

Comparative Government and Politics of West and East Europe

Ronald Car

Course book required reading:

- **Hugh Cunningham, *The challenge of democracy: Britain 1832-1918*, Longman, 2001;**

Or:

- **Catherine Epstein, *The Last Revolutionaries. German Communists and Their Century*, Harvard University Press, 2003;**

Or:

- **Ivan T. Berend, *From the Soviet bloc to the European Union: the economic and social transformation of central and eastern Europe since 1973*, Cambridge University Press, 2009.**

Working materials

- **Attending students will obtain their final grade through 3 steps:**
 - 1. one written partial exam showing their ability to compose three short essays concerning the key arguments of the course in a comparative manner;**
 - 2. weekly discussion times throughout the course; the grade will be based on the level and quality of participation in team-work;**
 - 3. oral final exam showing the overall learning based on: frontal lessons, public discussions and course books.**

Final grade

- **Understanding the peculiarities of the State building process in West and East Europe.**
- **Examining the interactions between the political, economical and institutional sphere related to social changes of the last Centuries, specifically the industrial and urban revolution.**
- **Reflecting on different models of "modernisation" and "transition processes; "modernity": an epoch of crisis.**

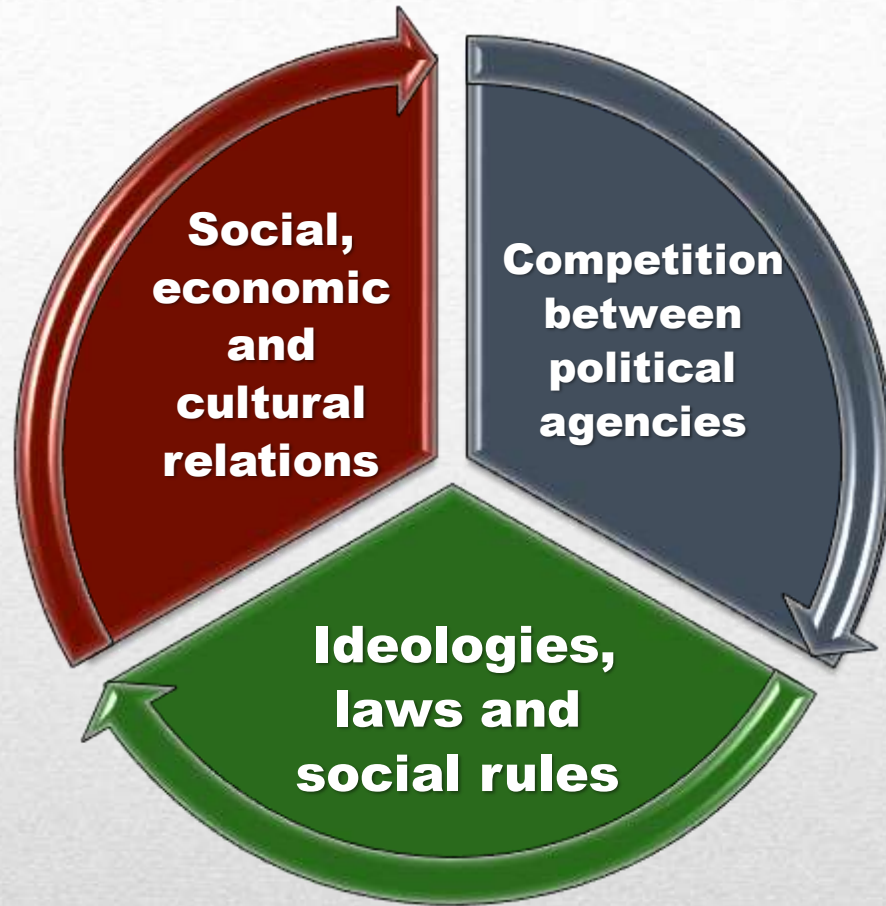
What is this subject aiming at?



Modernisation is an open-ended process of continuous challenging of existing rules, structures and culture.

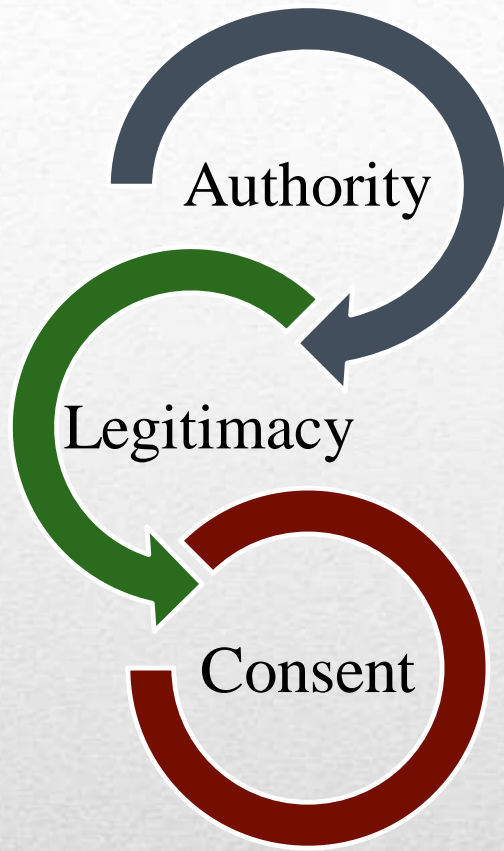
In politics, it fosters the awareness that dominant values and social consensus can (and sooner or later will) move away and transform.

Modernity as crisis



- A framework within which the holders of public authority (religious, traditional or charismatic leaders, elected representatives) take decisions according to their **ideas, beliefs** or **benefits**, thus creating and changing the social order.

Political institution



- **System of government based on **authority** - the right to rule, so long as people accept its right to make decisions – **consent**.**
- **Representative democracy – form of legitimacy typical of modern age.**

Legitimacy

Alexander Hamilton, «The Federalist», n#1, 1787:

“It seems to have been reserved to the people of this country, by their conduct and example, to decide the important question, whether societies of men are really capable or not of establishing good government from **reflection and choice**, or whether they are forever destined to depend for their political constitutions on **accident and force**”.

From sacred authority to modern legitimacy

In the Press,
and speedily will be published,
**THE
FEDERALIST,**
A Collection of Essays written in fa-
vor of the New Constitution.
By a Citizen of New-York.
Corrected by the Author, with Additions
and Alterations.
*This work will be printed on a fine Paper
and good Type, in one handsome Volume duo-
decimo, and delivered to subscribers at the
moderate price of one dollar. A few copies
will be printed on superfine royal writing pa-
per, price ten shillings.
No money required till delivery.
To render this work more complete, will be
added, without any additional expence,*
PHILO-PUBLIUS,
AND THE
Articles of the Convention,
*As agreed upon at Philadelphia, Septem-
ber 17th, 1787.*

- **Since 18th Century the political institutions are trying to meet the legitimacy quest by adjusting their answers to people's expectations:**

1. Who? - who elects the representatives and who can be elected?

2. How? - how public opinion forms, how people organise in parties and other type of unions, how the elections unfold, how public officials take decisions?

