgeois” and insist that they refer to separate and irreducible dimensions. The ideal-typical distinction between public assistance as “traditional” and social insurance as “modern” does not speak directly to the issue of social policies’ “class” character. Gaston Rimplinger (1971), T. H. Marshall (1970, 1977), and others assume that the welfare state is situated at a developmentally “higher” stage than poor relief, a normative assessment referring to an implicit scale of rights (e.g., “social citizenship”), not to an analytical differentiation among forms.63

60. Blätter für das Armenwesen, 1896, 89.
61. See ZfA I, Rep. 15.61, Nr. 1289.
63. The distinction in this literature between poor relief and the welfare state is often fairly vague. According to Marshall, “the British Poor Law had the functions, but not the spirit, of a welfare service” (1970, 44); yet elsewhere he writes that the emphasis on the “contextual character of social insurance . . . led people to exaggerate the distinction between social insurance and social assistance” (1976, 48).

Marshall’s dimension can be contrasted with one that makes analytical distinctions among the class logics of different policy forms. Specifically, one can attempt to distinguish bourgeois and less bourgeois forms of welfare policies. In doing so, one faces the complication that social insurance always represents at least a partial infringement on pure capitalist property relations, as recognized by both Marshall and more recent writers such as Gösta Esping-Andersen. When workers have a right to unemployment relief, sick pay, and so forth, there is a concomitant decline in employers’ ability to use labor markets as a disciplinary “whip.” In an ideal “capitalist world,” there would not be social policy above the basic minimum required to produce and reproduce labor power, Most aspects of the welfare state thus result at least partially from motives and forces that are humanitarian, social-democratic, or legitimatory, and not “purely bourgeois.” Yet even where the impulse to engage in social reform is unavoidable, elites face choices among various alternatives, some more attractive than others.

We can distinguish three criteria according to which policies can be classified as more or less adapted to the basic structures of capitalist societies. The first is the dimension of commodification and decodification; policies that encourage actors’ orientation to market mechanisms have been described as inherently more bourgeois than policies that bypass or obviate markets (Offe and Ronge 1984; Esping-Andersen 1985a and 1985b). Two sides of the decomodification of policy actually need to be distinguished, one involving labor power (the degree to which recipients of social benefits are forced insistently back into labor markets), the other involving consumption (the extent to which benefits are given in kind). Less commodified forms of social policy are often seen as more advanced (cf. Marshall 1977, 121; Turner 1986). Although such policies may be rendered compatible with capitalism, they are less bourgeois when measured against an abstract model of capitalist relations. It follows that public assistance systems are generally more bourgeois than social insurance, even though social analysts typically view them as more traditional. Michel Foucault’s (1979) discussions of the inculation of self-regulating forms of subjectivity during the transition to modernity direct us to a second, separate dimension of social policy. Social programs that require recipients

64. But decomodified policies may be more patriarchal; as feminist critics of the American welfare state have pointed out, in-kind relief characterizes the more “feminized” sector of the welfare state (food stamps, AFDC, etc.). Such decomodified relief clearly does not decrease the dependence of women welfare clients (Frazier 1987). Nancy Frazier argues further that mainstream programs “individualize” their clients and treat claimants as unpaid family workers, while social insurance programs “individualize” claimants and treat them as wage workers (Frazier 1987); see also Nelson 1984; and Gordon 1988. I have addressed the complex set of issues around gender and German welfare policy in Steinmetz 1989.
65. My account is different from Foucault’s, of course, since he refuses to understand the
to take responsibility for their own care also lead them to "internalize the state," thus fortifying bourgeois society.66 This dimension of the modern welfare state also recalls Louis Althusser's notion of the "ideological state apparatus," which causes subjects to "work by themselves" in the vast majority of cases" (1971, 121).

Finally, programs can be evaluated as more or less bourgeois in relation to fields of class formation and conflict. Social policies may inhibit the threats that working-class movements pose to propertied groups. Policies are useful from a bourgeois standpoint if they reinforce distinctions between subordinate individuals who form only an inept or "theoretical" group, a "class on paper" (Bourdieu) but might otherwise converge as a real social group or class.67 Bourdieu's notion of "classification struggles" provides a metaphor for thinking about the effects of social policies on class formation (Bourdieu 1984, 1987).68 Seen from this perspective, state policies that multiply distinctions among subordinate groups can be considered bourgeois.69

To summarize, dimensions of welfare policy that one might consider "bourgeois" include commodification, the creation of self-monitoring subjects, and reclassification through accentuation of differences among the dependent poor. But it is important not to posit necessary, transtemporal relations between policy forms and class interests. Eley's criticisms of the equation of liberal democracy and bourgeois capitalism would apply even if force to the emergence of the modern subject in class terms. Clearly, the technologies of self-discipline, once established historically, can undergird nonbourgeois regimes (e.g., state-socialist ones). What Foucault's analyses reveal, however, is the extent to which these new technologies of subject creation emerged concurrently with capitalism.

