

## “ORGANIZING” THE LABOR MARKET IN THE DYNAMIC *KAISERREICH*



*I*n the years before World War I, Germany’s highest authorities and major political parties made no secret of their intention to assume public control of the labor market. A Job Placement law passed unanimously by the Reichstag in 1910 decisively tilted the balance against commercial job-placement agencies and in favor of public labor offices. The Minister of the Interior explained the ultimate purpose of the law’s stipulation that private agencies would only receive a license if no adequate public office existed in the area: “This requirement will mean that in the course of time private job placement will become ever rarer and in its place public offices dedicated to the general welfare will become ever stronger and eventually achieve predominance.”<sup>1</sup> This milestone on the road to national “organization” of the labor market came about only after a development that began decades earlier with grassroots, heterogeneous efforts to confront problems in Germany’s rapidly expanding industrial economy. In that development, the 1890s were a turning point, as control of the labor market now became a vital stake in the political struggles between agriculture and industry and between employers and unions.

### Germany’s First Economic Miracle

Germany’s dynamic economic growth around the turn of the twentieth century set the stage for all that followed with the Labor Administration. Already expanding since the 1850s, Germany’s economy grew even more rapidly, though un-

evenly, in the decades after unification. Particularly in the twenty years between 1895 and the outbreak of the Great War, Germany experienced nearly uninterrupted growth at an unprecedented rate. In this “first economic miracle,”<sup>2</sup> the country’s GDP increased by an average of 3.2 percent annually, which resulted in an economy nearly 90 percent bigger in 1913 than it had been just two decades earlier.<sup>3</sup> With a growth rate second only to that of the other major rising power, the United States of America, Germany, by the turn of the century, was challenging England for second place among the great economic powers. While the agricultural sector itself became more productive, it was industrial expansion, at a 4 percent annual rate, that fueled this growth. Already in the 1890s, industry and crafts surpassed agriculture in terms of gross value produced. In the words of a heated contemporary debate, Germany was fast turning from an “agrarian” to an “industrial state.”<sup>4</sup>

This economic transition and expansion occurred, however, by no means smoothly. Sharp downturns interrupted the general upward trend. Undoubtedly, the most severe downturn occurred in the two decades after the stock market crash of 1873. The years of zero or even negative growth were particularly frequent in the decade between 1873 and 1882. While it is now widely recognized that the period from the mid 1870s to the mid 1890s cannot be described in terms of a “great depression,” as an earlier generation of historians postulated,<sup>5</sup> there can be no doubt that this period had a profound psychological effect on many Germans. The cycles of growth punctuated by sharp slowdowns and even occasional declines of production, stock collapses, and spikes of unemployment helped shake the confidence in the idea, never widely or firmly held in Germany in any case, that the free market could regulate itself. They greatly strengthened the hand of those calling for a greater public role in economic affairs. Among employers, the instability contributed to efforts to minimize risk through cartels and employer organizations.

Even the years of extremely rapid, nearly uninterrupted, expansion from 1895 to 1914, while boosting Germans’ confidence (and even feelings of superiority), could not eliminate that potential sense of insecurity. The very success of most of the period made the few setbacks seem all the more unsettling. Relatively short, mild recessions in 1900–1902 and 1907–1908 sparked exaggerated, gloom-laden reactions.<sup>6</sup> These shocking reminders of the economy’s vulnerability would strengthen the movement that arose before the war to bring the labor market under public control.

In addition to this interruption of rapid overall growth by occasional downturns, differences in sectoral growth rates were another salient feature of the Kaiserreich’s economy. Agriculture’s aforementioned loss of relative position to industry and craft production was but the most general of these shifts. Within manufacturing itself, the varying fortunes of and within the sectors had significant political, economic, and also intellectual ramifications. The broad category of *Handwerk*, encompassing craft enterprises from the one-man or family bakery to machine-building firms with dozens of journeymen and apprentices, experi-

enced a range of fates. Craftsmen who competed directly with industrial enterprises, such as cobblers, suffered a steady decline. Those, however, who could compete on quality or who complemented industry in various ways, for example, in repair work, survived and often even thrived.<sup>7</sup>

Still, even if *Handwerk* as a whole did not decline, and in fact expanded, like agriculture, it too faced a relative loss of importance. The fastest growing, increasingly dominant sector of the economy was large-scale industry. Mining and iron and steelmaking, aided by political-territorial gains after the Franco-Prussian war, technological breakthroughs, and the seemingly insatiable demand for the building blocks of the newly united nation’s infrastructure, grew at prodigious rates.<sup>8</sup> More dynamic still were the largely export-oriented firms of the “second industrial revolution” in chemicals and electrical products, along with the engineering sector. In the last two decades before the war, innovations by BASF, Hoechst, Bayer, and numerous smaller firms in such processes as artificial dyes and pharmaceuticals propelled the chemicals industry to more than an annual 6 percent growth rate.<sup>9</sup> After Siemens’ breakthrough in the long distance transmission of electricity around 1890 opened the door to the widespread dissemination of electrical generators, machines, and appliances, the electrical industry experienced a massive boom. Exports drove the explosive growth of the machinery industry. In the two decades between 1893 and 1913, these grew ten-fold,<sup>10</sup> vaulting the sector into first place in this regard. Firms’ revenues in its core area, machine tool production, soared more than 200 percent between 1897 and 1912.<sup>11</sup> This most dynamic of German industries would play a key role in launching the country’s vocational training system, as we will see in the next chapter.

Despite the expectations of many political economists at the time and the assessments of later historians, German industry’s growth in the decades around 1900 followed no simple pattern, for example, with large-scale enterprises invariably squeezing out medium- and small-sized firms.<sup>12</sup> Not only did parts of *Handwerk* manage to stay afloat, adapt, and even flourish. Industry proper, as recent scholarship has shown, varied greatly according to region and structure. The large firms in the mining, iron, and steel producing sectors often pursued “autarkic” policies in relatively infrastructure-weak regions, and some companies in chemical manufacturing, electrical manufacturing, and machine building did the same as well. But many of the latter, especially in machine-building, where the borders with *Handwerk* were fluid, thrived in regions of decentralized production with traditions of cooperation and political provision of infrastructure.<sup>13</sup> The open-ended nature of Germany’s industrial development left room, then, for influences from interest groups and governments.

Wilhelmine Germany’s rapid industrial growth not only added to the country’s overall wealth and began to overturn the previous balance among economic sectors, it also provoked a massive, unprecedented redistribution of Germany’s workforce. Germany’s burgeoning new factories and companies and even whole new industries exerted enough of a demand for workers to redirect the flood of Germans emigrees, who since the early decades of the century had sought to es-

cape crushing rural poverty and dissolving social ties at home by going overseas. Instead, by the 1890s, an even greater number of Germans were migrating internally. Between 1880 and 1914, in the “greatest mass-movement of German history,”<sup>14</sup> millions of Germans moved within the Empire’s borders, overwhelmingly from rural regions in the east to the burgeoning industrial centers around Berlin and the Rhine and Ruhr rivers.<sup>15</sup> This flight from the land, as worried observers called it, changed the basic composition of the German workforce, turning millions of former peasants or farmhands into factory workers. Whereas in 1882, 42 percent of the workforce had been in agriculture and only 35 percent in industry, 25 years later the proportions were more than reversed, with only 28 percent in agriculture and 42 percent in industry.<sup>16</sup> The growth of employment within industry was not evenly distributed, but occurred at the fastest rates within “metal working,” which included electrical products and machinery. Siemens-Schuckert, for example, one of the two leading electrical products companies in the country, expanded its workforce between 1890 and 1913 nearly twenty-fold.<sup>17</sup> If the metal-working sector had employed 356,000 workers, or 5.6 percent of the industrial workforce, in 1882, on the eve of World War I, its 1.9 million workers constituted 17 percent of the industrial labor force, making it the single largest sector in industry.<sup>18</sup> Machine-building, in particular, showed a peculiar dynamic. One of the fastest growing sectors in terms of output, it relied less than other burgeoning fields on increased energy and capital inputs and more on a rapidly expanding workforce. Between 1895 and 1907, the number of employees in the machine-building industry more than doubled from 443,000 to 908,000.<sup>19</sup>

This economic dynamism, though not alone and not always immediately, underlay the widely held feeling in Wilhelmine Germany that many realms were in a state of flux. Everything from politics to economics itself to social relations and culture seemed to require, depending on one’s point of view, defense, reform or overturning.<sup>20</sup>

### **Finding Jobs, Finding Workers**

Germany’s dynamic economic growth after 1870 posed challenges for workers and employers, while the accompanying waves of migration and urbanization seemed to threaten public order. People seeking jobs, especially immigrants from the countryside, needed help finding positions amidst the confusion of new kinds of work and in unfamiliar settings. Many depended simply on the haphazard method of “knocking on the factory gate” or gathering at informal “open air labor markets.”<sup>21</sup> Firms needed to fill their expanding workforces; municipalities had to manage the difficulties posed by unprecedented urbanization. In response, a variety of forces sprang up in the second half of the nineteenth century, at first mainly at the local level, to organize job finding and worker selection. These ranged from commercial agencies and newspaper ads to craft-, union-, and industry-run labor exchanges, and philanthropic and municipal offices. Before

1914, however, assisted job-placements of whatever kind still made up probably less than half of all job entries, and perhaps far less than that.<sup>22</sup> So while the trend, especially from the 1890s, was away from diverse local solutions to a narrower range of more comprehensive ones, and ultimately to public control, before the war the organization of the labor market still affected only a minority of people looking for work.

Commercial agencies placed more people in work than any other kind of office, though their preeminence faced increasingly severe challenges from the mid 1890s onward. The liberal Trade Regulations of 1869 had freed commercial job-placement agencies from state regulation, and their numbers grew rapidly, particularly in the big cities. These *Makler* spanned the range from large establishments with comfortable offices and large staff, to one-man operations based in train stations where immigrants from the countryside set their first foot in the cities. In 1894, the more than 5,000 such agencies in Prussia accounted for nearly two-thirds of all registered job-placements.<sup>23</sup> Between 1895 and 1907, the number of commercial agencies in the entire Reich rose from 6,077 to 7,205.<sup>24</sup> No data exists on the number of placements they performed in Germany as a whole; however, reports from Bavaria and Baden indicate that the commercial agencies were able to maintain, or even slightly increase, the number of job-seekers they placed.<sup>25</sup> By now, however, tough legal controls and the flourishing of other forms of job-placement agencies had almost certainly reduced the commercial enterprises’ *share* of all placements.

A variety of non-commercial services competed with the commercial agencies. The single most important kind of non-commercial exchange and the only one aside from the employer exchanges eventually to achieve more than a 10 percent share was the public municipal labor office. Of all the public and non-commercial bodies, municipal associations and governments were closest to the front lines of upheaval caused by industrialization, migration, and economic liberalization. Even before rapid industrialization changed the nature of work and created new challenges for city governments, the ending of restrictions on immigration to cities—in Prussia in 1810, and in the rest of Germany later, generally in the 1850s and 1860s—exposed them to burdens for which they were ill-prepared. In the fastest growing regions of the Rhine-Ruhr area, the onrush of job-seekers now burst the limits of old communities and even spawned brand new urban settlements.<sup>26</sup>

Before industrialization began to absorb great numbers of workers in the 1870s and 1880s, the flood of rural paupers and urban dispossessed seeking work or aid in the cities overwhelmed municipal budgets. Poor relief—the usual measure in response to unemployment—was the responsibility of the local community. This financial burden, which became especially acute during economic downturns, would provide a major incentive for municipal authorities to establish labor exchanges and other services to complement or replace individuals’ independent searches for work. Such fiscal crises, in combination with the *Bürgertum’s* growing concerns about the revolutionary implications of the “worker question,”

further energized urban reform movements that were already promoting civic improvements.<sup>27</sup>

*Bürgerlich* associations pioneered the development of neutral, non-specialized labor exchanges. Even before 1848, humanitarian associations in Dresden, Leipzig, Dusseldorf, and Frankfurt an der Oder had begun to try to match job-seekers with employers. Above all, they dealt with indigent and unskilled workers—a defining characteristic of the municipal labor offices well into the twentieth century. Their basic method was to collect lists of openings and available workers, who were referred in the order of their appearance. In contrast to these philanthropic, middle-class undertakings, the establishment in 1865 of a labor exchange office in Stuttgart by the joint effort of employers and workers' association signaled the possibility of new organizational forms.<sup>28</sup> It was only thirty years later, however, that other cities would begin to adopt Stuttgart's parity-model. Until the 1890s, then, an array of commercial, philanthropic, municipal, and other organizations played a limited role in matching workers and jobs.