3. What? - what can the citizens pretend from the government?

3 key questions

Rules and institutions derive both from:

- **local history (path dependence),**
- **other countries (cross-fertilization, silent dialogue, emulation/rejection...).**

Thanks to a diachronic comparative approach we see a plurality of social, political and economic behaviours and reactions to the challenges of modernization in:

- **England (18th – 20th Century),**
- **Germany (19th – 20th Century)**
- **Central and Eastern Europe (World War II - today).**

Comparative-historical research method

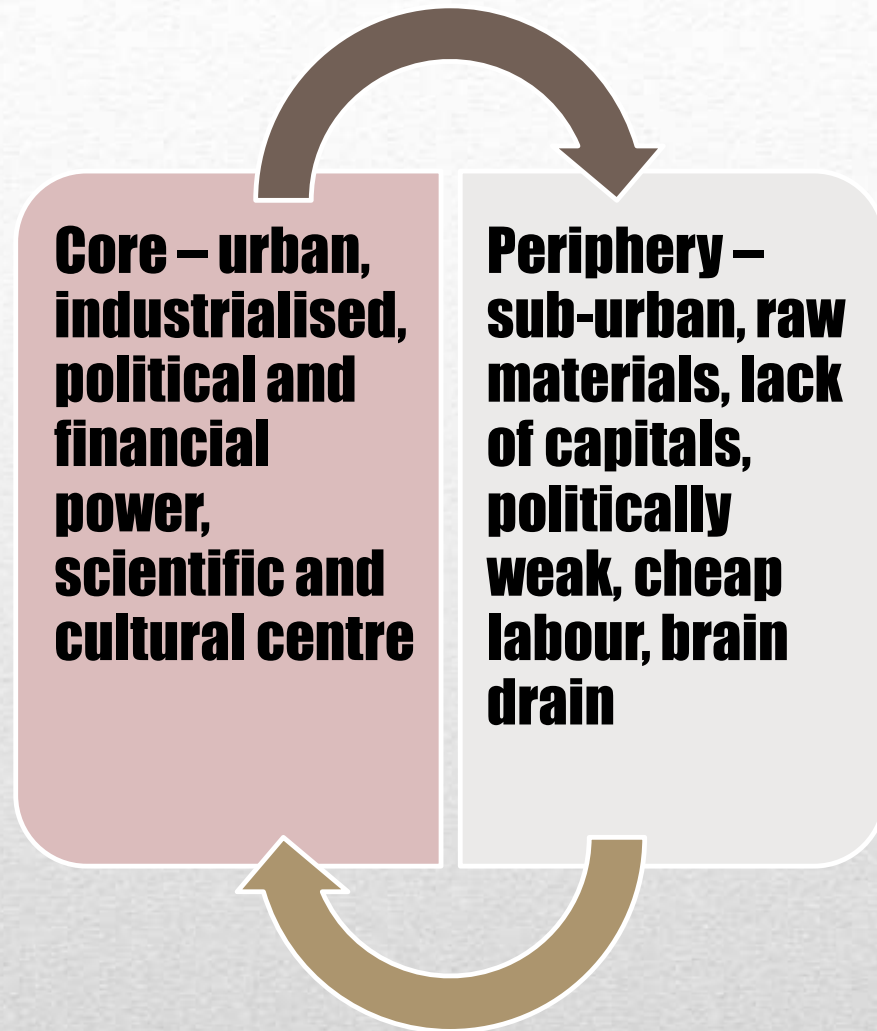
- **Evolution of rules and institutions can be seen as struggle for **hegemony** between a plurality of would-be **core models** (British, German and Soviet).**
- **Each core model of modernity assumes its way to organize the social, political and economic life as the best one;**
- **In terms of political power, its elite aims to win the consent from those it subjugates (peripheral countries, such as Southern, Central and Eastern Europe or the colonies).**

Struggle for hegemony between models of modernization

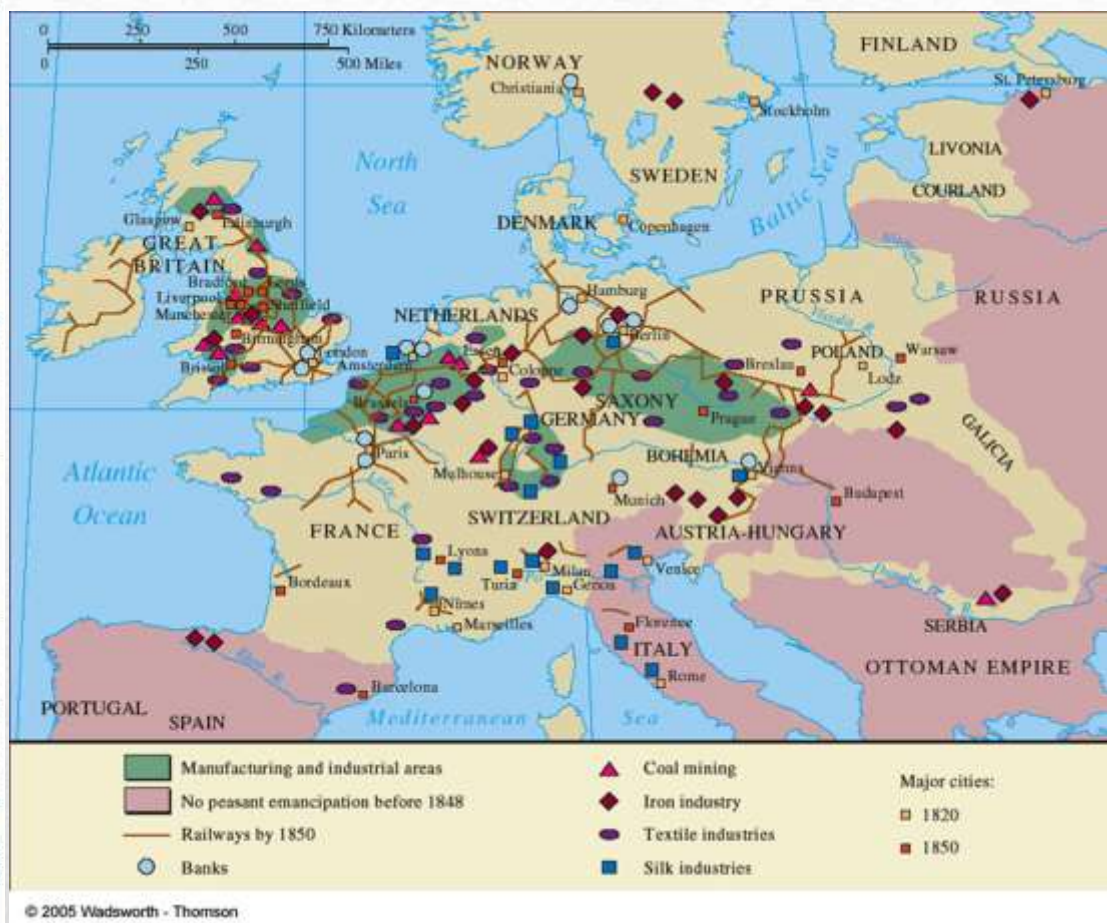
**Proposed by
Immanuel
Wallerstein in *The
Modern World-
System*, 1974:**