66. Fraser 1987 underscores this association, characterizing the American welfare state as a "juridico-administrative-therapeutic apparatus.

67. As critics of traditional Marxism have recognized, working-class formation is not strictly derivable from class structure (cf. Poulantzas 1977; Lucash and Morris 1985; and Steinmetz 1992). Pierre Bourdieu writes: "While the probability of assembling a set of agents ... rises when they are closer in social space ... alliance between those who are closest is never necessary ... and alliance between those most distant from each other is never impossible" (1985, 726).

68. The logic of the state's role in "classification struggles" is clearly illustrated in Kocka's analyses of the effects of the post-1900 German social insurance legislation in solidifying distinctions between white-collar and manual workers (e.g., Kocka 1990, 1991); see also Luc Boltanski's (1984) similar treatment of the impact on the solidification of the social category "cadres" by the Vichy administration's granting of legal status to the "cadres" in the 1941 charte du travail.

69. Given the formal similarities between this argument and Poulantzas's claims about the "disorganizing effects" of the capitalist form of state and parliamentary democracy (1978, 154, 189–94, 277, 287), it is perhaps necessary to underscore that I am not claiming that all social policies necessarily attempt to splinter subordinate classes, nor that all bourgeois attempts to shape welfare policy along these lines. Noted also that the creation of male and female "stream" in the welfare state—distinctions between men and women, rather than within a theoretically unified working class—may follow a similar logic.

such an essentialist scheme. One major difference, of course, is that I am not aligning classes with ideologies, values, and worldviews but rather with interests. Yet one can easily imagine circumstances in which bourgeois interests would be better served by de commodified policies or a less differentiated working class. Instead, the argument should be framed in terms of strong affinities between different class interests and policy forms within a given historical conjuncture.70

The following questions are thus central for the following part of the analysis: To what extent did the impetus for social reform come from business? Once such an impetus existed, to what extent did the specific policy correspond to either the conscious interests of the bourgeoisie or to the formally bourgeois criteria developed above?

The Elberfeld System: Implementation of Poor Relief at the Local Level

The actual implementation of German poor relief took place at the local level, especially in the municipalities. State and national legislation specified only the broad contours of actual assistance. In the towns, relief took the form of the Elberfeld system, which was decidedly bourgeois, according to the criteria outlined above: it stressed individual responsibility, self-monitoring, and quick reintegration of the poor into labor markets. The structure of local poor relief (and local social policy more generally) illustrates an alternative, more direct relation between businessmen and the state.

The Elberfeld system of poor relief was named after the city where it was first codified, although other cities were using similar systems.71 Most large German municipalities had adopted the system by 1914. The central tenets of the Elberfeld system, according to the slogans of its proponents, were the "decentralization" and "individualization" of relief (Temstedt 1981b, 77). Traditionally, each decision to honor or reject an individual's request for aid was made at meetings of the entire staff of poor relief officials. Once aid had been granted, however, there was comparatively little effort to monitor or reform the recipients. "Individualization" signified a huge increase in the number of poor relief guardians in the field and thus in the intensity of "individualized" treat-
ment and surveillance. “Decentralization” referred to the devolution of
decision-making authority into the hands of the guardians, who could best
judge their clients’ needs. The Elberfeld system was the cornerstone of an
overall strategy of increased discipline of the poor, intended to force an orienta-
tion toward the labor market and to combat welfare dependency.

Other dimensions of poor relief that were “bourgeois” in character in-
cluded the increased use of cash relief rather than in-kind aid and the greater
reliance on short-term rather than ongoing grants of assistance. In 1913 a
Bremen municipal official justified the commodification of relief in an alto-
gather typical manner, writing that “it is preferred nowadays to provide the
pauper with cash . . . in order to help him learn to employ it more economically
and to thereby exercise a pedagogical influence on him” (Funk 1913, 116).
A new poor relief regulation (Armenordnung) introduced in Hamburg in 1903
replaced an older guideline whereby 25 percent of aid should be provided as
“soup coupons” with the stipulation that cash relief should be the rule, “so that
the pauper remains economically independent and is able to satisfy his needs,
which he himself knows best” (Buehl 1903, 272). The new 1901 Ar-
menordnung in Kassel also called for more reliance on cash and stressed the
“pedagogic moment, that the pauper should retain his independence and the
feeling of his own responsibility.” Berlin used virtually no in-kind relief; in
1911, 86 percent of its non-poohouse relief was provided in cash (Grieken
1927, 23).

The stress on reforming behavior and encouraging self-monitoring,
through techniques such as requiring the poor to keep budgets of their expendi-
tures, corresponds to the Foucauldian image of the creation of the modern
(bourgeois) subject. Beside bringing the lives of the poor in line with the core
principles of the capitalist market economy, the goal of reliance on cash relief
was to install a more general sense of self-discipline.