### **The Politics of the Labor Market**

The 1890s, it is now widely agreed among historians, opened a tumultuous new chapter in the Kaiserreich's history.<sup>29</sup> After another wrenching recession at the beginning of the decade, the economy in 1895 entered a twenty-year phase of unprecedented, booming growth. Emigration overseas dwindled to a trickle, while the stream of migrants into and between cities swelled to a flood. Managing these flows became a matter of public order. Politics, too, came to be played in a new key. Economic interests—the Social Democrats (SPD) and socialist unions, especially after the lapsing of the Anti-Socialist law in 1890, employers' organizations, peasant leagues, a revived *Handwerk* movement, and others—mobilized as never before to influence ministerial bureaucracies, the Reichstag, and the public sphere. The end of Bismarck's long domination of German politics in 1890 and the rise of young Kaiser Wilhelm II, who promised a "new course" in social policy, also contributed to the mounting hope—or fear—of dynamic change and impending choices for the country.<sup>30</sup> Not coincidentally, the 1890s were also a turning point for the organization of the labor market. Control of the workforce became the object of multifaceted political contention, while urban reformers and elements of state and national government promoted a burgeoning movement to bring the labor market under public control.

From the 1890s onward, contention over the labor market became engulfed in the increasingly confrontational struggle between business and labor. The growing size and assertiveness of the socialist movement after the end of the discriminatory legislation, the backlash by employers, and, after 1895, growing labor shortages made control of jobs and workers a volatile issue. Unions and employers' organizations were interested in establishing labor offices for the sake of their respective members, but also for the purpose of gaining leverage over the op-

posing camp. In contrast to the municipal labor offices, which overwhelmingly served low or unskilled workers, both the unions’ and the employers’ bureaus placed skilled workers.

Since their inception in the 1860s and 1870s, labor unions had recognized the potential political role of labor offices. It was only after their reorganization in 1889 and the lapsing of the Anti-Socialist law in 1890, however, that the unions began to establish labor exchanges in greater numbers.<sup>31</sup>

Soon, employers and their associations were founding labor exchanges at an even faster rate. They thus responded both to the political threat from potential union control of the labor supply and to the general problem of securing a stable and capable workforce in times of mounting labor scarcity and high turnover rates. The first employers’ labor exchange conference, in 1901, identified a “well-trained, reliable, and capable labor force that is as little subject to fluctuation as possible, as an absolute necessity of an industrial economy.”<sup>32</sup> By 1904, the employer exchanges had garnered a 21.1 percent share of the non-commercial placements, nearly double the union figure of 10.9 percent. Eight years later, the employers’ proportion had grown substantially, to 33.5 percent, drawing them nearly even with the leading share of the public municipal exchanges (36.1 percent), while the union exchanges had slipped to 9.8 percent.<sup>33</sup> In the face of these trends, the unions around the turn of the century abandoned their aspiration one day to have sole control of all labor exchanges and accepted exchanges run jointly with employers as the best they could expect to achieve. Around the same time, the Social Democrats in the Reichstag began demanding the establishment of a national labor office (*Reichsarbeitsamt*) to centralize control of public labor exchanges.

This conflict between the two industrial camps was not the only political struggle for control of labor. Agrarian interests, which themselves had become better organized in this period, especially with the founding of the Agrarian League in 1893, saw it as a matter of collective life and death. The migration of hundreds of thousands of former agricultural laborers to the booming industrial cities deprived agriculture of sufficient hands. Much of the blame for this “people shortage” was placed by agriculture on ostensibly unscrupulous commercial job-placement firms and agents, who lured people from the land with false promises. Farm interests responded by establishing more agricultural placement agencies, though this proved slow going.<sup>34</sup> Above all, they attacked their putative adversaries: in 1894, the German Agricultural Council launched the first salvo in what would become a fifteen-year campaign by agricultural interests to impose restrictions on, and even eliminate, commercial agencies.<sup>35</sup>

### **Public Influence in the Labor Market**

Finally, the other major effort of this decade to “organize” the labor market opposed both partisanship and commercialism. The municipal labor exchange move-

ment that took off in the early 1890s hoped to replace employers' labor exchanges as well as commercial agencies with neutral public offices. The immediate inspiration for the surge in founding municipal labor exchanges emerged from a crisis of public order. The economic downturn that began in 1890, which placed municipal poor-relief budgets under severe strain, made cities amenable to new thinking about addressing economic and social challenges. Riots by unemployed Berliners in February 1892 even had been addressed by the Prussian cabinet, which encouraged the local labor office to try to place the unemployed in agricultural jobs.<sup>36</sup> This Prussian pressure, in turn, may have inspired the head of the Berlin office, Richard Freund, to send copies of its annual report to all of the major towns of the country as encouragement to set up their own labor exchanges.<sup>37</sup>

The German *Bürgertum* and its response to modernization have been the focus of intense historiographic debates and revisions for at least three decades.<sup>38</sup> While some scholars continue to describe urban citizens as purely defensive and backward looking, detailed case studies of nineteenth century German cities have built a convincing case for viewing urban citizens as actively, if cautiously, shaping the new conditions.<sup>39</sup> A common feature of the cities under study was that the local elites and broader middle classes did not simply reject the encroachments brought about by the end of the political ancien régime and by industrialization, but rather drew on local traditions to strike their own balance between change and stability. In regard to social policy, in particular, there is ample evidence that many German urban middle classes engaged with the challenges of industrialization. Thanks to their restricted franchises, German city governments were still dominated by the middle and upper classes long after manhood suffrage had been introduced in Reichstag elections. Feeling less threatened by the rise of the socialists than did their counterparts in the Reichstag, *Bürger*-dominated administrations turned their cities into a “field of experimentation for the emerging interventionist state.”<sup>40</sup> The sheer numbers seem to bear this out, however crudely. Over the course of the Kaiserreich, cities' expenditures rose eleven-fold, and in the two decades before World War I, their budgets grew considerably faster than those of either the states or the national government.<sup>41</sup> Numerous foreigners came away highly impressed by German cities. British and US social reformers such as William Dawson and Frederic Howe sang effusive praises to their administrations and social policies.<sup>42</sup> Official delegations, including ones by William Beveridge, Lloyd George, and Winston Churchill in 1907 and 1908, often returned home with specific new inspirations for municipal reform.<sup>43</sup>

In the early 1890s, national politics established propitious conditions for urban reformers to expand public involvement in the labor market. The 1893 elections to the Reichstag, in which the SPD increased its number of seats from 35 to 44, seemed to indicate the failure of the Emperor's New Course to undermine support for the socialists—and hence the need for a new tack. Social reformers in Frankfurt am Main took the initiative, thereby sparking a broader, national movement to found municipal offices. The western German city had pioneered municipal reforms since the 1870s.<sup>44</sup> In October 1893, the Frankfurt



reformers invited leading men of business, labor, communal politics, and social science from across Germany to discuss “unemployment and labor exchanges in industrial and commercial cities.”<sup>45</sup> A unanimous declaration at the end of the conference called for setting up labor exchanges by communities, regular contact among the exchanges, free service, and equal representation of laborers and employers on a supervisory board—the parity arrangement pioneered by Stuttgart in 1865.<sup>46</sup> Urban reformers would contribute various impulses to the Labor Administration, including their emphasis on the central importance of vocation (as we will see in chapter 2). At the conception of the national movement to create public labor offices in 1893, however, other concerns were paramount. As the inspiration for the conference—worries about the financial and social implications of significant unemployment—and the principle of labor-capital parity adopted there suggested, maintaining public order and tamping down political conflict were priorities.

Within a year of the Frankfurt conference, Esslingen, Heilbronn, Erfurt, Elberfeld, and Trier all had implemented the recommendations,<sup>47</sup> and within several years, more than fifty cities had followed suit. By 1912, 44 percent of German cities with more than 10,000 inhabitants had their own *Arbeitsnachweis*.<sup>48</sup> Some were organized on a parity-basis, with workers and employers having an equal number of seats on the supervisory boards, while others were run purely as public offices. In the same year, the public exchanges accounted for a third of all non-commercial job-placements, putting them in first place just ahead of the burgeoning employer offices.<sup>49</sup> The model recommended at the Frankfurt conference and implemented in the following years would become the basis, at the municipal level, for the national system of labor and vocational counseling offices established after World War I.

The municipal officials who established these local exchanges also followed another principle advocated at Frankfurt. They began to connect the local exchanges to each other in regional and statewide networks, with the aim of facilitating workers’ movement between high and low unemployment areas. Networks were established in Baden in 1896, in the Rhine-Main area in 1898, for Bavaria in 1900, and for Thuringia, East Prussia, and Posen in 1913. Before the outbreak of war, nearly all of the regions of Germany were covered by at least regional labor exchange networks.<sup>50</sup> From 1897 onward, Ignatz Jastrow, an associate professor at the University of Berlin and leftist editor of the leading reform journal *Social Practice*, began to compile statistics from the numerous labor exchanges in order to obtain the first statistical record of the labor market for the entire nation.<sup>51</sup> Early in the process of coordination, in 1898, a national association of labor exchanges was founded and began publishing its own journal, *The Labor Market*.<sup>52</sup>

The regional, and especially the national, labor exchange associations created by 1900 brought together academics and municipal reformers.<sup>53</sup> Initially, one of their main goals was to improve the flow of information about labor market conditions. Periodic economic crises, such as the recession just after the turn of the

century, in which some regions had very high unemployment while others barely suffered, galvanized the associations toward greater centralization of data.<sup>54</sup> The associations also acted as political lobbies and conduits to authorities in Berlin for public labor exchanges. The statistical reporting to the Imperial Bureau and a small grant from the Reich Interior Ministry established the first official ties in 1903.<sup>55</sup> A couple of years later, the Association of German Labor Exchanges would play a very vocal and influential role in the campaign for a law restricting commercial placement agencies. Yet before the war, regional and national associations hardly facilitated interregional labor placements.<sup>56</sup> The daily business of matching men and jobs remained a local affair.

### **Social Reformers and State Interventions: The Appeal of “Organization”**

The seminal Frankfurt conference of 1893 and subsequent grassroots organizing revealed connections between municipal social policy and two other important contexts: Germany’s vibrant social reform movements and Prussian and national government interventions in the economy. Of course, the distinctions between the three realms are in many ways artificial ones. Frankfurt’s reforms, for example, inspired numerous other cities and influenced the national debate about the social question at least as much as did the writings of the “socialists of the lectern.” The city’s officials, such as the mayors Johannes Miquel and Franz Adickes, and administrator Karl Flesch, and philanthropists, preeminently Wilhelm Merton, pioneered the local public provision of medical care and housing, as well as the institution of industrial courts to bring workers and employers together to adjudicate their conflicts. By taking such steps as setting up the Association of German Industrial Courts in 1892 and hosting the seminal conference on labor exchanges the following year, Frankfurt’s reformers helped to build national structures from the bottom up. Merton’s Institute for Public Welfare, its national progeny, and his leading reform journal *Social Practice* shaped the national debate about social policy.