**Unlike the division
between developed
and developing
countries, it points
to the mutual
relations within the
world system and it
doesn't imply any
future change;**

**Explains the
perpetuation of
(semi-)colonial
relations**



Core-periphery model



Wave of industrialisation in 19th Century Europe

percentage of the population living in centers with more than 5,000 inhabitants

| Year | Europe | England | France | Germany | Russia/S oviet Union |
|-------------|---------------|----------------|---------------|----------------|-------------------------------------|
| 1800 | 12 | 23 | 12 | 9 | 6 |
| 1850 | 19 | 45 | 19 | 15 | 7 |
| 1910 | 41 | 75 | 38 | 49 | 14 |
| 1959 | 51 | 83 | 48 | 53 | 34 |

Urbanization in 19th and 20th century

«Blue banana» model,
Roger Brunet,
1989:
Active Europe
(Manchester-Ruhr-North Italy)

vs

Passive Europe
(Rural area and South-East Europe)





**British parliamentary democracy
and free trade**

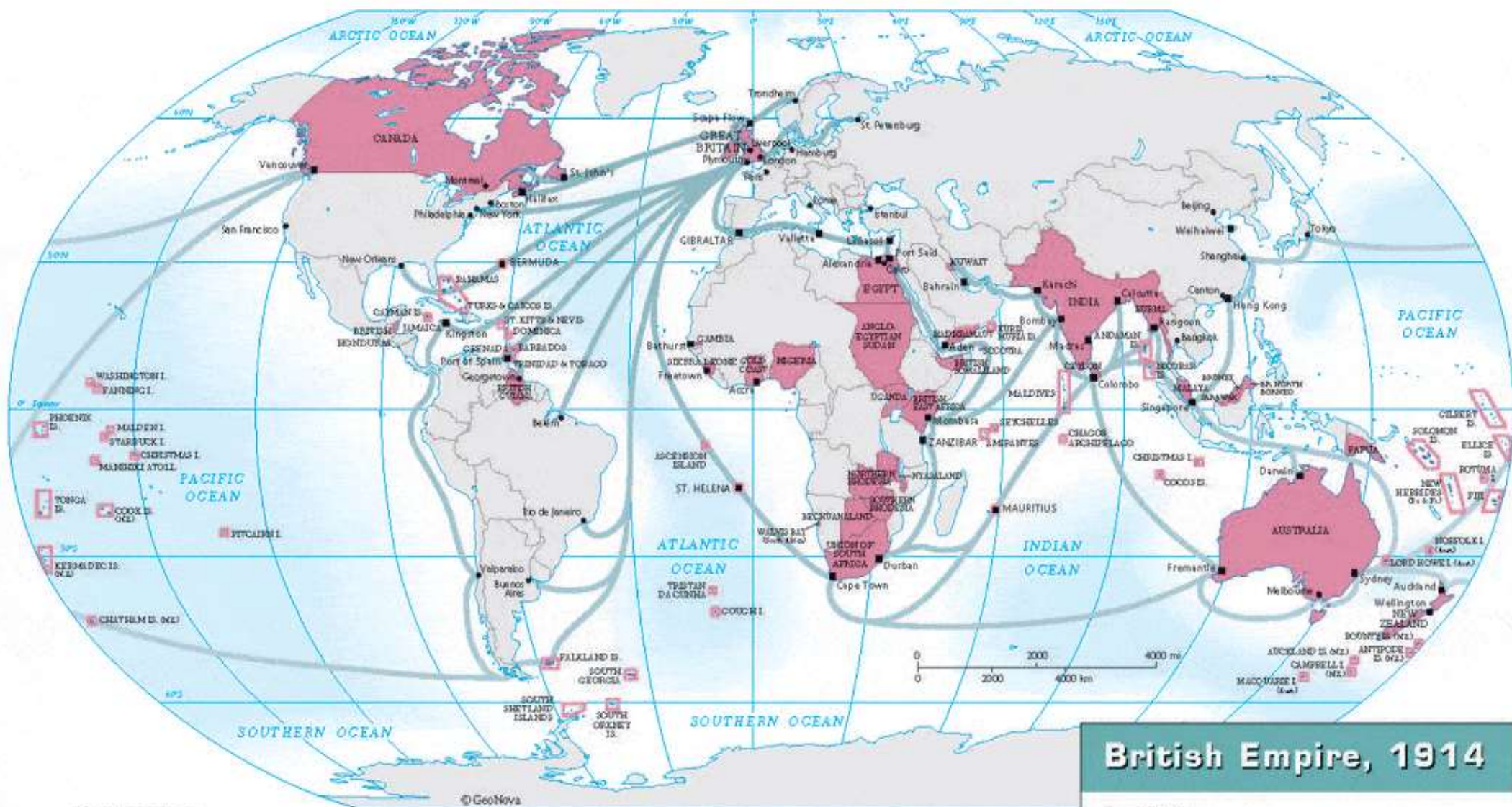


**German authoritarian dictatorship
and organised capitalism**



**Soviet one-party dictatorship and
state economy**

**3 competing European
core models**



British Empire, 1914

- British possessions 1914
- Major British bases or coaling stations
- Major cities
- Major British trade routes

Economics

- **1/4 of world population (447,250,000 in 1913)**
- **1/4 of world land area**
- **1/3 of world trade**
- **1/2 of world iron**
- **2/3 of world coal**
- **5/7 of world steel**
- **1/2 of world cotton cloth**

Politics

No political rights for:

- **Colonial subjects - 9/10 of the population of Empire (subject races);**
- **Women – 1/2 British citizens**
- **Working class – 3/4 of British male citizens;**
- **Excluded from political offices: Protestant Nonconformists and Catholics until 1829, Jews until 1858, atheists until 1888**

Social structure of 19th Century British Empire

**Secretary for Foreign Affairs 1830-1851,
Home Secretary 1852-1855, PM 1855-
1865:**

- **“All we want is trade and land is not necessary for trade” (**Informal Empire**);**
- **“Trade cannot flourish without security. The cudgels of the police or the sabres and carbines will keep quiet the ill-disposed people whose violence would render trade insecure”**



Lord Palmerston

- **Lord Palmerston, 1848:**
- **“Our duty – or – our vocation, is not to enslave, but to set free. We stand at the head of moral, social and political civilization. Our task is to lead the way and direct the march of other nations”.**
- **George W. Bush, *Decision Points*, 2010**
- **“After 9/11, Afghanistan was the ultimate nation-building mission. We had liberated the country from a primitive dictatorship, and we had a moral obligation to leave behind something better. We also had a strategic interest in helping the Afghan people build a free society”.**

Liberal interventionism

Whigs (Liberals)

- **Ridiculed as Scottish bigoted Presbyterian, greedy and hypocritical exponent of the new bourgeois class;**
- **Whig alliance: City of London - House of Commons - Protestant nonconformists, supporting supremacy of parliament over the monarch and religious tolerance**

Tories (Conservatives)

- **Ridiculed as Irish uneducated Catholic, outlaw, unable to fit in the new world of commerce;**
- **Tory alliance: Privy Council - Justices of the Peace of Counties - high Anglican Church, supporting the institution of monarchy and of a state Church excluding the Dissenters**

Birth of the party system - end of 17th/ beginning of 18th century

Formation of governments

During 18th and 19th century, general elections are considered significant, but not directly binding.