The growing reliance upon what was called “temporary” (as opposed to
“ongoing”) relief awards was also geared toward encouraging self-reliance and
“recommodifying” impoverished workers. Temporary grants of aid were
used as a form of relief for the conjuncturally unemployed. The director of one
Berlin public assistance district noted already in 1878 that during the period of
seasonal unemployment, nearly one-fifth of all relief in his district was pro-
vided in small grants, while another in 1880 complained that the guardians
tended to give higher monthly awards to people who received short-term aid
than to the “truly miserable and needy . . . relief recipient.”73 By 1901, nearly
as much was spent for short-term as for ongoing relief in some Berlin
districts.74 The economically useful, able-bodied, jobless workers seem to
have generally received more generous relief. This market principle of selection
was foreign to the public poor relief of the eighteenth and early nineteenth
centuries.

Bourgeois social interventions were especially visible at the municipal
level, particularly in southern Germany (White 1976, 106). It is not difficult to
explain why local policies such as poor relief were attuned to bourgeois inter-
ests. This convergence was overdetermined by a variety of powerful tools at
the disposal of local middle classes. The most important of these was the
“plutocratic” electoral franchise operative in some form in the majority of the
German states, which usually weighted individuals’ votes according to their
income and frequently required them to pay a fee. This system excluded many
workers from voting altogether (Hirsch and Lindemann 1905).75 The most
grotesque results of this system were revealed in cities such as Essen and
Elbing, where during certain years one individual—the highest taxpayer—
elected 33 percent of the city councillors with his single vote. Businessmen
often had other political privileges. In Ludwigsfeld, the firms paying the
highest taxes had a full voice in votes on the city budget, equivalent to that of a
city councillor (Breunig 1976, 402–3). Local government was the part of the
state in which the bourgeoisie came closest to ruling directly, through the
medium of progressive liberal or National Liberal parties (Sheehan 1971).76 It
should therefore not be surprising, except in light of assertions about the

73. Stadtbuch Breslau (StadtA Breslau), Rep. 03, Nr. 54, p. 208: report by Seeger, 10 April
1886.
74. Report to Berlin poor relief commissions from Director Ernol Minnsberg, Sept. 1901
in StadtA Breslau, Rep. 03, Nr. 352, p. 54.
75. An average of 13 percent of the population in the cities with more than fifty thousand
inhabitants was eligible to vote in the years 1900–1910. The maximum was 20 percent, the
minimum 1 percent. These calculations are from a variety of sources, listed in Steinmetz 1947,
appendix 2.
76. Before the turn of the century, the majority of Local councillors in many cities were
bakers, industrialists, or businessmen of some kind. In Milhausen, for example, Liberals held a
majority of town council seats before 1900; in 1886, almost half of the councillors were members of
the “bourgeoisie” by this broad definition (extracted from Milhausen 1887–88, 200–201). Participation
in local government by the traditional urban elite began declining at the end of the century,
perhaps due to increased demands on their time, as Helmut Czem now suggested in his
studies of the cities in Rheinland and Westphalia (1960, 38). In Krefeld in 1890, for example, ten of
the twenty councillors elected in the top two classes were silk manufacturers and dealers; in 1918,
they were represented by only six official (Seger 1987, 87). But the restrictive municipal fran-
chise and the tradition of middle-class influence on self-government meant that these economic
dominate were succeeded by workers but by a “new, middle-class” majority composed of home
owners, professionals, and scientists.
"feudalization" of the middle classes, that German urban social politics resembled or even foreshadowed those in Britain and France.77

A Modern Form of Relief?

While it is difficult to determine how "bourgeois" a given policy is, it is even harder to assess the degree to which it approximates an ideal-typical model of twentieth-century welfare (or what we are calling its modernity). Yet it is important to grapple with this issue, given the alleged traditionalism of German policy. An acceptable alternative to essentialist definitions of "modernity" would be strictly historicist: policies can be considered modern if they provided other states with a glimpse of their own future.

To address this issue, there is no better starting point for comparison than Germany's supposedly more modern English rival.78 Reversing the familiar contrast, however, the central dimensions of the evolving poor relief system in the Kaiserreich appear to have been more "modern" than their English counterparts. As Marshall wrote, "Nowhere else [but in England] could you find quite the same combination of harsh deterrent principles, centralized policy control, and administration by an isolated authority" (1970, 34). Paupers in England were a broad, undifferentiated category, unified only in negative terms. Georg Simmel noted in 1906 that the English system "completely neglect[ed] the criterion of personal worthlessness" and relied instead on the work-house test, at least in principle (18).