Social reformers engaged not only in “anti-politics,” as Kevin Repp has argued; many sat in Berlin ministries with their hands on or at least near the levers of power. A review of social reform ideas and state policies will help us better understand how the various local responses to the turbulent labor market, and political battles over it, were channeled in particular directions and became national policy. As a comparison of this section on the theme of “organization” and the following chapter’s treatment of the contrasting paradigm of individual improvement suggests, scholarship on German social policy has focused on one dichotomy of social reform while overlooking another of at least equal importance.

Recent scholarship in these fields has revealed not only the vibrancy of thinking about social reform in Wilhelmine Germany, but also the power of ideas to shape policy. Concerned less with finding antecedents to Nazism than earlier

generations of scholars were, Kevin Repp, Rüdiger vom Bruch, Franz Josef Stegmann, Renate Zitt, Gangolf Hübinger, Manfred Hettling, and others have explored the vast, flourishing landscape of reform groups, thinkers, and advocates.<sup>57</sup> These groups varied greatly in scope—from the narrowly focused Garden City associations to the Association for Social Policy and Society for Social Reform, whose names revealed the breadth of their concerns. In their philosophical provenance as well, they were quite distinct, with Catholic (Worker Welfare, Caritas) and Protestant (Inner Mission, Evangelical-Social Congress) groups operating alongside, and often competing with, secular-academic ones (the Association for Social Policy, the Society for Social Reform). The walls separating Germany’s different “milieus,” for example the one between Protestants and Catholics, often remained high.<sup>58</sup>

Nonetheless, the impermeability of the milieus, especially between the *bürgerliche* groups, can be exaggerated. Another approach by scholars has discerned “camps” defined primarily by their common enemies and bringing together several milieus.<sup>59</sup> Uniting nearly all of the middle-class reformers was the goal of staving off the radical break of a socialist revolution. From the 1890s, when commercial and military rivalries with European powers and the US escalated, potential foreign enemies joined the domestic ones. Many reformers now began to see their task in terms of promoting national fitness as well.<sup>60</sup>

Beyond the perception of a common foe, as Kevin Repp has convincingly shown, deep-seated assumptions and aspirations often bridged ostensible divides, channeling reformers’ thoughts and actions in the same direction.<sup>61</sup> Indeed, as we suggest in this section and in the following chapter, common ideas—visions of desirable and achievable ends and paradigms of the best means—could prove to be just as powerful and long-lived as milieus or enemies in forging working coalitions. Like gravity, the force of ideas was not always perceptible over short distances or times, but formative in the long term.

Perhaps the most influential of the ideas relevant to solving Germany’s social problem around the turn of the century was that of “organization.” A sense of inevitability pervaded this line of thinking. Surveying the “new German economy” of mammoth businesses and bureaucracies, the influential left liberal reformer Friedrich Naumann, who hoped to preserve “individuality,” nonetheless descried (and even welcomed) the coming trend.

All relations are pervaded by the thought of organization, that is, the regulation of the masses. It will be a man’s pride to belong to great associations, societies, unions, syndicates, to serve in great enterprises, to be drawn into extended ties. Often this pride is mixed with a painful look back to past times, when the individual by himself meant something. But what’s the use?<sup>62</sup>

If organization would dominate, as Naumann and many others were certain, the most important remaining question was what exactly this entailed. A common distinction since the 1860s in regard to the social question was that between “state-help” and “self-help,” i.e., worker cooperatives and unions. The premier

social reform group, the Association for Social Policy, was divided precisely along these lines, with the dominant wing under Gustav Schmoller and Adolf Wagner favoring some kind of “state socialism” and a minority around Lujo Brentano advocating worker associations. Naumann himself suggested a symbiosis of the principles of “monarchy” and “democracy.”<sup>63</sup> Beyond the common sense of inevitability of organization, each of its two variants tapped into powerful faiths of the time: science and democracy, respectively.

The technocratic fascination with centralized knowledge and control in the decades around 1900 had many roots and could be found in all advanced countries.<sup>64</sup> Germany’s deep Cameralist tradition predisposed its academics, bureaucrats, and reformers to be especially fond of informed administrative control.<sup>65</sup> For the generation that came of age after 1870, in particular, recent discoveries and trends exalted their confidence in centralized knowledge.<sup>66</sup> The development of correlational methods in statistics promised to illuminate previously unsuspected causal connections. The dramatic growth in these years of statistical surveys as a research method attested to the hunger for more, and more reliable, information about all manner of social conditions.<sup>67</sup> In addition to economics and statistics, fields focusing more directly on human nature and behavior, above all physiology, anthropology, and psychology, flourished as well.<sup>68</sup> The explanations of social problems offered by these sciences shifted responsibility for parlous conditions from the individual’s failure or God’s plan to causes that often were amenable to relief. Education, living conditions, and hygiene might be improved; even cases with ostensibly hereditary origins might be dealt with more effectively. In each of these areas, discoveries of apparent causal regularities inspired growing confidence—and often overconfidence—in how much further research might uncover. Especially for the Protestant educated middle class (*Bildungsbürgertum*), among whom traditional religiosity was eroding, science was becoming an ersatz faith.<sup>69</sup>

These advances were but one part of the march of science in the late nineteenth century. Scientific truths, it seemed, were building toward a single, unified picture of the world; in time, nothing would be left unaccounted.<sup>70</sup> Seeking a total grasp of reality had become plausible, and, indeed, obligatory.

Real triumphs of centralized organization both reinforced this “cult of science”<sup>71</sup> and manifested its practical utility. The young German Reich had been busy since 1871 asserting sovereign control: unifying laws, institutions, and bureaucracies. In the economic sphere, as Alfred Chandler has argued in the case of the US, the creation and operation of the massive infrastructure of a national railroad system required coordination on an unprecedented scale, with ramifications in numerous other spheres.<sup>72</sup> These organizational triumphs by railways and business corporations inspired a widespread confidence in planning *per se*.<sup>73</sup> Reflecting the intense interest in centralizing knowledge and control, the US engineer Frederick Winslow Taylor’s paeans to “scientific management” were translated quickly into German and published in multiple editions in the years before World War I.<sup>74</sup> If Germany continued to import theories of centralized

“organization,” it was already exporting practical applications. A young Winston Churchill returned highly impressed from a visit there in 1908 and recommended that the Liberal Party subscribe to Germany’s principles of “social organization” and “network of State intervention and regulation.”<sup>75</sup>

Enlightened central control found eager advocates throughout the German social reform world. Within city governments, experts increasingly displaced local notables from the 1890s, which was part of the broader transformation and intensification of German politics referred to earlier.<sup>76</sup> In Frankfurt am Main, for example, the Institute for Public Welfare, founded in 1890 by the industrialist Wilhelm Merton, provided a platform for myriad social science inspired reform endeavors.<sup>77</sup> Many of these had an impact far beyond the western German city. For example, the Institute’s journal *Social Practice* became one of the leading forums of the national reform debate after its founding in 1897.

Nonetheless, it was among the academics and other *Bildungsbürger* leading the national reform groups that the enthusiasm for expert knowledge and centralization was most palpable.<sup>78</sup> The strongest faction among the “socialists of the lectern,” that faction who in 1872 founded the Association for Social Policy, believed their investigations would contribute to a “rationally steered” and just solution of the social question.<sup>79</sup> According to Schmoller, only the leadership of the “monarchy and civil service ... these most appropriate representatives of the idea of the state, the only neutral elements in the social class war,” operating under the rule of law and in combination with the “best elements of parliamentarism,” could hope to solve the social question.<sup>80</sup> From the 1890s onward, as the political conflicts over economic and welfare policy mounted, the drift of thought within the Association and many other reform organizations moved steadily in the direction of public, “neutral” control. In the years just before the war, senior members of the Association were pushing to have private entrepreneurs replaced by public officials.<sup>81</sup>

Alongside centralized control, advocates of working class “self-help,” such as Lujo Brentano, embodied the other major strand of organizational thinking. Like its state-centered counterpart, the idea of collective self-help had many roots. The German *Bürgertum*’s own history and values provided important supports. Each of the two major confessions esteemed community for its own reasons. For Protestantism, the communal ideal was ultimately rooted in the Reformation principle of a “priesthood of all believers.”<sup>82</sup> Since the Enlightenment and the growth of liberal Protestantism (*Kulturprotestantismus*), the association and cooperation of free individuals for common purposes, as manifested in the explosive growth of associations (*Vereine*) during the nineteenth century, became one of the pillars of Protestant identity.<sup>83</sup> In social policy, the Protestant emphasis on self-guided cooperation could be found at the center of the thinking of both the moderate, influential government official and leading figure of the Inner Mission Theodor Lohmann and the more charismatic “reform entrepreneur” Friedrich Naumann. Both men thought that “democratizing” factories and the economy generally was necessary to bring social peace.<sup>84</sup>

Among Catholics, similar ideas about collective self-help were gaining ground, as part of a broader reorientation of thought. Catholic social doctrine had long revolved around the principles of solidarity and subsidiarity,<sup>85</sup> but, in the late nineteenth century, thinking about community emphasized new, smaller units. Under the influence of neighboring Belgian and French liberal Catholic thought and the dramatic industrialization of the last third of the century, leading Rhineland Catholics such as Georg von Hertling and Franz Hitze repudiated the conservative emphasis on the sole importance of good morals and the restoration of an entirely corporatist social order. Instead, they accepted a capitalist, industrial society and worked out the details of a moderate welfare state. Groups such as Worker Welfare, founded by Catholic employers in 1880, and the Popular Association for Catholic Germany, founded as a mass organization a decade later, agitated for various measures to allow workers to improve their own lot in a capitalist order. Interest focused on English-inspired associational plans. The progressive Catholics embraced Schulze-Delitzsch's call to allow craftsmen to pool resources in the face of competition from industry, as well as Ferdinand Lassalle's call to help make even industrial workers property owners, in part through profit sharing and giving them a say in running their firms. Especially after the end of the anti-Catholic *Kulturkampf*, as the Catholic Center Party became the most important "governmental" party, the attitudes of the Catholic reformers to the state's role in these welfare measures softened.<sup>86</sup>

For the urban *Bürgertum*, in particular, it was undoubtedly the vivid, recurring experience of governing their own urban affairs that made the paradigm of collective self-help so attractive. Especially in the half century after 1815, as many cities struggled to maintain their prerogatives in the face of increasingly assertive central states, urban *Bürger* conceived of their own form of constitutionalism as an attractive model for the larger polity; in their eyes, maintaining local self-governance may have ranked above even economic liberalization and parliamentarization.<sup>87</sup>

Workers' own past and present also could suggest the feasibility and attractiveness of self-governance or self-help.<sup>88</sup> Memories of the recently disbanded guilds were still fresh. In the present, trade unions, especially the moderate ones in Britain to which Brentano looked with great admiration,<sup>89</sup> provided one contemporary template for stability-enhancing worker organization and self-help. A slightly different one followed from the movements, led by Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen, to establish consumer, producer, and financial cooperatives among people threatened by the competition of big business, such as farmers, craftsmen, and industrial workers.

By 1900, a powerful caucus within the *bürgerliche* social reform movement had come to see securing labor union rights as the key to solving the country's most serious domestic problem. Over the previous decade it had become clear that other forms of social policy, including Bismarck's insurance programs and workplace regulations, were not slowing the growth of the SPD or socialist unions. Many middle-class reformers' own sympathies for collective self-governance and

self-help made them amenable to, and even enthusiastic about, the unions’ demands for full recognition. Conversely, the internal socialist debate about Eduard Bernstein’s “revisionism” seemed to hold out the prospect of rapprochement between moderate socialists and *bürgerliche* social reformers.