Professional politicians get ministerial assignments if they have parliamentary support.

First Prime Minister – the whig Robert Walpole 1721-1742 – governs thanks to the favour of the king and the majority in the House of Commons of MPs under his **patronage (personal influence instead of a political programme).**

- **Requires the active involvement of a political pressure group able to promote a deep transformation of laws and institutions, and thus free the trade from interference of:**
 - 1. Government, which uses its power over economy to corrupt by granting monopoly, privileges etc. (patronage);**
 - 2. Established Church, whose teaching disfavours entrepreneurial behaviour – seen as independent mind set;**
 - 3. Traditional social norms, which impose obligations for businessmen towards the community (charity etc.).**

Free market economy

- **Political movement originated in Manchester - world's first and greatest industrial town - “What Manchester says today, the rest of England says tomorrow”;**
- **Free trade must be the basis for government policy, leading to a more equitable society, making essential products available to all: “mutually advantageous international trade will bring a new era of international fellowship and peace”;**
- **Main idea: freedom of contract (on individual and state level), freedom of the press and separation of church and state will lead to peaceful relations among nations.**

Manchesterism

- **Whig leader Burke to the PM Pitt: *On scarcity* (1795) suggesting that the government shouldn't ban stockpiling food to raise its price in times of famine:**

“Of all things, an indiscreet tampering with the trade of provisions is the most dangerous. To provide for us in our necessities is not in the power of government.

Labor is a commodity and it must be subject to all the laws and principles of trade, and not to regulations foreign to them.

The impossibility of the subsistence of a man who carries his labor to a market is totally beside the question. The only question is, what is it worth to the buyer?”

Liberal ideologue

Edmund Burke

“There is no way of preventing scarcity but manfully to resist the idea that it is within the competence of government to supply to the poor those necessaries which it has pleased the Divine Providence for a while to withhold from them”.

It is not in breaking the laws of commerce, which are the laws of Nature, and consequently the laws of God, that we are to place our hope of softening the Divine displeasure to remove any calamity.

Patience, labor, sobriety, frugality, and religion should be recommended to the poor”.

**Burke: Laws of commerce
are God's will**

“The state ought to confine itself to what regards the state: namely, the exterior establishment of its religion; its magistracy; its revenue; its military force by sea and land; in a word, to everything that is truly and properly public,—to the public peace, to the public safety, to the public order, to the public prosperity.

The leading vice of the French monarchy was in good intention ill-directed, and a restless desire of governing too much. The hand of authority was seen in everything and in every place. All, therefore, that happened amiss, in the course even of domestic affairs, was attributed to the government”.

Burke: state intervention leads to revolution

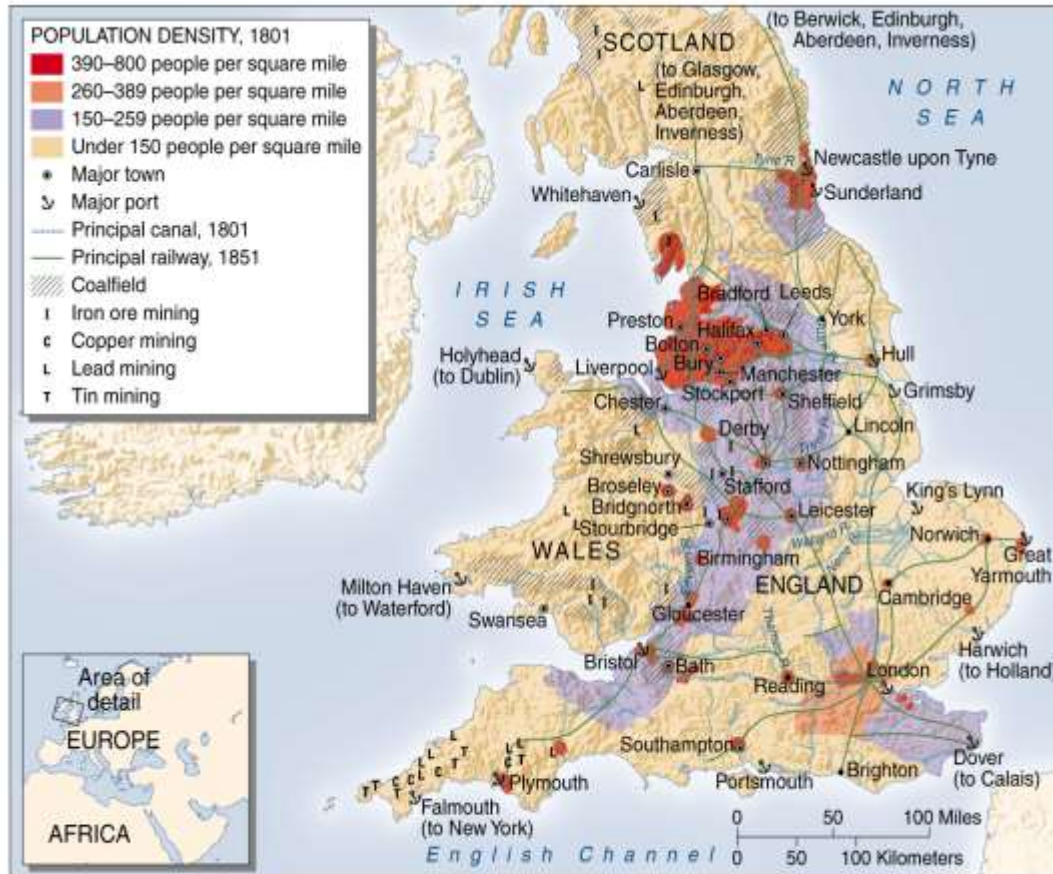
1799 *Act to prevent Unlawful Combinations of Workmen* prohibited trade unions and collective bargaining, and drove the labor organizations underground – the act relies on a common law doctrine that punishes “restraints on trade”.

1825 *Combination Act* allowed trade unions but made unlawful any pressure for wage increases or change of working hours.