In Germany, by contrast, poor relief was directed "at the individual and his condition" (Simmel 1906, 6). German relief officials enthusiastically multiplied distinctions among categories of paupers. The German goal of thorough, individualized assessment of each relief case and the guardians' penetration into the private dwellings of the poor signaled a much higher level of (local) state "infrastructural" power, to use Michael Mann's terms.80

A final indicator of the "modernity" of the German assistance system is its popularity among reforming and business circles in Britain. During the nineteenth century, British businessmen and poor law officials favored the Elberfeld system (Rawlocke 1986; Rose 1981, 66-67; Hay 1981, 115). The head of the Berlin poor relief board, Emil Minsterberg, was called on to testify before hearings on the reform of the Poor Law in 1908 (cf. Great Britain 1910). Although the paupers had been designated as a deterrent, many reformers had come to see it as encouraging long-term dependency. The English Poor Law also lacked the elements of behavioral reform and state penetration that figured prominently in the German system.

The National Welfare State and Industrial Interests

The preceding section showed that the regulations, legislation, and local implementation of poor relief in the German Empire were oriented toward industrial rather than agrarian interests, and that they were formally "bourgeois" in terms of commodification, individualization, and self-discipline. In this section I will explore a more familiar area, the national social insurance laws that were codified during the 1880s. Because more has been written on this segment of the German welfare state than on local relief policies, my discussion will be brief.

Recent writings on the imperial welfare state by sociologists and historians have created a greater diversity of opinion than one finds in most other areas of research on the empire. Yet there is still a strong tendency to see welfare policy in Imperial Germany as somehow prebourgeois, corporatist, and traditional, as an expression of neofeudal paternalism and of the weakness of liberalism (see Esping-Andersen 1990, 39-61). Dahrendorf (1967) refers to the welfare state as "authoritarian" and claims that social policy "immobilized" people rather than promoting capitalism (40, 47, 193, 252). Rimplinger (1971) speaks of German social policy in terms of "welfare monarchy" (100), the "mixing of feudal and socialist elements" (106), and the "defense of traditional authority" (112). Wehler disqualifies Bismarck's social insurance because of the manipulative motives that inspired it, contrasting it with a vaguely specified "modern style of state intervention," one whose "proper effect" would be to redistribute national income (1985, 136). Bismarck pursued a variety of political motives through state social insurance: bypassing the Reichstag, splitting the liberals, and binding workers directly to the state. The split between left- and right-wing liberals was indeed partially provoked by disagreements over Bismarck's plans. Bismarck dreamed of replacing the Reichstag with a parallel but nonelected set of corporate institutions, including the administrative bodies

77. These local social policies are discussed in detail in Faust 1911a, 1911b, 1912, 1916; Kranke 1979, 1981, 1985; and Saldern 1973, 1984.
79. Under the new poor law of 1834, a pauper could theoretically receive relief only if shut off in a poorhouse (Pollanetz 1957). It was assumed that only those who were genuinely needy would be willing to undergo the humiliations of the poorhouse. There is an enormous literature arguing that out-relief continued after the passage of the 1834 Poor Relief Law, and that the poorhouse system was only incompletely implemented. Karl Williams 1981 argues, however, that out-relief was in fact curtailed after 1834. The crucial point is not whether the poorhouse system was in fact implemented but that the Elberfeld ideology of individualized out-relief did not take root in England.
80. "Infrastructural power" is Mann's term for "the capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realm" (Mann 1980, 135).
for social insurance (Paur 1981). Workers were to be tethered to the state through public pensions, as Napoleon III—closely observed by Bismarck—had attempted in the French Second Empire.

One problem with this is that Bismarck was only partially successful. Moreover, if one focuses on the relations between bourgeois agency, business interests, and the welfare state, a very different picture emerges. According to the criteria for identifying “bourgeois” forms of policy used in the earlier discussion of poor relief, the aims of social insurance were by no means clearly prebourgeois. This point will be developed in more detail below.

The Imperial German welfare state also appears to be strikingly modern in terms of the historicist definition used above, i.e., it expressed in nuce most of the typical characteristics of a European welfare state in the twentieth century. It has often been recognized that the Bismarckian social insurance laws of the 1880s were international models. Yet the empire’s social innovations are sometimes offered as further evidence of its antimodern exceptionalism.

Only a model of modern social insurance will permit a less arbitrary assessment of the claim that the Imperial German welfare state was backward. The features of a mid-twentieth-century “modern” welfare state would include the following:

1. Compulsion (i.e., compulsory participation, and often compulsory contributions by employers).
2. Benefits whose levels are income-related or -graded and tend toward wage-replacement levels.
3. Administrative centralization and unification.
4. Universal (albeit differentiated) coverage.
5. Eligibility for benefits based on entitlement, not on means tests.
6. Macroeconomic demand management, generalization of mass consumption norms, and the coordination of capital and consumer goods through social policies.