Although the SPD disappointingly rejected proposals to cooperate, in 1900, politicians from the Center, National Liberal, and Left Liberal parties, and prominent academics from the Association for Social Policy launched a major new initiative of social reform. Given its prominent leadership, including the former reformist Prussian Minister of Trade Berlepsch, and its support from a wide array of groups, the Society for Social Reform quickly became the most influential reform group in the country.<sup>90</sup> Reflecting the degree to which support for economic democracy had penetrated, as Werner Sombart put it, “ever further into circles of the bourgeoisie,”<sup>91</sup> this catholic group made union rights the centerpiece of its demands. The hopes reformers attached to unions were two-fold. On the one hand, the democratic practices and procedures within the unions, for example, in deciding whether to strike, would inculcate these habits within the proletariat.<sup>92</sup> On the other, the collective power of the unions would allow them to counteract the concentrated power of the employers, which had made a “fiction” out of the free labor contract.<sup>93</sup>

The single most prominent figure among the reformers after 1900, Friedrich Naumann, also made democratic organization of the economy the lynchpin of his program. A student of Brentano’s during the 1880s and an observer of Frankfurt am Main’s social policies during his time there in the 1890s as pastor in the Inner Mission, Naumann worked tirelessly—launching a new political association, editing a journal, writing books and articles, and finally reuniting the fissiparous Left Liberals—to create a reform coalition from the National Liberal Bassermann to the Socialist Bebel. According to Naumann, economic democracy would operate through multiple channels, including strong unions able to stand up to employers, but also factory parliaments representing management and workers.<sup>94</sup> In addition to the intrinsic appeal of these democratic elements, the pastor Naumann, more than any other reformer, was moved by a prophetic sense of the inevitability of “organization” permeating all parts of society.

Contemporary scholars, adopting the terms of the debate between Lassalle and Schulze-Delitzsch in the 1860s, often have focused on the dichotomy between the two answers to the social problem that we have just surveyed: *Staatshilfe* vs. *Selbsthilfe*, the state or strong unions and economic democracy.<sup>95</sup> And certainly, the divide was important, one we will encounter later in the struggles over state or corporatist control of the labor offices and administration. However, the attention paid to the tensions between *Staatshilfe* and one particular form of *Selbsthilfe*—collective self-help—has obscured the central element they shared: a common commitment to “organization,” i.e., collective, political decision-making of one kind or another. This commonality helps explain the widespread support for public organization of the labor market after 1900, which is a central theme of this book. It could also manifest itself in the thinking of somebody such

as Naumann, for whom *both* technocracy and democracy held magnetic appeal.<sup>96</sup> The conceptual reduction of *Selbsthilfe* to collective self-help explains the fact that the scholarly literature has overlooked the commonalities between the two variants of organization and instead emphasized only the differences.

Social reformers influenced public policy both directly and indirectly. Their ties to government officials and parliamentarians were often personal or even ones of identity, blurring the boundaries between the groups. In the early 1890s, the “socialists of the lectern” Schmoller and Wagner counseled Theodor Lohmann, who wielded enormous influence from the second-tier of the Prussian Trade Ministry, as he crafted the worker protection legislation. Both men used their seats in the Prussian Upper Chamber, contacts to numerous members of the Lower House and Reichstag, and (at least in Schmoller’s case) close acquaintance with Reich-Chancellor Bülow to influence legislation in the 1900s.<sup>97</sup> The Trade Ministry official Lohmann himself bridged the milieus, as both influential civil servant and leading figure in the Protestant Inner Mission.<sup>98</sup> Berlepsch no longer may have been Prussian Trade Minister when he helped found the Society for Social Reform in 1900, but his presence helped attract parliamentarians from the Center, National Liberal, and Left Liberal Parties and opened numerous doors for the group in Berlin. For example, dynamic officials from the Trade Ministry, whose efforts on behalf of an individual-centered reform strategy we will encounter in the next chapter, contributed to the Society’s publications.<sup>99</sup> The semi-official Prussian Central Bureau for Popular Welfare (before 1906, the Central Bureau for Organizations for Worker Welfare) provided a forum for nearly all major reform groups to interact with government officials, in some cases offering the latter the chance to test out their proposals for new legislation.<sup>100</sup> At the level of vibrant municipal reform, a figure such as Karl Flesch not only shaped Frankfurt’s social policy, but also initiated or joined coordinating and advocacy groups, such as the Association of German Industrial Courts<sup>101</sup> and Association of German Labor Exchanges,<sup>102</sup> and contributed to such leading reform journals as *Social Practice*.

The indirect impact of the social reformers, the gravitational pull of their ideas, could be even greater. The highest Reich authorities often cited their arguments when they proposed new legislation. Less obvious were the profound ways in which the reformers set the agenda and the terms of debate in social policy, among the general public and within the government. The “socialists of the chair,” in particular, dominated the public sphere through their publications, prominence, and near-monopoly of university economics departments. Thanks, in no small part, to them many liberals abandoned their faith in “laissez faire.”<sup>103</sup> Holding nearly all economics chairs from the 1890s onward, they also shaped the views of a generation of officials who passed through their seminars. Through these and other channels—“specialized seminars, model institutions, statistical archives, petition drives and protests”—the reformers provided government authorities at all levels with common models of thought and action.<sup>104</sup> Above all, these close interactions of experts and officials encouraged the latter to view social problems as amenable to solutions based on detailed knowledge and “organization.”



The state economic and welfare policy initiated and carried out by those government officials was the other crucial background piece for the development of national policy on the labor market. Here, too, recent scholarship has demonstrated the importance of ideas. Older studies, which treated Prussian and Reich governments largely as the puppets of economic interests, in particular heavy industry and agriculture, have made way for a new emphasis on the fragility of economic coalitions and the independent interests of the state and its functionaries.<sup>105</sup> These interests centered on developing Germany as a powerful, and hence ultimately industrial, nation, while maintaining social stability. If the ministries in Berlin could agree broadly on these goals, however, there was still considerable disagreement about the balance between growth and stability, what they entailed more concretely, and the means to achieve them. As a number of recent studies of particular aspects of the German welfare state have shown, the German state was itself hardly a monolithic entity. Different ideas about the paths to national strength and well being competed to shape policy.<sup>106</sup>

Predominant ideas regarding the “social question” influenced government policy in discrete stages, each one resulting from the apparent failure of its predecessor to achieve success. In the 1880s, Bismarck introduced pioneering *insurance* programs against the risks of illness, accident, and invalidity or old age in order to attach the growing working class to the state. The massive Ruhr miners’ strike in 1889 and SPD successes in the Reichstag elections the following year led not only to Bismarck’s dismissal and the end of the Anti-Socialist law, but also to a “new course” in social policy under Wilhelm II and his Prussian Trade Minister von Berlepsch.

During this veritable springtime of hope among social reformers,<sup>107</sup> the Reich government superseded the Bismarckian paradigm of social policy in a couple of directions, one in the spirit of *Staatshilfe* and the other of collective *Selbsthilfe*. First and foremost, the state initiated or deepened its involvement in worker protection: the budget for factory inspections was significantly increased; labor protection laws prescribed working hours and conditions for women and children, if not for men; factories had to publicize their internal work rules, which had to be approved by the local police; and, the basis was laid for a national labor census.<sup>108</sup> Second, the government sanctioned, if only very cautiously, elements of economic democracy: cities with more than 20,000 inhabitants gained the right to set up “industrial courts,” with an equal number of worker and employer representatives and under a “neutral,” usually public, chairman, to adjudicate disputes.<sup>109</sup> Also, for the first time, a revised industrial code gave a public role and sanction to the “worker committees” that already had existed in some firms to help run company welfare programs and also set up new committees in publicly owned works.<sup>110</sup>

Again, it was the apparent failure of one set of policies to “solve” the core of the social problem, as reflected in the growing strength of the socialist movement, which opened the door to a new approach. Worker unrest in the early 1890s and, especially, the SPD’s electoral successes in the 1893 elections, brought the New

Course to an abrupt end. Contrary to otherwise exemplary accounts,<sup>111</sup> however, this did not spell the end of all positive measures of social policy. In fact, it was precisely in these years that the Prussian and Reich governments began to involve themselves in a new field of social policy, labor exchanges and job placement.

### **Toward Public “Predominance”: The 1910 Law on Job-Placement**

The Reich Law on Job-Placement of 1910 marked a turning point on the road to the Labor Administration. Even before the transforming experience of World War I, the German state committed itself to helping the public exchanges eventually “achieve predominance” in the entire labor market. The origins of the Job-Placement law reveal the interests and ideas pressing toward “organization.” Among those ideas, both *Staatshilfe* and collective *Selbsthilfe* played galvanizing roles, channeling reform in a particular direction once early, tentative measures proved disappointing.

The apparent failure of the New Course to stem the growth of the SPD set the stage not only for the seminal grassroots initiative at Frankfurt, but also for national efforts to influence labor markets. It was another political problem, however, the accelerating flight from the land—the rush of agricultural workers to the booming cities—which first triggered expanding public oversight of the labor market. These early efforts extended worker protection and the protecting hand of the state, beyond the workplace, out into the labor market.

Already in 1892, the central authorities had responded to large-scale unemployment and urban unrest, especially among recent immigrants from the countryside, by advocating a greater role for local labor exchanges. It was only the sustained campaign, beginning in 1894, by agricultural interest groups against commercial job-placement agencies that prompted some state governments and the Reich to action, if at first only cautiously.<sup>112</sup> The Prussian Trade and Interior Ministries in 1894 encouraged towns to establish such offices, but refrained from material support.<sup>113</sup> Some states, such as Württemberg, took it upon themselves, once municipal exchanges had been set up locally, to unify them into a broader association, thereby obviating local initiative and control of the broader network. The Reich Interior Ministry’s request for information from the states on abuses by the commercial agents and on any regulations the governments had imposed revealed a variety of limited restrictions—for example, that the agencies had to maintain records of their placements—but no great sense of urgency about reform.<sup>114</sup> Nonetheless, in some quarters in Berlin there was a hunger for bolder action. Johannes Miquel, who as mayor of Frankfurt in the 1880s had been a liberal reformer, but since becoming Prussian Finance Minister in 1890 had moved to the right, expressed his support for an “advancing organization of labor” to be headed by “a member of the authorities.”<sup>115</sup>

By the end of the decade, intense battles over the renewal of the liberal Caprivi tariffs had further mobilized agricultural interests and created a political climate

more conducive to their concerns. Agriculture’s persistent drumbeat of criticism of the placement agents now led to greater public supervision of the labor market. A petition by the Rhenish-Prussian agricultural association to the Bundesrat in 1897 demanded the introduction of mandatory licenses for commercial placement agencies.<sup>116</sup> The following year, a majority of the Reichstag endorsed the association’s demand,<sup>117</sup> Prussian authorities encouraged local officials to crack down on unsavory agents, and they announced that a new law was in the works.<sup>118</sup> At this time, the government still rejected demands for a so-called “necessity requirement,” which would have made a license for a placement agency dependent on there being no extant public labor office. As the Prussian cabinet concluded, such a step would “create a bone of contention between industry and agriculture and would give the authorities improper influence upon the competition of the workers.”<sup>119</sup> At this stage, the authorities in Berlin were still resisting the calls by interest groups and political parties to assume a greater responsibility for the labor market.