1871 *Trade Union Act* made them legal except for picketing:

§ 2. The purposes of any trade union shall not, by reason merely that they are in restraint of trade, be deemed to be unlawful so as to render any member of such trade union liable to criminal prosecution for conspiracy or otherwise.

Criminalisation of Trade unions



MAP 19.1 The First Industrial Nation

Western Civilizations, Sixteenth Edition
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Parliamentary reform

- **Peterloo massacre in Manchester 1819: peaceful protest of 60,000–80,000 attacked by cavalry;**
- **Birmingham Political Union (1829) – turned National Political Union (1831) promotes electoral reform for a fairer representation (inspired by Catholic Association which obtained emancipation in 1829),**
- **“Days of May” 1832: threats of armed insurrection, bank run, decisive in securing the reform, “one of the times when the UK came closest to revolution” (Eric Hobsbawm).**

Extra-parliamentary pressures

The Parliament is reformed more in terms of redistribution of seats than in extension of the right to vote (Who?**):**

- **It abolishes 143 seats in rotten or pocket boroughs and gives representation to new industrial towns as Birmingham, Manchester, Sheffield;**
- **Gives the right to vote to adult males owning property worth £10, enlarging the electorate from 13% to 18%.**
- **It includes the middle class (shopkeepers, artisans) where property prices are high (London), but not where they are low (in Birmingham only 11% of adult males).**

“Great” Reform Act ?

Edward Baines Sr, founder of the “Leeds Mercury” and member of the Whig Reform Bill commission:

- **“In the quarters of the town chiefly inhabited by the working classes, not more than one in every fifty householders will have a vote under the 10£ clause. In the principal streets for shops, almost every male householder will have a vote. The £10 qualification does not admit any person who may not safely be entrusted with the elective franchise”.**
- **“Never, in any country beneath the sun, was an order of men more estimable and valuable, more praiseworthy than the middle class of society in England” due to “their constitutional principles and their correct knowledge of the interests of trade”.**

Middle class ideology

Edward Baines Jr, editor of the “Leeds Mercury” and liberal MP:

- **in favour of the 1832 Reform Bill (in 1819 reported about the Peterloo massacre), abolition of corn laws and slavery,**
- **against the factory reform movement and Children’s Employment Commission (regulation of working hours and better conditions for working children): “legislators who, from a mistaken humanity, would interfere, by minute and stringent regulations, in manufacturing industry”.**
- **against state-promoted education of working class children: “individuals could do for themselves under the guidance of natural instinct and self-interest, infinitely better than Government could do for them”.**

Liberal value system

Free trade promoters

New class of manufacturers and industrialists underrepresented in Parliament before 1832 reform. The import of cheap corn would raise their profits by reducing the wages of factory workers (men could not work in the factories if their wage was not enough to feed them and their families)

Protectionists

Landowners overrepresented in Parliament maximized their profits by keeping high import duties for grain. The law is justified by fear that if repealed, farmers would be ruined, thus making Britain the first country in world history with no agriculture.

Corn laws 1815-1846

- **Founded in Manchester in 1838 by Richard Cobden, who leads the League as a “moral crusade”:**
- **denounces the landowners as “a bread-taxing oligarchy, unprincipled, unfeeling, rapacious and plundering”, and the Government as “based on corruption ... the majority of the House of Commons is supported by the violation of morality and religion”.**



Anti-Corn Law League

- **Against welfare policies:**

“I do not partake of that spurious humanity which would indulge in an unreasoning kind of philanthropy. Mine is the masculine species of charity, which would lead me to inculcate in the minds of the labouring classes the love of independence, the privilege of self-respect, the desire to accumulate, and the ambition to rise”.

“We advocate nothing but what is agreeable to the highest behests of Christianity – to buy in the cheapest market, and sell in the dearest”.

Richard Cobden

- **Against the enfranchisement of the working class:**

“As for the middle classes, they really have at heart no desire for extending the franchise ... By appealing to them for an extension of the franchise to the working class you ask them to part with power (which no man likes) without offering them any bribe”.



Right to vote as a class related power issue

- **“(PM Peel) must know that his party (Conservatives) is composed of monopolists in corn, tea, sugar, timber, coffee, and the franchise.**
- **Out of that band of monopolists the right hon. Baronet has formed the party which supported him, and which formed his Government. They bribed, they intimidated, until they got possession of office...**
- **If you are not prepared to ameliorate the condition of the people, beware of your own position—nay, you must take care that even this House may not fall under the heap of obloquy which the injustice you are perpetuating will thrust upon you”.**

Richard Cobden’s speech to the House of Commons on 24 February 1842 to abolish corn laws

- **Tory PM Robert Peel in 1842: “If you had to constitute new Societies, you might on moral and social grounds prefer Corn fields to Cotton factories, an agricultural to a manufacturing population. But our lot is cast, and we cannot recede.”**
- **In 1846, Peel is induced to prevent popular unrest by abolishing the Corn Law, thus abandoning the artificial protection of agriculture and all that it stood for. It causes a split in the party and his resignation.**

Victory of the new industrial-urban society

A cross-class alliance between Cobden's Free trade movement and William Gladstone's liberal party in the name of «productive classes against idle and privileged», such as landed aristocracy, Anglican Church, local corporations and colonial trading monopolies.

Main aim: gradual removal of all religious, economic, and political barriers that prevented individual merit.

Richard Cobden: State expenditure favours only «the younger sons and favourites of the aristocracy and gives the people nothing except debts, taxes, obligations and bad trade».

Era of Popular liberalism

1840s -1880s

Manchester slums - heavily populated, with no city planning and poor infrastructure due to free trade ideology, causing infectious diseases and higher death-rates for workers and children than in the countryside.

The city was only able to maintain its growth through the continuous influx of new migrants;

Manchester completed its sewage system only at the beginning of 20th century;

The provision of clean water, sewerage and waste removal was left largely in the hands of private companies and was badly inadequate to the population's needs.

https://www.youtube.com/watch?v=SrrXUN7S_Ys

Inadequacy of free trade ideology

1820



1857 (city status in 1854)



Manchester

- **Friedrich Engels, *The Condition of the Working Class in England*, 1844:**
- **Manchester is a place of “filth, ruin, and uninhabitableness”, a “Hell upon Earth”.**
- **“While the conditions of existence of Germany's proletariat have not assumed the form that they have in England, we nevertheless have, at bottom, the same social order, which sooner or later must necessarily reach the same degree of acuteness, unless the intelligence of the nation brings about in time the adoption of measures that will provide a new basis for the whole social system”.**

Anti- Manchesterism

- **Promoted by tory leader Benjamin Disraeli as preservation of established institutions, traditional principles and “natural” hierarchy in society,**
- **Emphasises paternalistic obligation of the ruling class – the privileged and wealthy - to the poor, to avoid revolution and secure working class votes.**
- **Portrays the Liberal Party as selfish individualists whose free trade increases industrialisation and inequality, and as “Little Englanders” who do not cherish the imperial glory of England.**