81. Interpretations coming from administrative-science circles rather than historians do tend to depict the early German welfare state in more favorable terms as “modern,” flexible, adaptable, and even genuinely pathbreaking. Cf. Zillmer 1982; Kohler and Zacher 1983; and Zacher 1979. These writings are useful for descriptive detail, even if they are hesitant to speculate about the causes of social policies or the meaning of specific policy forms.
82. Although compulsion looked traditional and authoritarian to some German Liberals and to British observers, it was actually the more “traditional” Catholic countries that continued to adhere to the voluntary principle (Ritter 1986, 6). Not surprisingly, the German government viewed the conviction that “only the greatest measure of freedom for the individual can develop the best and most efficient resources of the nation” as traditional rather than modern (Ritter 1986, 7–8).

Not all of these features were typical of the pre-1914 German system, a point 1 will refer to below.

Industry, Agrarians, and the Creation of the German Welfare State

Research on Bismarck’s social insurance laws of the 1880s has often focused on explaining the precocity of Germany’s welfare state. Yet until recently little attention was paid to the stance of the dominant social classes and groups vis-à-vis social insurance. Was social policy favorable to German industry, both before and after Bismarck’s fall in 1890? Which sectors of industry were favored? Were industrialists in favor of the major social insurance legislation?

Social insurance was one of the many national policy arenas in which agrarians clashed with industrialists. The Junkers and their organizations argued that the Bismarckian social insurance programs made industrial labor more attractive than the rural laborer’s life. The agrarian interest organizations were also excluded from the crucial critical stages of policy-making. Against the energetic protests of the German Agricultural Council (Deutscher Landwirtschaftsrat), the original accident and sickness insurance laws excluded agricultural workers. Only in 1914 were rural laborers finally included in the sickness law (the extension was part of the 1911 law, but not implemented until 1914; cf. Deutscher Landwirtschaftsrat 1883, 54 ff.; Ritter 1986, 46).

By contrast, industrialists not only favored the national social insurance reforms of the 1880s but also played a decisive role in their creation (Machta 1985; Baron 1979; Ullmann 1979; White 1976, 99). Some of the earliest plans for compulsory accident insurance were proposed by industry, and the government discussions preceding the 1884 accident insurance bill were largely based on a memorandum written by the Bochum industrialist Louis Baare (Vogel 1951, 98; Baare 1881). The Saarland industrialist and Reichstag deputy Carl-Ferdinand von Stamm agitated for national pension and disability insurance (Vogel 1951, 39–40; Rothfels 1938, 298). Imperial Germany’s leading association of heavy industry, the Centralverband Deutscher Industrieller (CDI), vigorously supported the sickness, accident, and old-age pension insurance laws of the 1880s (Deutscher Handelsrat, Verhandlungen, vol. 16, 1889, 1).

83. Space constraints preclude a narrative account of the enactment of the major national social policy laws during the Kaiserreich, or even a list. The best accounts, aside from the massive oeuvre of Florian Tennstedt, include Born 1957; Hentschel 1983; Ritter 1986; Rothfels 1927, 1970; Vogel 1951; and Zillmer 1982.
84. According to Singmann (1970, 103), the agrarians called for an end to social policy to put a halt to “rural flight” (Landflucht). See also Richtshofen 1901, 43, 52.
Bueck 1905). After the 1880s, however, prominent manufacturers and heavy-industry associations opposed the elaboration of new social programs, such as unemployment insurance and worker protection, and the expansion of existing programs. Industry was still influential, but its impact on policy-making was mainly negative.85

As heavy manufacturing abandoned social reform after 1890, light and export industry took up the call for new welfare legislation. These branches were represented by organizations such as the Federation of Industrialists (Bund der Industriellen; see Ullmann 1976), the allied Association of German Employers’ Associations (Verein deutscher Arbeitgeber-Verbände), and later the Hanseatic Federation for Business, Commerce, and Industry, or Hansa-Bund (Mielke 1976). In 1901 the Federation of Industrialists promoted the idea of a national labor bureau (Reichsarbeitsamt), calling it “a social reform that would equally promote the interests of employers and employees” (the CDU rejected the idea; cf. Frック et al. 1983, 1223). The original purpose of the Association of German Employers’ Associations was to provide financial support to struck firms. At the same time, the association supported negotiations with labor unions, in contrast to the repressive strategy of the heavy-industrial strike-relief organization (the Hauptstelle Deutscher Arbeitgeberverbände).

Similarly, the Hansa-Bund continued itself in its 1909 founding program to social policies “aimed at securing the future of all workers and the preservation of their eagerness to work” (Mielke 1976, 202). The umbrella organization of the German Chambers of Commerce, the Deutscher Handelsring, representing mainly small industry and merchants, also backed a more activist social policy after the 1890s.

Several researchers have explored the economic motives behind heavy industry’s support for the initial social insurance schemes. Rüdiger Baron (1979) argues that Bismarck’s social legislation was not a “carrot” to conciliate the working class for the “stick” of the concurrent Antisocialist Law. Instead, he argues, big employers hoped that social insurance would create the more skilled, healthy, and disciplined labor force that they needed to compete inter-

85. There is ample documentation of the swing in heavy industry’s attitude toward social policy after the late 1880s in the pages of the Deutsche Industrie-Zeitung (organ of the CDU), Der Arbeitgeber (organ of the Hamburger Deutscher Arbeitgeberverband), and the Deutsche Arbeitgeberzeitung (representing the Verein Deutscher Arbeitgeber-Verbände).