By 1899, however, after the failure in the Reichstag of a repressive bill directed at the SPD, Reich Interior Minister Posadowsky had abandoned his *laissez faire* commitments and inaugurated his own New Course, albeit with less fanfare than the one begun nearly a decade earlier.<sup>120</sup> Posadowsky’s new thinking and policies demonstrated the possibility of a surprisingly easy symbiosis between *Staatshilfe* and collective *Selbsthilfe*. Still viscerally opposed to international socialism, Posadowsky nonetheless insisted that “if one wants to pursue social political goals, the strong hand of the state must be present, in order to carry out the laws and thereby to maintain order and calm in the land.”<sup>121</sup> Between 1900 and 1906, he expanded the state’s role in worker protection, funding workers’ housing, introducing a merchant marine code, and extending child labor laws to cottage industry.<sup>122</sup> On the other hand, with the help of the Center Party in particular, the Interior Minister promoted policies of worker self-help by, in 1901, making industrial courts mandatory in cities with more than 20,000 residents, introducing legislation to liberalize the laws governing unions, and proposing parity-based chambers of labor.<sup>123</sup>

The revised Commercial Code passed by the Reichstag in 1900 contained the first national regulations regarding job-placement. These compelled private agencies to obtain licenses, as agricultural interests had been demanding, and allowed the states to impose further regulations, such as those promulgated in Prussia in the following year. These regulations obliged the commercial agents to keep records of all of their transactions, limited them to working out of clearly marked offices, and forbade them from soliciting workers to change jobs.<sup>124</sup>

Within a few years, however, the 1900 regulations were widely deemed to be inadequate. Unabating complaints by agriculture, an energetic campaign against the agents by the public labor office movement, and, above all, the intensifying battle between employers and unions for control of the workforce overturned the government’s previous reticence about further interventions in the labor market. In the face of continuing urban disorder and of the now multifaceted political

struggle for influence over the workforce, some form of public administration of the labor market became Berlin's long-term goal.

Licensing and the state regulations permitted by the 1900 legislation, critics of the private placement agencies argued, soon proved inadequate to the task. The number of agencies continued to grow, jumping 16 percent between the years 1895 and 1907.<sup>125</sup> They found creative ways to circumvent regulations, for example, by collecting the notices in newspapers of job openings and selling such lists. Furthermore, the variation in state regulations was said to impede improvement.<sup>126</sup> As the economy kept growing at a dizzying pace, migrants continued to stream from farms into factories. The Prussian government now even considered such drastic legal barriers to the flight from the land as laws hampering contract breaking<sup>127</sup> and banning the placement of rural workers in city jobs.<sup>128</sup>

The public labor office movement, which had established a national umbrella organization and media forum in 1897–98, significantly expanded its organizational work and attacks on private placement agencies after the turn of the century.<sup>129</sup> The recession of 1900–1902, which, though quantitatively mild, spread waves of anxiety throughout a country that had begun to expect uninterrupted growth, was a catalyst.<sup>130</sup> For the first time, Reich and Prussian authorities extended official aid. The Reich Statistical Office began to collect monthly reports from local labor offices, and the Interior Ministry now contributed a stipend to support the Association's hiring of an employee in order to get more local offices on their feet and to coordinate between all of them.<sup>131</sup> A perceived crisis of domestic stability had for the first time given the state a role in the Association of German Labor Offices.

In 1905, the Association launched “a major offensive” against the commercial agencies.<sup>132</sup> At its annual conference, participants bemoaned the inadequacies of the existing regulations and the main speaker, Franz Ludwig of Lübeck, presented a scathing 150-page booklet on *The Commercial Labor Exchange*.<sup>133</sup> Ludwig detailed the putative failings of the agencies: the dubious backgrounds and personal qualities of many agents, the exorbitant fees they charged, the false promises they made, and, above all, the unnecessary job changes they promoted. He and the others also pointed to labor market reforms in other countries. In some American states, in Hungary and, just the year before, in France, authorities had banned commercial agencies. These arguments no doubt impressed German officials and social reformers who (like their counterparts in other European countries) were keenly interested in learning from—and surpassing—the reforms of their neighbors and rivals.<sup>134</sup> Ludwig called for an outright ban on commercial agencies, or at least a tightening of the licensing requirements so that they would only be permitted if no adequate public office already existed. As the *Frankfurter Zeitung* noted, in the long run this would amount practically to the same thing as a ban. The campaign launched at the 1905 conference garnered widespread and generally quite positive attention from the media.<sup>135</sup> Its criticisms of the for-profit agencies and advocacy of a “necessity requirement” would be cited frequently in the efforts that led to the 1910 law on job-placement.

Another development after the turn of the century played an even more important role in creating a conducive atmosphere for such a law. After the SPD's resounding success in the 1903 Reichstag election and the resumption of rapid economic growth the same year, conflict between labor and industry became even more massive than before. The number of workers organized in unions had risen already from 256,000 in 1895 to 888,000 in 1903, and the average number of strikes per year had more than quadrupled from 104 between 1894 and 1898 to 476 between 1899 and 1903.<sup>136</sup> Inspired by the Russian revolution in 1905, radicals within the SPD propagated the idea of the general strike as a weapon of revolution. Particular labor conflicts, such as the month long strike of textile workers in Crimmitschau in 1903 and the Ruhr coal miners' strike of 1905 involving a quarter of a million workers, brought about a change in industry's policy. Alarmed by the obvious strength of labor, and by the public's support and the government's tolerance of their opponents, employers more actively began organizing themselves. In 1904, heavy industry and manufacturing set up the Headquarters of German Employers' Associations and the Association of German Employers' Associations, respectively, to better coordinate their interests. One of their main activities was to promote employer-run placement agencies, which between 1904 and 1912 increased their share of non-private placements by more than 50 percent, going from just over one-fifth to more than one-third. Employers' and unions' placement offices now sought to exclude the other side from control of the workforce. Even more than in the 1890s, influence over job placements became, after 1903/5, the object of intense partisan dispute.

Both sides' fears of losing out drove them into the arms of a “neutral” public solution. As already mentioned, since about 1900 the socialist unions consistently had been calling for centralized public control of the labor offices. At least some employers also perceived the benefits of public control. In the face of mounting worker turnover, the electrical giant Siemens, for instance, called in 1906 for a state-run “distribution of workers.”<sup>137</sup>

Simultaneously, however, the other strand of “organization,” collective self-help, was also being swept forward by strong political tailwinds. As we saw above, a broad and influential coalition of social reformers, gathered most prominently in the Society for Social Reform, had come by the turn of the century to see “economic democracy” as the key to assuaging working class discontent. Among the non-socialist parties, the Left Liberals had repeatedly demanded the legal clarification of the status of unions.<sup>138</sup> The government's most reliable supporters in the Reichstag on domestic policy, the Center Party, also strongly backed workers' committees and non-socialist unions.<sup>139</sup> Posadowsky, too, wanted to complement extended worker protection with steps toward more “economic democracy.” Thus, when, in 1904, the Center social policy expert and Reichstag representative Karl Trimborn officially asked about the government's plans in regard to the legal status of unions and to the creation of “chambers of labor,” in which workers and bosses could negotiate their differences, including control of labor offices, the Interior Minister enthusiastically seized the initiative.<sup>140</sup>

By the middle of the first decade of the century, then, significant pressure had built up to “organize” the labor market. Booming industrial cities continued to draw farmhands in from increasingly depopulated rural areas. On top of the long-simmering tensions between industry and agriculture in regard to the limited supply of workers, the mutually exclusive claims of industry and the unions to a predominant influence over the workforce now added a further, potentially even more troublesome, dimension to the conflict. Conversely, a newly assertive public labor office movement expressly defined itself as being above the partisan fray. The overall political environment was also quite favorable to legal intervention. After the lull of the late 1890s, both *Staatshilfe* and collective *Selbsthilfe* seemed to be in the ascendant again. Though Chancellor Bülow, after 1906, would turn his back on the Catholic Center Party, which had been a reliable backer of social policy, the new Reich Interior Minister, Theobald von Bethmann-Hollweg, also advocated a judicious use of *Sozialpolitik* as part of a cautious modernization strategy.<sup>141</sup> In this Bethmann-Hollweg had an invaluable ally in the Chancellor himself. In the Reichstag and the German public, a veritable “social policy bloc”—stretching from the Left Liberals to the Center and the SPD—supported public interventions as the best or only means to alleviate the ills of modern society. On the particular issue of curtailing private job placement agencies and bolstering public ones, even the Conservatives, increasingly the mouthpiece of rural interests, were among the strongest advocates of state intervention. Revealing just how deeply support for public “organization” of economic life had penetrated the middle classes, National Liberals, too, favored the expansion of public labor offices.<sup>142</sup>

Under these auspicious conditions, the Reich Interior Ministry began the push to establish public predominance over the labor market, at this point still in connection with legislation on chambers of labor. It recommended “using legal measures to work toward the displacement of commercial by public labor offices, if at all possible.”<sup>143</sup> Specifically, the Interior Minister rejected—“at least for the time being”—an outright ban on the private agencies, in part because this would mean, as it had in France, paying exorbitant compensation. Instead, he took up a proposal that had been broached by the Association of German Labor Offices, but ultimately rejected in the negotiations leading up to the 1900 regulations. In 1906, the Berlin police director revived the idea that would become the central mechanism by which public authorities would try to smother commercial agencies: introducing a “necessity test.” Commercial placement agencies would receive operating licenses only if a public office was nonexistent or somehow deficient. The goal of the measure was plain. As the Berlin police director had put it, the necessity test, in conjunction with “robust police and financial support” of the best public labor offices, should lead to the “eventual extinction” of the commercial agencies.<sup>144</sup>

In addition to maximum fees and the necessity test, the Interior Ministry in June 1907 suggested expanding the state’s role into a new realm. The law under consideration not only aimed to stifle private job-placement agencies, but would

also allow states to regulate non-commercial offices—above all, employer and union bureaus, as well as the various forms of “public interest” offices.<sup>145</sup> This aspiration to expand state influence to all job-placement activities represented a significant and telling turnaround from just a few years before. In 1903, a Berlin court had ruled against an employers’ placement office for operating without a license, thus extending the 1900 regulations for the first time to non-commercial exchanges.<sup>146</sup> At the time, the Reich Justice Ministry, state governments, and the parties in the Reichstag all had criticized roundly the judicial ruling as exceeding the original intent of the 1900 regulations.<sup>147</sup> Just four years later, after the worst labor strife in recent memory, the Reich government itself pushed for such an extension of political oversight. Public authorities now claimed an interest in maintaining order not only between industry and agriculture, but also between labor and business.

In the negotiations that followed and that led to the 1910 law on job placement, the Interior Ministry eventually found “the basic agreement of nearly all state governments.”<sup>148</sup> Doubts about the current quality of the public offices found expression in a revised necessity clause: only if “sufficient” public offices existed in a locality could the private agency be turned down for a license.<sup>149</sup> Another modification to the same clause specified explicitly the public nature of the preferred offices; rather than identifying these more generally as “offices serving the general welfare”—which included philanthropic agencies—the law’s language now talked more narrowly of “public offices serving the general welfare.”<sup>150</sup>

As these negotiations went on, a flood of condemnations of the private agencies poured in from the public and press, drowning out the isolated supportive voices and the commercial agents themselves.<sup>151</sup> The critical materials gathered for the Association of Labor Offices by Franz Ludwig in his 1906 booklet *The Commercial Labor Exchange* continued to provide ammunition against the private agencies, even meriting a citation by the Interior Minister, when he presented the bill to the Reichstag and subsequent references to it in the ensuing parliamentary discussion.<sup>152</sup> The influential Society for Social Reform called for a blanket ban on new licenses for commercial agencies so they would be “placed on a natural path to extinction.”<sup>153</sup> A commentator in *Social Practice* drew attention to the more recent, complementary justification for the bill: its role in dampening conflict between employers and unions and thereby ensuring domestic political stability. Along with labor courts and arbitration offices, he wrote, job placement was one of the two most important problems arising from the labor contract, “this fundament of our national economy, our law, and therefore of our entire public life.” As a monopoly in this matter would confer tremendous power, job placement was “a problem of social welfare, demanding public and state interest.”<sup>154</sup>

In contrast to the deluge of vociferous denunciations of the commercial exchanges, critics of the proposed law stood out for their rarity and timidity. The fact that almost no one made a principled defense of the free market or questioned the advantages of “organization” suggested just how widespread support for the latter idea had become.