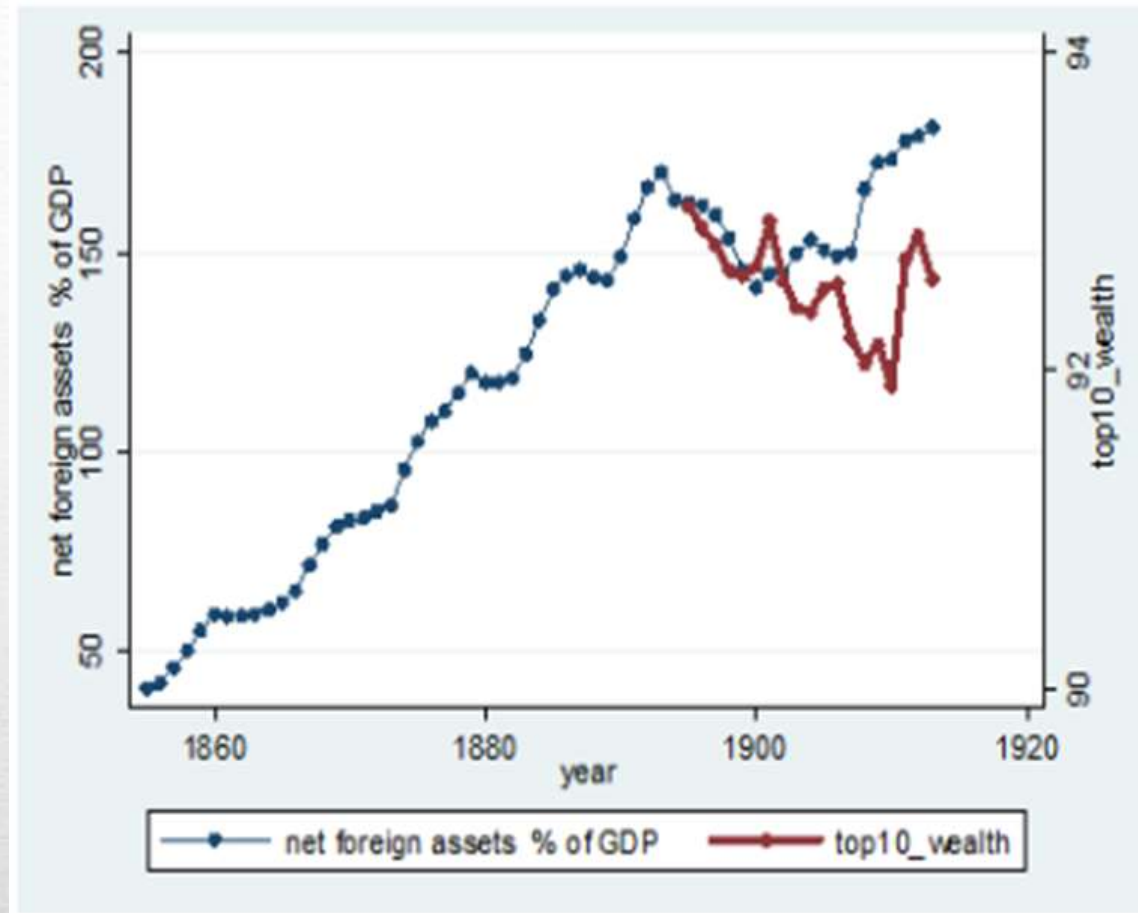
Popular Conservatism 1870s-1900s and 1920s-1940s

- **“I am a Nationalist and not a cosmopolitan I am a British (indeed primarily an English) Nationalist. If I am also an Imperialist, it is because the destiny of the English race, owing to its insular position and long supremacy at sea, has been to strike roots in different parts of the world. I am an Imperialist and not a Little Englander because I am a British Race Patriot”.**
- **“British workers are not the unpatriotic, anti-national, down-with-the-army-up-with-the-foreigner class of Little Englanders”.**



Alfred Milner, South African Governor 1897-1905

Ratio between net foreign assets and British GDP, and top 10% wealth, 1855-1913, shows that imperial conquest was the outcome of an unequal domestic income distribution.



John A. Hobson,
***Imperialism: a study*(1902)**

- **Study of poverty in York in 1901 found that 28 per cent of the population did not have the minimum to live on at some time of their life.**
- **The Boer War - when Britain went to war in 1899, the army found that two-thirds of the men who volunteered for the army were unfit to join up.**
- **Germany - which had a good system of state welfare for workers, was passing Britain as a great industrial power.**
- **Strikes, especially in 1910-12, and the growth of trade unionism - politicians feared that, unless standards of living improved for the workers, they might turn to Communism.**

Free trade ideology on the wane

- **Expresses the demand to represent the interests of the urban working class, many of whom gained suffrage with the 3rd Reform Act 1884.**

Founded in 1900 by merging of:

- **Independent Labour Party (ILP) established in 1893, when the Liberals appeared reluctant to endorse working-class candidates,**
- **Marxist inspired groups - the intellectual and largely middle-class Fabian Society, the Social Democratic Federation,**
- **Tread Unionists, after House of Lords decision in Taff Vale case effectively made strikes illegal since employers could recoup the cost of lost business from the unions.**

Labour party

Lib-Lab coalition 1906-1914

A precarious alliance between liberals and Labour party aiming at:

- 1) measures of welfare: but without a general political project of state intervention in economy – welfare based on work ethic dogma aiming at strengthening the market.**
 - 2) Constitutional reform: to remove the political power of the House of Lords – obtained with the 1911 Parliament Act: Lords cannot veto money bills, can only delay other public bills for two years.**
-

- **1909 liberal PM Lloyd George introduces a “People’s budget”:**
- **Welfare financed through reduction of military expenses and introduction of progressive taxation on income, luxury goods, large land estates and inheritance.**
- **Approved by House of commons thanks to labour votes, but refused by House of Lords influenced by Alfred Milner – thus causing a constitutional crisis.**



“People’s budget”

- **Free school meals - not compulsory - some councils did not provide free meals.**
- **Pensions - not to people who had never worked during their life.**
- **Labour exchanges - most of these jobs were temporary or part-time; the government did not do anything to increase the number of jobs available.**
- **National Insurance - poor people had to pay the contributions out of their wages; dole and sickness pay only lasted for a limited time and was not enough to live on.**
- **Free medical treatment - only for the wage-earner - not available to their wife or children.**

Liberal welfare 1906-1914

Female suffrage

The first debate in the House of Commons on women's suffrage was initiated by John Stuart Mill on 20 May 1867. From then on, unsuccessful attempts were made during almost every parliamentary session.

Fourth Reform Act 1918: male universal suffrage and partial female suffrage (women over 30 with minimum property qualifications):

PM Lloyd George was worried that “Bolshevists can take further advantage of peace prospects”, thus “elections should be held before any unrest is likely to occur”.