86. This is shown in the minutes of both the Handelsring’s annual meetings and its “permanent commission” (Späth-Scharnagl, see Deutscher Handelsring Verhandlungen, 1881, appendix 1, p. 2 (10th meeting of the permanent commission, discussion of the accident insurance bill). See also various issues of the Handelsring’s Deutsche Wirtschafts-Zeitung, e.g., 1966, 870 ff., 919 ff. (“Die Reaktion der Betriebe durch die Arbeiterrentenversicherung”); and 1907, 163, printing the recommencement of social policy under Wilhelm II (“Die deutsche Sozialpolitik im Jahre 1906”). After 1909 most of the chambers of commerce urged their members to join the liberal Hansa-Bund (Frück et al. 1984, 2142).

nationally, Ullmann (1979) challenges parts of this analysis while agreeing on the importance of industrial patronage of social insurance. He demonstrates that the initial support for the accident insurance legislation emanated from the sector of large firms characterized by steady and continuous production processes, recruitment problems, higher accident rates, and an orientation toward domestic rather than international markets. In a careful study of the social-political stances of chambers of commerce and industrial organizations, Monika Breger (1984) confirms that industry generally supported the welfare state measures of the 1880s; she also corroborates Ullmann’s finding that sectors oriented toward the domestic market tended to be more supportive of social insurance.

Various liberal parties also supported national social insurance, especially after 1890. This is important because the liberals (especially the National Liberals) were closely tied to various factions of industry.87 The left-liberals were unfriendly or openly hostile to national welfare legislation during the 1880s, while the “governmental” National Liberal Party backed Bismarck’s social policy in its 1884 Heidelberg program and in the Reichstag (Röhl 1967, 62; White 1976, 121, 169). The final decade of the century witnessed a growing acceptance of social policy and state intervention among the other liberal political parties (Blackbourn 1985, 267–68). Indeed, the roles were now reversed, and the left-liberal parties became the more resolute supporters of social reform.88 During the 1890s, even the Liberal Association (Freisinnige Vereinigung) moved away from the “Manchesterist” self-help doctrine that had dictated its opposition to social insurance during the 1880s to energetic support for social policy (Wegner 1968, 14–16; Döding 1972, 163).89 The association was heavily backed by banks and finance capital (Döding 1972, 160 ff.).

The welfare state was thus not introduced against the interests of industrial capital but rather was backed by leading sectors of German industry during the Kaiserreich. Businessmen in heavy industry played an active and public role in the elaboration of the major social insurance laws. The expansion

87. The ties between the National Liberal Party and industry are most readily documented; the Liberal Association (Freisinnige Vereinigung) was close to financial and commercial interests (see Sheehan 1983). Many heavy-industrialists were closer to the Imperial Conservative Party (Rhein- and freikonservative Partei), whose social-policy views paralleled those of the CDU. A helpful visual overview of the complicated splits among German liberal parties from 1913 to 1914 can be found in Eich 1969; see also Sheehan 1978; and Frick et al. 1983–86.

88. Although the National Liberal Party leader Ernst Basseman called for new reforms and increased social spending between 1898 and 1909, his position in the party was increasingly tenuous; see Bassermann 1919; Döding 1972, 175; Eisenbarth 1929; and Heckart 1974.

89. The Liberal Association leader Theodor Barth called for tactical alliances with the Social Democrats and cultivated relations with the right wing of the SPD beginning in 1890 (Wegner 1968, 112, Elia 1969, 40, 117). The notion of “social liberalism” was propagated by the Liberal Association; its Berlin section started calling itself the “Social Liberal” Association.
of the welfare state after 1890 was less directly the result of business pressure, if one ignores the rise of policies intended to shore up the independent middle classes (so-called Mittelstandspolitik). But the government was never running completely at cross-purposes to industry. Policies introduced after 1890 generally had broad backing in the export, light manufacturing, and finance sectors of capital and among the liberal parties. These policies included the introduction of limits on the length of women’s workdays; the requirement that all factories have a set of labor regulations (Arbeitsordnungen); the introduction of petitöische, municipal Gewerbeberichte, or industrial courts (at first voluntary, later obligatory in cities with more than twenty thousand inhabitants); the Prussian mine policy reforms; the legalization of unions; and various extensions of the 1880s social insurance laws (Born 1957). Significantly, policy areas in which Germany lagged behind Britain, such as national unemployment insurance, were broadly opposed by most sectors of industry.90 German social policy offended only part of the business community and was always supported by major sectors of it.