By this point, the job placement bill had become disconnected from the more comprehensive chambers of labor legislation, the legislation for which had become deadlocked. This did nothing, though, to hold up passage of the job placement law.

When Interior Minister Delbrück presented the law to the Reichstag on 15 February 1910, he wove together the various conditions and motivations into a single justification of the bill.

Freedom of movement, railroad travel, the international connections of some businesses with their shifting seasonal demands ... the attraction of the large cities, the rising demand for workers in industry, the lack of workers in agriculture, the increasing employment of foreign workers in agriculture... the development of employee- and employer labor exchanges, which have gradually become weapons in the labor market: all of this presses toward a comprehensive organization of job placement and labor exchanges on the basis of public law and under the direction and supervision of the state.<sup>155</sup>

The government's proposal squeezed commercial placement agencies from several sides. It forbade them simultaneously to operate related businesses, such as offering accommodations to job-seekers, as they tended to do. It allowed states to set the fees they could charge, and more broadly to "regulate and supervise the agencies beyond these general stipulations." Most importantly, the government's bill required that commercial agencies obtain a license, which would only be given to "unsullied, reliable people."

Beyond these particulars for cleaning up an ostensibly dirty business, the proposed law delineated the steps toward a radically different labor market of the future. Commercial agencies would be able to obtain a license only when there was a need for such a placement agency. According to this "necessity clause," the very existence of an "adequate" public office obviated the need of a commercial placement agency. The Interior Minister expressed the government's expectation that the law, and especially its necessity clause, "should lead in the course of events to private job placement becoming increasingly rare and in its place public job placement dedicated to furthering the general welfare becoming ever stronger and eventually achieving predominance."<sup>156</sup> The law targeted not only commercial agencies, but also potentially all partisan, non-public offices. The bill's "most important provision," according to Delbrück, allowed states to decide whether and to what extent the regulations also applied to union and employer labor exchanges, among others. If Delbrück spoke openly only about the public offices one day achieving predominance over commercial agencies, the Reich Interior Minister also implied that a farther-reaching monopoly over all job placements was conceivable.

The government's bill met with nearly universal enthusiasm, and, indeed, with calls for even bolder action, in the Reichstag. Only the small Polish party and the Radical People's Party, whose free market roots had weakened but not completely withered since Eugen Richter's death in 1906, expressed reservations about the bill's apparent intent to eliminate commercial agencies, while still acknowledg-



ing the need to combat abuses.<sup>157</sup> The SPD, on the other hand, demanded the outright elimination of the commercial agents (as well as employer offices), rather than the gradual suffocation implied by the bill.<sup>158</sup> All of the other parties, including the Center, the Conservative parties, the National Liberals, and the Radical Coalition, embraced the government’s proposal with enthusiasm, while pressing for even tougher action. In committee, these parties “very considerably” stiffened some of the bill’s provisions. More openly than the Interior Minister had, these parties embraced the prospect of eliminating all partisan labor exchanges and giving the public labor offices a monopoly. Along with these measures to suppress commercial and partisan labor offices, all of the parties (with the exception of the Poles) called for significantly expanding Reich and state aid to the public ones.

In the end, all of the Reichstag parties voted for the bill—a most rare and remarkable instance of consensus in Imperial Germany and testimony to the by now nearly universal appeal of “organization” as a solution to social problems.<sup>159</sup> Not only the “social bloc” parties of Catholic Center, SPD, and Left Liberals, and even the National Liberals, supported the goal of defusing social conflict by “organization,” whether through neutral administration or parity-control. In defense of their agrarian base, so too did the Conservatives. It was telling that at a time when the Reichstag parties were bitterly divided over finance reform, they could agree unanimously on the merits of “organization.” The now widespread support for this goal combined with particular interests to mark a milestone on the way to public control of the labor market.

Almost immediately the law, which came into effect on 2 June 1910, began achieving Delbrück’s purpose: the number of commercial offices plummeted and the number of placements fell as well, if more slowly.<sup>160</sup> The public offices, on the other hand, began to rebound from the setbacks they had suffered since the employers organized more effectively in 1904/5. In Prussia, for example, the number of public offices had fallen from 288 in 1905 to 256 in 1909 and the number of placements had risen modestly from 460,000 in 1906 to 538,000 in 1909. In the four years between the passage of the job placement law and World War I, both numbers surged. The number of offices jumped more than 40 percent to 376, and that of placements rose two and a half fold to 1.3 million.<sup>161</sup> Commercial agencies received a blow and public offices a significant boost from the government’s efforts to “organize” the labor market.

In the quarter century before World War I, Germany’s dynamic industrial growth made control of the labor market seem to be an urgent political task. Rapid urbanization and bouts of mass unemployment threatened to overwhelm city services and undermine order. Agriculture’s loss of manpower to industry led the former to mobilize increasingly effectively from the mid 1890s onward in order to seek redress from the authorities. A decade later, the conflict between a surging, newly self-confident, labor movement and defensive employers increasingly turned labor offices into political weapons. Under these conditions, municipal officials in the Association of Labor Offices, intellectual advocates of social reform, agrarian and union interest groups, and authorities in Berlin, especially

in the Ministry of the Interior, could press successfully to begin transforming a more or less free labor market into an “organized” one. This process would be vastly accelerated by World War I and then carried to completion in the 1920s.

## Notes

1. Clemens von Delbrück, 15 February 1910, Reichstag speech, *Stenographische Berichte über die Verhandlungen des Deutschen Reichstages*, XII. Legislaturperiode, 1271.
2. Volker Ullrich, *Die nervöse Grossmacht 1871–1918: Aufstieg und Untergang des deutschen Kaiserreichs* (Frankfurt, 2004), 127.
3. Figures calculated from data in Gerd Hohorst, Jürgen Kocka, Gerhard A. Ritter, eds., *Sozialgeschichtliches Arbeitsbuch: Materialien zur Statistik des deutschen Kaiserreichs 1870–1914* (München, 1975), 88–89.
4. Kenneth Barkin, *The Controversy over German Industrialization, 1890–1902* (Chicago, 1970).
5. In his recent *Deutsche Gesellschaftsgeschichte*, vol. 3 (München, 1995), Hans-Ulrich Wehler has replaced his earlier characterization of a “Great Depression” by that of a “Great Deflation” (1995: 104). See also Thomas Nipperdey, *Deutsche Geschichte, 1866–1918*, vol. 1: *Arbeitswelt und Bürgergeist* (München, 1991), 285–87.
6. See, for example, the discussion in the Prussian Parliament about the economic “crisis” in 1908. *Stenographische Berichte über die Verhandlungen des Preuss. Hauses der Abgeordneten*, 21 Legislaturperiode, II Session 1908/9, vol. 1, 763ff.
7. David Blackbourn, *The Long Nineteenth Century: A History of Germany, 1780–1918* (New York, 1998), 246–48.
8. Between 1870 and 1913, iron production grew at an average rate of 5.9 percent per year, while steel production surpassed even this at 6.3 percent per year. Nipperdey, *Deutsche Geschichte*, 230.
9. Walther G. Hoffman, *Das Wachstum der deutschen Wirtschaft seit der Mitte des 19. Jahrhunderts* (Berlin, 1965), 63, 68.
10. Calculated from the chart in Ernst Barth, *Entwicklungslinien der deutschen Maschinenbauindustrie von 1870 bis 1914* (East Berlin, 1973), 181–82.
11. *Ibid.*, 37, 57.
12. Volker Hentschel, *Wirtschaft und Wirtschaftspolitik im wilhelminischen Deutschland: Organisierte Kapitalismus und Interventionsstaat?* (Stuttgart, 1978), 53.
13. See Garry Herrigel, *Industrial Constructions: The Sources of German Industrial Power* (New York, 1996).
14. W. Köllmann, “Bevölkerungsgeschichte 1880–1970,” as cited in Klaus J. Bade, “Transnationale Migration und Arbeitsmarkt im Kaiserreich: Vom Agrarstaat mit starker Industrie zum Industriestaat mit starker agrarischer Basis,” in *Historische Arbeitsmarktforschung: Entstehung, Entwicklung und Probleme der Vermarktung von Arbeitskraft*, eds. Toni Pierenkemper and Richard Tilly (Göttingen, 1982), 185.
15. The most wrenching transition involved the migration of hundreds of thousands of rural workers from East and West Prussia and Posen to the western industrial centers, not only because of the geographic distance, but also because many of these workers belonged to the Polish-speaking population of the German east. Klaus J. Bade, ed., *Auswanderer—Wanderarbeiter—Gastarbeiter: Bevölkerung, Arbeitsmarkt und Wanderung in Deutschland seit der Mitte des 19. Jahrhunderts* (Ostfildern, 1985), 285. For a convincing argument about a sea-change around

- 1900 in the long-term relationship between emigration, population, and the labor market, see Oliver Grant, *Migration and Inequality in Germany 1870–1913* (Oxford, 2005).
16. Hohorst, Kocka, Ritter, *Sozialgeschichtliches Arbeitsbuch*, 66.
  17. Calculated according to the figures in Heidrun Homburg, *Rationalisierung und Industriearbeit: Arbeitsmarkt—Management—Arbeiterschaft im Siemens-Konzern Berlin 1900–1939* (Berlin, 1991), 710.
  18. Calculated from figures in Hohorst, Kocka, Ritter, *Sozialgeschichtliches Arbeitsbuch*, 66; Nipperdey, *Deutsche Geschichte*, 230; Ebert, *Zur Entstehung*, 8.
  19. Calculated from figures in Hentschel, *Wirtschaft und Wirtschaftspolitik*, 60.
  20. For insightful assessments of the search by German intellectuals for new orientation, see Rüdiger vom Bruch, ed., *Weder Kommunismus noch Kapitalismus: Bürgerliche Sozialreform in Deutschland vom Vormärz bis zur Ära Adenauer* (Munich, 1985); Repp, *Reformers*. James T. Kloppenberg, *Uncertain Victory: Social Democracy and Progressivism in European and American Thought, 1870–1920* (New York, 1986), and Rogers, *Atlantic Crossings*, address similar issues within a broader, Euro-American context.
  21. See, for example, the workers’ accounts in Georg Eckert, ed., *Aus den Lebensberichten deutscher Arbeiter* (Braunschweig, 1953), esp. 18, 60.
  22. The exact proportion depends on the number of job-changes per year, about which only estimates exist, ranging from 9.5 million (Anselm Faust, *Arbeitsmarktpolitik im Deutschen Kaiserreich: Arbeitsvermittlung, Arbeitsbeschaffung und Arbeitslosenunterstützung 1890–1918* [Stuttgart, 1986], 51) to over 20 million (Otto Uhlig, *Arbeit—amtlich angeboten: der Mensch auf seinem Markt* [Stuttgart, 1970], 219). The total number of placements in 1912 was about 3.6 million (Faust, *Arbeitsmarktpolitik*, 70).
  23. Faust, *Arbeitsmarktpolitik*, 288.
  24. Hellmuth Wolf, “Der Ausbau des Arbeitsnachweises,” in *Jahrbücher für Nationalökonomie und Statistik*, vol. 41, 1911: 353. Wolf, an opponent of the commercial exchanges, cast doubt on the latter figure, suggesting it was actually closer to 4,550.
  25. *Ibid.*, 353.
  26. David F. Crew, *Town in the Ruhr: A Social History of Bochum, 1860–1914* (New York, 1979).
  27. Acknowledgement of the active role of local elites in creating urban social policy has compelled a rethinking of the origins of national social policy, especially that of the Weimar Republic. See, for example, George Steinmetz, *Regulating the Social: The Welfare State and Local Politics in Imperial Germany* (Princeton, 1993). In the next chapter, we discuss urban social reform in more detail.
  28. Uhlig, *Arbeit amtlich*, 46–68.
  29. David Blackburn and Geoff Eley, *The Peculiarities of German History: Bourgeois Society and Politics in Nineteenth-Century Germany* (New York, 1984); Geoff Eley, *Reshaping the German Right: Radical Nationalism and Political Change after Bismarck* (Ann Arbor, 1990). For a note cautioning against focusing exclusively on the 1890s, however, see Retallack, *Germany in the Age*, 51.
  30. See the works cited in the previous note as well as Hans-Jörg von Berlepsch, “*Neuer Kurs*” im Kaiserreich? *Die Arbeiterpolitik des Freiherrn von Berlepsch 1890 bis 1896* (Bonn, 1987); Repp, *Reformers*, 19–66.
  31. Uhlig, *Arbeit amtlich*, 52.
  32. Quoted in Faust, *Arbeitsmarktpolitik*, 19.
  33. See the table in Faust, *Arbeitsmarktpolitik*, 289. In terms of the number of placements per office, employer exchanges claimed first place by a wide margin.
  34. See the 1896 report by the central Agricultural Council, in BAB, R1501/6193, 232.
  35. See the collection of pamphlets published by agricultural interest groups in BAB, R1501/6193.
  36. Jürgen Kocka and Wolfgang Neugebauer, eds., *Die Protokolle des Preussischen Staatsministeriums, 1817–1934/38*, vol. 8/I (Hildesheim, 2003), cabinet meeting on 28 February 1892, 104.