Fifth Reform Act 1928: women's universal suffrage.

- **“The development of the liberal doctrine was arrested by the wholly false assumption that there was a realm of freedom in which the exchange economy operated and, apart from it, a realm of law where the state had jurisdiction.**
- **In setting up this hypothetical realm of freedom where men worked, bought and sold goods, made contracts and owned property, the liberals became the uncritical defenders of the law which happened actually to prevail in this realm, and so the helpless apologists for all the abuses and miseries which accompanied it.**
- **Having assumed that there was no law there, but that it was a natural God-given order, they could only teach joyous acceptance or stoic resignation”.**

Walter Lippmann, *The good society*, 1937

WWII - 'people's war' to be followed by 'people's peace',

It means: war-time universalism had to "spill over into post-war social policy" envisaged in the Beveridge report and translated into governmental policy after the 1945 landslide Labour victory.

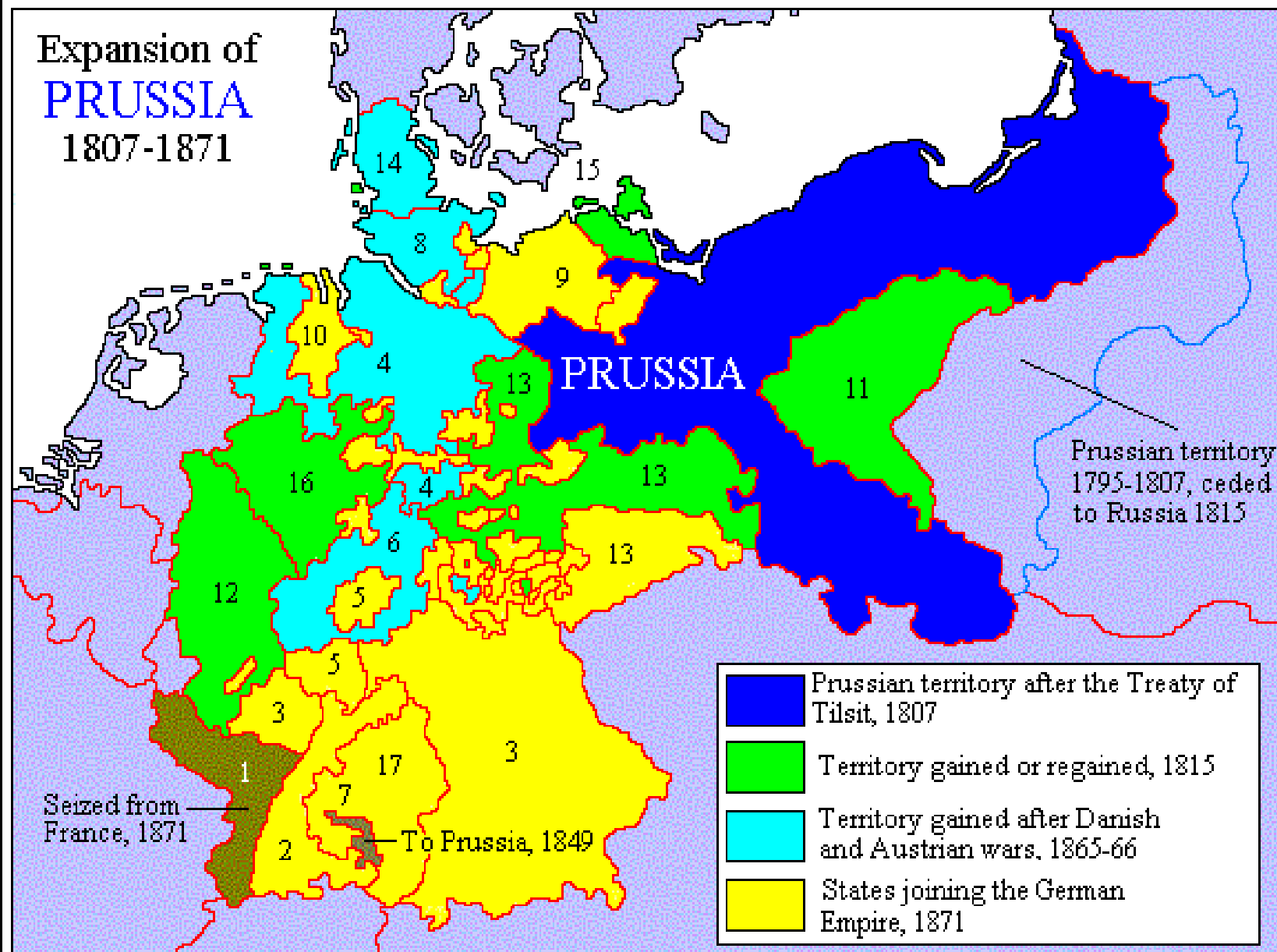


From total warfare to total welfare

- **Free education 1944 – until age of 15, secondary school determined by IQ test;**
- **Social security 1945 – child subsidy, unemployment and sick pay, extra benefits for people injured at work and anybody in need;**
- **Town and Country Planning Act 1947 - sets a target of building 300,000 new houses a year.**
- **1.25 million council houses were built between 1945 and 1951.**
- **1948 National assistance act: residential care homes for the disabled and elderly without resources.**
- **National health service 1948 – free to everybody;**
- **Full employment 1948 – through nationalising of key industries and Keynes's politics of public spending.**

Welfare «from the cradle to the grave»

Expansion of PRUSSIA 1807-1871



1. Alsace-Lorraine
2. Baden
3. Bavaria
4. Hanover
5. Hesse
6. Hesse-Nassau
7. Hohenzollern
8. Holstein
9. Mecklenburg
10. Oldenburg
11. Posen
12. Rhine Province
13. Saxony
14. Schleswig
15. Swedish Pomerania
16. Westphalia
17. Wurttemberg

Main factors in German constitutional history

- 1. The absolutist tradition;**
 - 2. Corporate and feudal social organization;**
 - 3. The failed revolution of 1848;**
 - 4. Centrality of the king in political life;**
 - 5. The Chancellery (1867) as a solution for an efficient antiparliamentary (unaccountable) government.**
-

Prussia: monarchical principle

Friedrich Julius Stahl, *Monarchical Principle*, 1845

“For the monarchical principle, the king should remain **de facto the core of the constitution, the positive power in the state, the **leadership of progress**.**

The security for the monarchy lies not only in constitution but also in the way of government. If this is not strong, energetic, the power will go in fact to the Parliament, though this may be in conflict with the constitution.”