The German Welfare State as Modern and Bourgeois

The German welfare state was also distinctly "bourgeois" in terms of the formal criteria set out above. For reasons suggested in my conclusion, this correspondence between the welfare state and bourgeois interests was not entirely due to the direct involvement of capitalists in social policy-making.

First, most social insurance benefits were given in cash.91 To qualify for accident and sickness insurance, workers had to be steadily employed in industry, which provided an incentive to the "commodification" of one’s labor power.92 There were only minimal state contributions: fifty marks per year to worker pensions and none to the other insurance forms, meaning that "state-socialist" principles (as they were called at the time) were minimized.

That the welfare state could have encouraged a "bourgeois" form of subjectivity may sound paradoxical in the current political context, where conservatives rail against the deleterious psychological effects of welfare "de-

90. Heavy industry’s vehement opposition to unemployment insurance was repeatedly expressed by the CDU; see Busek 1905, 3:414–18, 559. The influential newspaper Der Arbeitgeber (until 1910 the Mitteilungen der Hauptsstelle Deutscher Arbeitgeberverbände) came out repeatedly against unemployment insurance (e.g., 1908, no. 27; 1909, no. 14 [esp. 153]; 1910, no. 15; 1911, nos. 19–20; 1912, nos. 12, 15, 19; 1913, nos. 21–24 [esp. nos. 22, 274–77]); see also Deutsche Industrie-Zeitung (1911, no. 22, 363–95). Some chambers of commerce opposed it as well; see Händelskammer für den Kreis Heidelberg, 1909. Only scattered groups of German industry appear to have supported unemployment insurance; cf. Vater 1909, 415.

91. Some sickness insurance benefits were given in kind: few medical treatment was general, and hospital treatment could be substituted for sick pay (Zöllner 1982, 20).

92. But see Quataert 1984 on limits on pension rights for unpaid family workers.
stratified benefit levels (though not in Germany), flat rates have been the exception rather than the rule in twentieth-century social insurance systems.

3. Administrative unification. Another modern element of the prewar German welfare state was the administrative unification of the various types of insurance in the painstakingly through 1911 Imperial Insurance Regulation (Reichsversicherungsordnung). The social insurance system in the United States remains much less unified even today than the German system of 1911.

4. Legal entitlement to benefits. None of the German insurance systems were means-tested; instead, contributors had a legal right to their pensions or benefits. This stands in contrast to the British old-age pension system introduced in 1908, for example. Germans could also contest decisions on their sickness or workman’s compensation benefits or their old-age and disability pensions (Zöllner 1982, 30). Following a revision in 1899, workers could be represented in local pension offices and have some voice in deciding the level of individual pensions (Born 1957, 177).93

Conclusion: State Elites and the Promotion of Bourgeois Interests

I have argued that in key respects the poor relief and social insurance systems of the German Empire served industry rather than agriculture, and that agrarians were unable fundamentally to change the poor relief system in their favor. I have also argued that poor relief and social insurance were both modern and bourgeois. They were also more modern and more bourgeois than contemporaneous programs in Britain. While England may have provided Germany and other nations with a glimpse of their own economic futures, the German welfare system played the same role vis-à-vis Britain.

I have provided descriptive support for the class-correspondence perspective. What is missing is an explanation for the form and content of policy. (I am only able to outline an argument within the limits of this essay; a more complete account is developed in Steinmetz 1993.) The paradox is that the social insurance reforms of the 1880s were bourgeois, even though their ultimate authors were not businessmen but upper-level imperial and Prussian ministers, the chancellor, and the Kaiser. Why would imperial state elites put a consensus tently bourgeois-industrial stamp on social policy despite their own largely aristocratic backgrounds and the presence of strong agrarian pressure groups? Three factors seem best able to account for this industrial orientation of state managers and thus ultimately to explain the class correspondence of social policy: (1) the state’s dependence on the private economy for financial resources (required for the state’s general operations as well as its specific military needs); (2) the state’s dependence on private development and production for its military needs; and (3) the socialization of the state’s civil servants into an ethos and habitus supportive of capitalist industrialization. These three factors—fiscal dependence, military dependence, and socialization—forced state officials to attend to industrial capitalist voices and to internalize an industrial capitalist logic when making policy. State-centered dynamics must be invoked to explain an ostensibly society-centered outcome.

First, the Prussian and German states were increasingly dependent on the private economy for fiscal resources. Most public revenues were raised through taxes, fees, tariffs, and loans from private sources. Although the Prussian state had traditionally tried to liberate itself from these constraints through ownership of demesne lands, mines, and other state property, it depended increasingly on revenues raised through taxes. By 1901, the net revenue from the state’s own properties made up only 17.8 percent of total revenue; and by 1913 it had declined to 9.7 percent of the total.94 The leading source of revenues was the Prussian railways; the second largest source was the general income tax; and revenues were also collected from a property tax (Eigentumssteuer).95 The national face had similar constraints. The empire had few productive assets of its own and depended mainly on indirect taxes, duties, and fees until 1914. The biggest source of central government revenues during the 1872–1914 period was tariffs.96 As a result, the Prussian-German state was structurally dependent on capitalist prosperity and was obligated to the economic bourgeoisie as a “state-bearing” social class. Direct taxes required the compliance of property owners; credits required the goodwill of banks; and indirect taxes, fees, and tariffs could not exist without economic

93. The major missing dimensions here are universal coverage and a macroeconomic regulation of demand through social policy. I have explained the “class” reasons for nonuniversal coverage above; full-scale demand management had to await the development of Keynesianism (see Weir and Stoeckl 1985).