37. On Freund's effort, in April 1892, see *Der Arbeitsmarkt*, Beilage, 5 May 1898: 101.
38. For a helpful review and analysis of the debates, see Jonathan Sperber, "Bürger, Bürgertum, Bürgerlichkeit, Bürgerliche Gesellschaft: Studies of the German (Upper) Middle Class and Its Sociocultural World," in *The Journal of Modern History* 69, June 1997: 271–97.
39. Dieter Langewiesche, "Kommentar," in *Stadt und Bürgertum im 19. Jahrhundert*, ed. Lothar Gall (München, 1990), 230. Among others, including the impressive studies produced by Gall's students, see Ralf Roth, *Stadt und Bürgertum in Frankfurt am Main* (München, 1996); Ralf Zerback, *München und sein Stadtbürgertum: eine Residenzstadt als Bürgergemeinde 1780–1870* (München, 1997); Karin Schambach, *Stadtbürgertum und industrieller Umbruch: Dortmund, 1780–1870* (München, 1996); Frank Moeller, *Bürgerliche Herrschaft in Augsburg 1790–1880* (München, 1998); Hans-Werner Hahn, *Altstädtisches Bürgertum zwischen Beharrung und Wandel: Wezlar, 1689–1870* (München, 1991). Also, see Jennifer Jenkins, *Provincial Modernity: Local Culture and Liberal Politics in Fin-de-Siecle Hamburg* (Ithaca, 2003); Brian Ladd, *Urban Planning and Civic Order in Germany, 1860–1914* (Cambridge, 1990); Jan Palmowski, *Urban Liberalism in Imperial Germany, Frankfurt am Main, 1866–1914* (Oxford, 1999); Johanna Meskill, "Improving Our Civic Conditions: Social Reform and the Enlightenment in Nineteenth-Century Frankfurt" (forthcoming); Manfred Hettling, *Politische Bürgerlichkeit: Der Bürger zwischen Individualität und Vergesellschaftung in Deutschland und der Schweiz von 1860 bis 1918* (Göttingen, 1999).
40. Langewiesche, *Liberalism in Germany* (London, 2000), 218; Jürgen Reulecke makes much the same point in Reulecke, "Stadtbürgertum und bürgerliche Sozialreform im 19. Jahrhundert in Preussen," in Gall, *Stadt und Bürgertum*.
41. Andrew Lees, *Cities, Sin, and Social Reform in Imperial Germany* (Ann Arbor, 2002), 386.
42. Rogers, *Atlantic Crossings*, 61–62, 130–59.
43. *Ibid.*, 231–32.
44. See Palmowski, *Urban Liberalism*; Meskill, "Improving Our Civic Conditions." See the next chapter for a more detailed discussion.
45. Participants included such important intellectual and reform figures as Heinrich Herkner, Conrad Haussmann, Ferdinand Tönnies, Friedrich Naumann, Carl Legien, Leopold Sonnemann, and Friedrich von Reitzenstein. See Uhlig, *Arbeit amtlich*, 92.
46. *Ibid.*, 93. The principle of parity between representatives of labor and capital had been applied by the Stuttgart labor exchange thirty years earlier. In the meantime, the practice had been reinforced by the industrial courts (*Gewerbegerichte*) that had been pioneered at the local level. Cities such as Frankfurt had, since the late 1880s, instituted industrial courts with parity representations. Bismarck's social insurance programs also had relied on varying degrees of employer-employee representation.
47. Uhlig, *Arbeit amtlich*, 100.
48. Faust, *Arbeitsmarktpolitik*, 63.
49. *Ibid.*, 62.
50. See Uhlig, *Arbeit amtlich*, 154–55, for a list of these networks.
51. Gerd Vonderach, *Arbeitsnachweisbewegung und erste Arbeitsnachweistatistik: der Beginn der landesweiten Koordinierung der Arbeitsvermittlung und die Anfänge der Arbeitsmarkt-Berichterstattung in Deutschland vor hundert Jahren* (Münster, 1997), 74–90.
52. *Ibid.*, 61–90.
53. The board of the *Verein deutscher Arbeitsnachweise* included, among others, the Berlin associate professor Ignatz Jastrow, the director of the Berlin labor exchange, Richard Freund, and Frankfurt reforming official Karl Flesch.
54. See, for example, the meeting of the *Verein deutscher Arbeitsnachweise* from 9–11 October 1902, in which the uneven experiences of the local offices during the recent recession was a major theme. GStA PK, I. HA, Rep. 120 Ministerium für Handel und Gewerbe, BB VII, 1, Adhib 42, Bd 1, 170. In the following year, the Verein agreed to uniform standards for reporting data to the Imperial Statistics Bureau.

55. On the latter, see the letter of the Interior Minister to the Prussian Minister of Trade, in GStA PK, I. HA, Rep. 120 Ministerium für Handel und Gewerbe, BB VII, 1, Adhib 42, Bd 1, 196.
56. Faust, *Arbeitsmarktpolitik*, 68.
57. Repp, *Reformers*; vom Bruch, *Weder Kommunismus*; Franz Josef Stegmann and Peter Langhorst, “Geschichte der sozialen Ideen im deutschen Katholizismus,” in *Geschichte der Sozialen Ideen in Deutschland: Sozialismus, Katholische Lehre, Protestantische Sozialethik*, ed. Helga Grebing (Essen, 2000); Renate Zitt, *Zwischen Innerer Mission und staatlicher Sozialpolitik: Der protestantische Sozialreformer Theodor Lohmann (1831–1905)* (Heidelberg, 1997); Gangolf Hübing, *Kulturprotestantismus und Politik: Zum Verhältnis von Liberalismus und Protestantismus im wilhelminischen Deutschland* (Tübingen, 1994); Hettling, *Politische Bürgerlichkeit*. For the international context see also Rogers, *Atlantic Crossings*, and Kloppenborg, *Uncertain Victory*.
58. For the original identification of the four milieus—Social Democratic, Catholic, Liberal Protestant, and Conservative Protestant—which segregated German society until at least the mid 1920s, see M. Rainer Lepsius, “Parteiensystem und Sozialstruktur: zum Problem der Demokratisierung der deutschen Gesellschaft,” in *Die deutschen Parteien 1830–1914. Parteien und Gesellschaft im konstitutionellen Regierungssystem*, ed. Gerhard A. Ritter (Göttingen, 1985). Hübing, *Kulturprotestantismus*, also emphasizes the separation between the milieus.
59. For the original argument about *Lager* as an alternative to milieus see Karl Rohe, *Wahlen und Wählertraditionen in Deutschland: kulturelle Grundlagen deutscher Parteien und Parteiensysteme im 19. und 20. Jahrhundert* (Frankfurt, 1992). Hettling, *Politische Bürgerlichkeit*, among others, finds *Lager* a more useful analytic tool than milieus.
60. Repp, *Reformers*, 53ff.; Matthias Weipert, “*Mehrung der Volkskraft*”: *Die Debatte über Bevölkerung, Modernisierung, und Nation 1890–1933* (Paderborn, 2006). For the broader European context of such thought, see Mark Mazower, *Dark Century: Europe’s Twentieth Century* (New York, 1998), ch. 3: “Healthy Bodies, Sick Bodies.”
61. Repp, *Reformers*, 224 and passim.
62. Friedrich Naumann, *Neudeutsche Wirtschaftspolitik* (Berlin, 1906), 26–27.
63. *Ibid.*, 29.
64. James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, 1998).
65. Marc Raeff, *The Well-Ordered Police State: Social and Institutional Change through Law in the Germanies and Russia, 1600–1800* (New Haven, 1983); Keith Tribe, *Governing Economy: the Reformation of German Economic Discourse 1750–1840* (Cambridge, 1988); Keith Tribe, *Strategies of Economic Order: German Economic Discourse, 1750–1950* (Cambridge, 1995).
66. Repp, *Reformers*, emphasizes the common formative experiences of this generation, though more in connection with the perception of the problem of social reform than with its solution. See 19–66.
67. Theodore Porter, *The Rise of Statistical Thinking, 1820–1900* (Princeton, 1986), 286–95.
68. On physiology and the sciences of health, see Paul Weindling, *Health, Race and German Politics between National Unification and Nazism 1870–1945* (Cambridge, 1993); on criminal anthropology, see Richard Wetzell, *Inventing the Criminal: A History of German Criminology 1880–1945* (Chapel Hill, 2000).
69. See Hübing, *Kulturprotestantismus*, on Protestants’ faith in science.
70. Max Planck’s teacher even advised him in 1870 against going into physics, as within two decades no new truths would remain to be discovered. On the widespread confidence in the scientific community that all basic truths had already been, or soon would be, discovered, see Lawrence Badash, “The Completeness of 19<sup>th</sup> Century Science,” *Isis* 63 (1972): 48–68.
71. Tzvetan Todorov, *Hope and Memory: Lessons from the Twentieth Century* (Princeton, 2003), 21.
72. Alfred Chandler, *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, 1977).