94. All figures are from the Statistisches Jahrbuch für den preußischen Staat, vol. 1 (1903) through vol. 13 (1913), section “Finanzen.” All of these are final rather than projected budget figures.

95. In 1913 income taxes brought in 392 million marks, while the railways’ net earnings were 590 million. See Statistisches Jahrbuch für den preußischen Staat 13 (1915): 318.

96. The imperial government did, of course, make some money on its railways, but these brought in less than the Prussian railways—only 143 million marks in 1911, for example, as compared to 520 million marks for the Prussian railways in the same year. Figures from Statistisches Jahrbuch für das deutsche Reich 34 (1913): 334; and Statistisches Jahrbuch für den preußischen Staat 14 (1916): 274. The other large source of imperial revenue was the yearly transfers (Mittelzulagen) from the federal states.
growth and a prospering capitalist economy. A politically induced slump could lower economic profits, railroad traffic, consumption levels, and business in general, thus emptying the state’s coffers.

The second factor driving the state into a condominium with industry was its dependence on private development and production for its military needs. The state’s dependence in military matters went beyond its need for private credit and increasingly encompassed industrial production and technical developments in the private sector as well. Most of the key innovations in armaments during the nineteenth century had emerged in the private sector—the breech-loading needle gun, widely credited with Prussian victory against Austria in 1866; Krupp’s cannons; smokeless gunpowder and explosives; and even the Prussian railroads, which proved militarily indispensable (Showalter 1975, 161–90, 213; Messerschmidt 1975, 558; Osten-Sacken 1913, 67–91). Research and development played an increasingly important role as the arms race heated up in the decades before World War I. Moreover, although some military production could be carried out by state-owned firms, private industry was crucial for emergency resource mobilization and for large-scale production, including the navy’s battleships and heavy cruisers and military airplanes, which were produced entirely by private enterprises before 1914 (Morrow 1976). Private companies supplied 72 percent of the weaponry for the artillery units in the late Wilhelmine era, and by 1914 they received 60 percent of total matériel spending (Schmidt-Richberg 1968, 119; Messerschmidt 1975, 370). The Imperial German state thus needed industry in order to continue building upon its peculiar advantage.97

How did these fiscal and national-military considerations influence the form of social policy? The main connection was an overarching determination by state officials to preserve the economic health and the loyalty of capital, especially its heavy-industrial faction. As a result, most national policies were propelled in the direction of support for a modernizing industrial capitalist economy. In future research it will be important to identify the specific characteristics of the ideological discourses within the state, as well as the more mundane features, such as sanctions and criteria for bureaucratic promotion, that produced these systematic effects.

The third factor moves from external constraints on policy to the “producti-

97. The issue of military motives and class correspondence is slightly more complex than is suggested here, since the state could sometimes be led by military considerations to engage in social policies against industrial interests. This is illustrated by the 1905 miners’ strike and the government’s response to the mine employers’ plan to import strikebreakers from abroad. The Prussian government’s response actually met certain of the striking miners’ key demands, culminating in a revision of the Prussian mining code. The state’s liberalism and flexibility in this case probably reflected the strategic military importance of mine production (Born 1957, 184–85).
enhancement of anti-industrial attitudes. Further research will probably also show that an ideological or discursive structure within the state apparatus constantly referred officials back to the bourgeoisie. Whatever their initial impulses, many state managers who rose in the bureaucratic hierarchy came to embrace a modernizing industrial ideology.

Perhaps the Prussian state was not autonomous at all; but this was its official myth (Medals 1978, 93). Indeed the German state of the late nineteenth and early twentieth centuries was highly dependent on private industry to carry out its projects. Nonetheless, the motives that forced the state into an alliance with industry were the state’s “own” interests, and not the result of some sort of mysterious economic “determination in the last instance.” Sooch is correct in arguing that the state, in its search for internal order and international competition, may provoke conflicts of interest with the dominant class (1979, 20). Yet the nineteenth-century German state, which in so many respects seems to be located at the core of the state-centered perspective, rarely obstructed the interests of the industrial bourgeoisie. By bringing the entire range of government activities within our field of vision, including the state’s local projections, we only strengthen this conclusion. In order to pursue its specific goals, the state had no choice but to ally with modern business.

References


The Myth of an Autonomous State 317