73. Martin L. van Creveld, *Command in War* (Cambridge, 1985), ch. 5: “The Timetable War.”
74. Heidrun Homburg, “Anfänge des Taylorsystems in Deutschland vor dem ersten Weltkrieg,” in *Geschichte und Gesellschaft*, nr. 4, 1978: 170–94.
75. Cited in Rogers, *Atlantic Crossings*, 232.
76. See Steinmetz, *Regulating*, 188–214, for the details and reasons for these changes in the cities.
77. Palmowski, *Urban Liberalism*.
78. On the *Bildungsbürgertum*’s predilection for comprehensive, abstract knowledge, see Werner Conze and Jürgen Kocka, “Einleitung,” in *Bildungsbürgertum im 19. Jahrhundert*, eds. Conze and Kocka, vol. 1: *Bildungssystem und Professionalisierung in internationalen Vergleichen* (Stuttgart, 1985), 25.
79. Rüdiger vom Bruch, “Bürgerliche Sozialreform im deutschen Kaiserreich,” in vom Bruch, *Weder Kommunismus*, 61–179, 78, and passim.
80. Karl Erich Born, *Staat und Sozialpolitik seit Bismarcks Sturz* (Wiesbaden, 1957), 37.
81. Fritz Ringer, *Max Weber: An Intellectual Biography* (Chicago, 2004), 61.
82. Hübinger, *Kulturprotestantismus*, 219–20.
83. Hettling, *Politische Bürgerlichkeit*; Thomas Nipperdey, “Verein als soziale Struktur in Deutschland im späten 18. Jh. und frühen 19. Jh.,” in Thomas Nipperdey, *Gesellschaft, Kultur, Theorie: gesammelte Aufsätze zur neueren Geschichte* (Göttingen, 1976).
84. On Lohmann, see Zitt, *Zwischen Innerer*. On Naumann, see generally Theodor Heuss, *Friedrich Naumann: der Mann, das Werk, die Zeit* (München, 1968); Peter Theiner, “Friedrich Naumann und der soziale Liberalismus im Kaiserreich,” in *Sozialer Liberalismus*, eds. Karl Holl et al. (Göttingen, 1986), 72–83; Repp, *Reformers*, 59–63.
85. Stegmann and Langhorst, “Geschichte der sozialen Ideen,” 610. See the next chapter, however, for other, more individualistic strands of Protestant and Catholic thought.
86. *Ibid.*, 599–862.
87. See Lothar Gall, ed., *Stadt und Bürgertum im Übergang von der traditionellen zur modernen Gesellschaft* (München, 1993), 339–65.
88. Thomas Welskopp, *Das Banner der Brüderlichkeit: Die deutsche Sozialdemokratie vom Vormärz bis zum Sozialistengesetz* (Bonn, 2000).
89. James J. Sheehan, *The Career of Lujo Brentano: A Study of Liberalism and Social Reform in Imperial Germany* (Chicago, 1966).
90. Vom Bruch, “Bürgerliche Sozialreform”; Repp, *Reformers*, 177–83; Ursula Ratz, *Sozialreform und Arbeiterschaft: die “Gesellschaft für Soziale Reform” und die sozialdemokratische Arbeiterbewegung von der Jahrhundertwende bis zum Ausbruch des Ersten Weltkrieges* (Berlin, 1980).
91. As quoted in Repp, *Reformers*, 181.
92. See Born, *Staat und Sozialpolitik*, 96, on Berlepsch’s hopes in this sense, occurring as early as 1889.
93. *Ibid.*, 2, 45–47.
94. Naumann, *Neudeutsche Wirtschaftspolitik*, 308–32.
95. Born, *Staat und Sozialpolitik*. Even scholars offering more complex taxonomies of the welfare state, such as Steinmetz, conceive of *Selbsthilfe* as *collective* self-help, i.e., unions or proto-corporatism.
96. On Naumann’s ambivalences between technocracy and democracy, see Stefan-Georg Schnorr, *Liberalismus zwischen 19. und 20. Jahrhundert: Reformulierung liberaler politischer Theorie in Deutschland und England am Beispiel von Friedrich Naumann und Leonard T. Hobhouse* (Baden-Baden, 1990), 40–46; indeed, adding to Naumann’s intellectual polymorphism, in the next chapter we will see that the reforming pastor *also* contributed to the individualistic strand of the German welfare state.
97. Born, *Staat und Sozialpolitik*, 44–45.
98. Zitt, *Zwischen Innerer Mission*.
99. Randolf Körzel, *Berufsbildung zwischen Gesellschafts- und Wirtschaftspolitik* (Frankfurt, 1996), 261.

100. Rudi Kaerger, *Die Zentralstelle für Arbeiter-Wohlfahrtseinrichtungen. Das Selbstverständnis einer halbamtlichen Institution des Kaiserreichs im Spiegel ihrer Konferenzen und Debatten zur Arbeiterjugendfrage (1890–1920)* (Frankfurt, 1996).
101. Hedwig Brüchert-Schunk, *Städtische Sozialpolitik vom Wilhelminischen Reich bis zur Weltwirtschaftskrise: Eine Sozial- und Kommunalhistorische Untersuchung am Beispiel der Stadt Mainz, 1890–1930* (Stuttgart, 1994), 6.
102. See the Association’s journal, *Der Arbeitsmarkt*, on whose board sat Flesch.
103. Born, *Staat und Sozialpolitik*, 45.
104. Repp, *Reformers*, 289–300 (quotation from 295).
105. See Blackbourn, *History of Germany*, 254–64, for a summary of the changed thinking.
106. See Eric Ross Dickinson, *The Politics of German Child Welfare from the Empire to the Federal Republic* (Cambridge, 1996); Greg Eghigian, *Making Security Social: Disability, Insurance, and the Birth of the Social Entitlement State in Germany* (Ann Arbor, 2000).
107. Repp, *Reformers*, 19–66.
108. See Berlepsch, “Neuer Kurs”; Born, *Staat und Sozialpolitik*, 98–100.
109. Born, *Staat und Sozialpolitik*, 106.
110. *Ibid.*, 109.
111. Repp, *Reformers*, 26.
112. See BAB, R1501/6193, 63.
113. *Der Arbeitsmarkt*, vol. 1, nr. 7, 5 May 1898: 102.
114. BAB, R1501/6193, 257ff.
115. Kocka and Neugebauer, *Die Protokolle*, vol. 8/I, cabinet meeting on 28 February 1892, 158.
116. BAB, R1501/6193, 363.
117. See the account of negotiations, which led to a Reichstag endorsement on 29 April 1898, in BAB, R1501/6194, 10.
118. On the crackdown against agents with criminal records, see the Prussian edict from 12 February 1898, in BAB, R1501/6194, 4.
119. Kocka and Neugebauer, *Die Protokolle*, vol. 8/I, cabinet meeting on 22 December 1898, 331.
120. See Repp, *Reformers*, 63–66, for an account of Posadowsky’s embrace of social reform.
121. Quoted in Born, *Staat und Sozialpolitik*, 171.
122. Repp, *Reformers*, 64.
123. Repp, *Reformers*, 64; Born, *Staat und Sozialpolitik*, 166–204.
124. BAB, R1501/6194, 21 August 1901, 53–54.
125. Wolf, “Der Ausbau,” 353.
126. See the article “Die gewerbmässigen Stellenvermittler im Kaufmannsgewerbe,” in *Soziale Praxis*, nr. 44: 1903.
127. Kocka and Neugebauer, *Die Protokolle*, vol. 9, 27 April 1901, 63.
128. See the reference to a Prussian legal draft to this effect in the Reichstag debate of 16 June 1904, in BAB, R1501/6194, 101.
129. Generally, after 1900, interest groups stepped up their pressure on state and national parliaments. Herrigel, *Industrial Constructions*, 51.
130. The next recession, in 1907–8, triggered the same calls for greater centralization of the labor offices and improved statistical knowledge. See the discussion to this effect in the Prussian House of Representatives in 1908, in *Stenographische Berichte über die Verhandlungen des Preuss. Hauses der Abgeordneten, 21 Legislaturperiode, II Session 1908/9*, vol. 1: 763–84.
131. See the letter from the Reich Ministry of the Interior to the Prussian Trade Ministry from 6 May 1903, in GStA PK, I. HA, Rep. 120 Ministerium für Handel und Gewerbe, BB VII, 1, Adhib 42, Bd. 1, 196.
132. See the 31 October 1905 article from the *Frankfurter Zeitung*, in BAB, R1501/6194, 133.
133. Franz Ludwig, *Der Gewerbmässige Arbeitsnachweis* (Berlin, 1906).
134. See, for example, Ludwig’s comments on the French law of 1904, as reported in the 31 October 1905 article from the *Frankfurter Zeitung*, in BAB, R1501/6194, 133. The Prussian Trade

- Ministry took a keen interest in developments in England, France, and the United States. See, for example, the preparations for a three week trip to study English textile and girls' trade schools in the spring of 1914, in GStA PK, I. HA, Rep. 120, Ministerium für Handel und Gewerbe, LGA, Nr. 12, 217. Generally, on the cross-fertilization and rivalry among social reformers from different European countries and the United States, see Rogers, *Atlantic Crossings*.
135. See the numerous press clippings in BAB, R1501/6194. The liberal *Frankfurter Zeitung* represented the rare exception, but even its doubts were expressed only between the lines.
  136. Nipperdey, *Deutsche Geschichte*, vol. I, 324, 329.
  137. Homburg, *Rationalisierung und Industriearbeit*, 385.
  138. Born, *Staat und Sozialpolitik*, 188–89.
  139. Stegmann and Langhorst, “Geschichte der Sozialideen,” 687–711.
  140. Born, *Staat und Sozialpolitik*, 188–205.
  141. See Thomas Kühne, *Dreiklassenwahlrecht und Wahlkultur in Preussen, 1867–1914: Landtagswahlen zwischen korporativer Tradition und politischem Massenmarkt* (Düsseldorf, 1994), 499.
  142. See the article in the *National-Zeitung* from 22 August 1905, in BAB, R1501/6194, 123. In the face of the increasingly assertive socialist movement, the National Liberals hoped that neutral labor offices would contribute to the smooth operations of the economy as a whole. Born, *Staat und Sozialpolitik*, 70.
  143. Letter from Reichsinnenministerium to the Prussian Handelsminister on 18 December 1906, in BAB, R1501/6195, 21.
  144. Letter from the Berlin chief of police to the Prussian Minister of Trade on 6 April 1906, in BAB, R1501/6194, 223.
  145. BAB, R1501/6195, 101–2.
  146. See the alarmed commentary in the SPD newspaper *Vorwärts*, which perceived a threat to union-run exchanges, in BAB, R1501/6194, 69.
  147. BAB, R1501/6194, 70f.
  148. BAB, R1501/6196, 116.
  149. An official explained that this qualification had been made “since at present public-service agencies are not remotely sufficient to meet needs in all areas.” Transcript of Reich Interior Ministry meeting on 27 May 1909, in BAB, R1501/6196, 161.
  150. *Ibid.*, 161.
  151. See, for example, the letters from the Association of Westfalian Labor Offices on 16 January 1908; from the Catholic Welfare Society for Girls, Women, and Children on 21 February 1908; from the Welfare Association, Johannes Foundation, on 28 February 1908; and the articles in the *Deutsche Tageszeitung* from 9 October 1909 and the *National-Zeitung* from 2 November 1909, in BAB, R1501/6196.
  152. *Aktenstücke zu den Verhandlungen des Reichstags 1909/1910*, nr. 231: 1582; *Stenographische Berichte über die Verhandlungen des Deutschen Reichstages, XII. Legislaturperiode*, 1275–78.
  153. See the position paper of the *Gesellschaft* from 26 February 1910, in BAB, R1501/6198, 98.
  154. See the article from *Soziale Praxis*, nr. 49, 1908, in BAB, R1501/6196, 119–20.
  155. *Stenographische Berichte über die Verhandlungen des Deutschen Reichstages, XII. Legislaturperiode*, 1271.
  156. *Ibid.*, 1271.
  157. *Stenographische Berichte über die Verhandlungen des Deutschen Reichstages, XII. Legislaturperiode*, 1278–80, 1283–84.
  158. *Ibid.*, 1280–83.
  159. *Stenographische Berichte über die Verhandlungen des Deutschen Reichstages, XII. Legislaturperiode*, 2894.
  160. Uhlig, *Arbeit amtlich*, 216 (whose total number of offices differs from that in Faust), estimates that from 1910 to 1911, the number of commercial agencies dropped by more than 10 percent. While Faust provides no concrete evidence for his claim that the 1910 law did not significantly affect the overall number of placements (Faust, *Arbeitsmarktpolitik*, 50), Uhlig's data



for Stuttgart do suggest a dramatic change. From 1901 to 1909, the number of placements by commercial agencies had risen by more than 50 percent, from 7,105 to 10,925. By 1913, they had fallen below the level of 1901, to 6,484. (Uhlig, *Arbeit amtlich*, 217). See also Brüchert-Schunk, *Städtische Sozialpolitik*, 122, for evidence of the law's significantly detrimental impact on the private agencies. Neither Faust nor Uhlig is able to make plausible their arguments that the success of the municipal offices, rather than the legal restrictions on the commercial agencies, should be regarded as the main reason for these developments.

161. Number calculated from figures in GStA PK, I. HA, Rep. 120 Ministerium für Handel und Gewerbe, BB VII, 1, Nr. 17, Adhib. 54, 1–55.