Critics of the english model

Stahl: incompatibility between king and Parliament, as the parliamentary principle involves the inexorable affirmation of republicanism, as in England, where:

"A fiction, *a king can do no wrong* sounds like a profoundly monarchical principle, but he can not do anything. Not only the monarch should have no power, he should not have any desire, no belief in political matters. "

Georg W. F. Hegel, *Elements of the Philosophy of Right*, 1820:

- **“The state is ... the rational in and for itself. ... This ultimate end possesses the highest right in relation to individuals whose highest duty is to be members of the state.**
- **“If we confuse the state with the civil society, the final goal of the state will be to guarantee the interest of the individuals, their personal liberty and property, while they will consider their participation to the state as a caprice.”**
- **The state “must be seen as a great architectonic structure, a hieroglyph of reason, manifest in governmental institutions”.**

Hegel: from king to state-worshipping

Hegel on popular vote

Hegel, *On the Reform Bill*, 1831:

Parliamentary system is the cause of the gap between principles being proclaimed and the reality (the widespread poverty in British society), and the enlargement of the right to vote can not eliminate it:

“England is far behind the other civilized states of Europe because its government is incompatible with a rational public law... The main thing in an election reduces to find voters, bring them to the polls and induce them to vote for their masters, especially with the means of corruption.”

William Hogarth, *Canvassing for votes, 1754*



Possibility to choose

Hegel, *On the reform bill*:

“Clearly the feeling is that the individual vote is - among the many thousands needed to elect someone - without any real weight. And even this - so irrelevant - influence is limited only to people, and is even infinitely more irrelevant for the fact that it does not refer to the matter, which is, indeed, expressly excluded.” (as today’s referendum or citizens’ initiative)

Realpolitik

August Ludwig von Rochau, 1853:

"The world of politics is dominated by the law of the strongest in the same way as the world of physics is dominated by the law of gravity."

"The law is highly dependent and limited by the extent of power that is available."

"In the face of poverty is wealth, as the intelligence is waged by ignorance, prejudice and - in particular - stupidity ."

Selfgovernment

Rochau:

"A weak public opinion that changes daily and is unaware of itself has no right to be politically relevant;

Self-government, wanted by opponents of monarchical rule, requires a constant effort and a persistent spiritual will, which are alien to the masses".

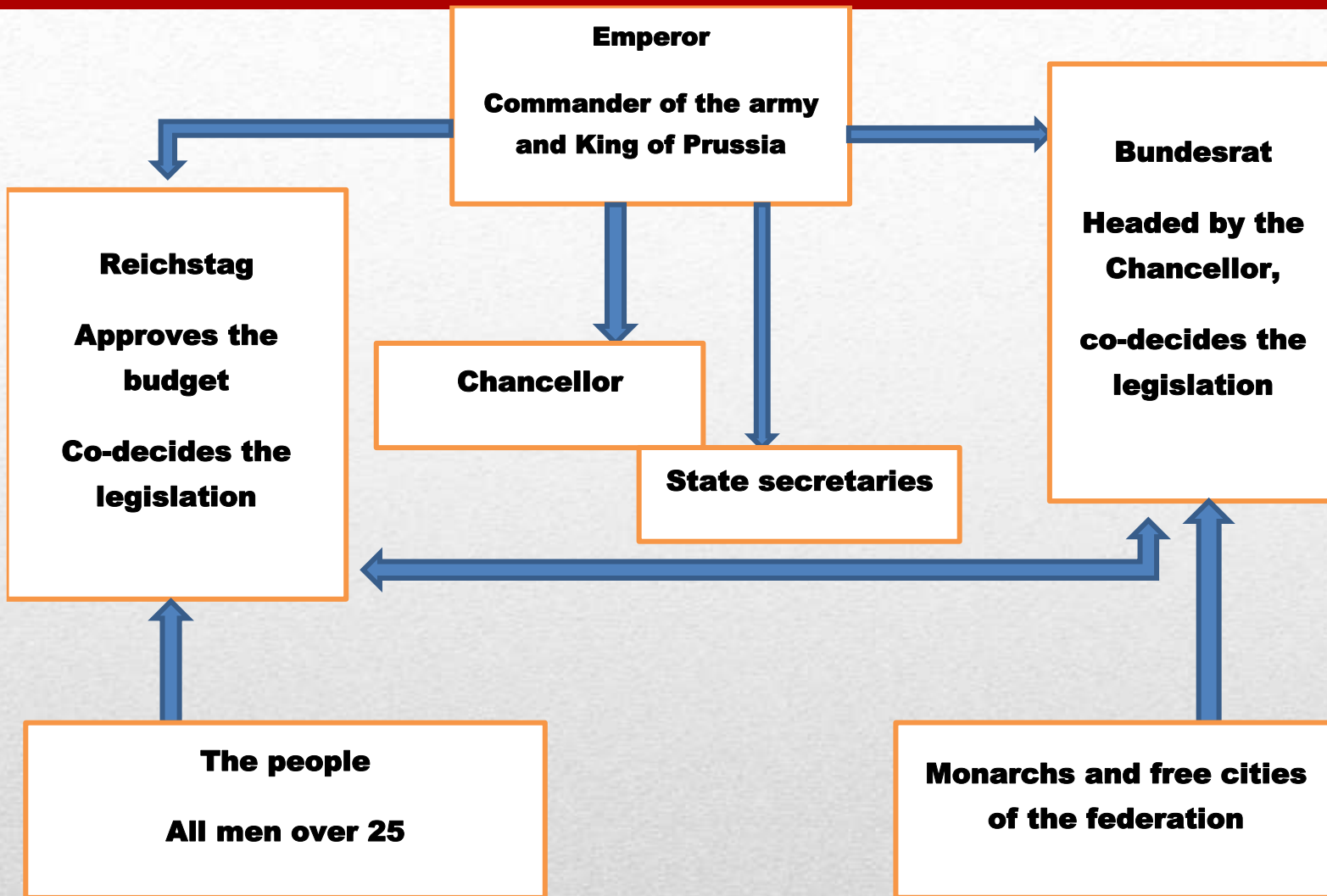
Thus: "such a theory can not stand the test of reality in the future, as it has not passed the test in the past."

- **“Being free from prejudice on the questions of honor, morality and law, Napoleon III has risen to the summit of power through blind self-confidence and contempt for others.”**
- **“Success is the test through which the revolutionary force must test itself and its mission.”**
- **“The only rule is ‘to grow, in order to continue to exist’. Power is the first condition of happiness for nations. The man who renounces happiness, and the people who renounce the power he is capable of, are part of the kingdom of the dead. The state must take all that is indispensable for life, regardless of whether it is good or bad.”**

New political myth - “Success”

- **1867: The imperial constitution is written and imposed by Chancellor Otto von Bismarck to the approval of a Constituent Assembly under the veiled threat of a military coup.**
- **It is a bogus-constitution based on a coalition between old and new elites against the democratization of state and society.**
- **Under premises of liberalization, it covers the actual rule of:**
 - **The holders of state power: the military and bureaucracy, and**
 - **The holders of social power: the nobility, the leaders of industry and finance.**

Imperial constitution – a model for authoritarian modernisation



1871 Imperial constitution

Plebiscitary trust

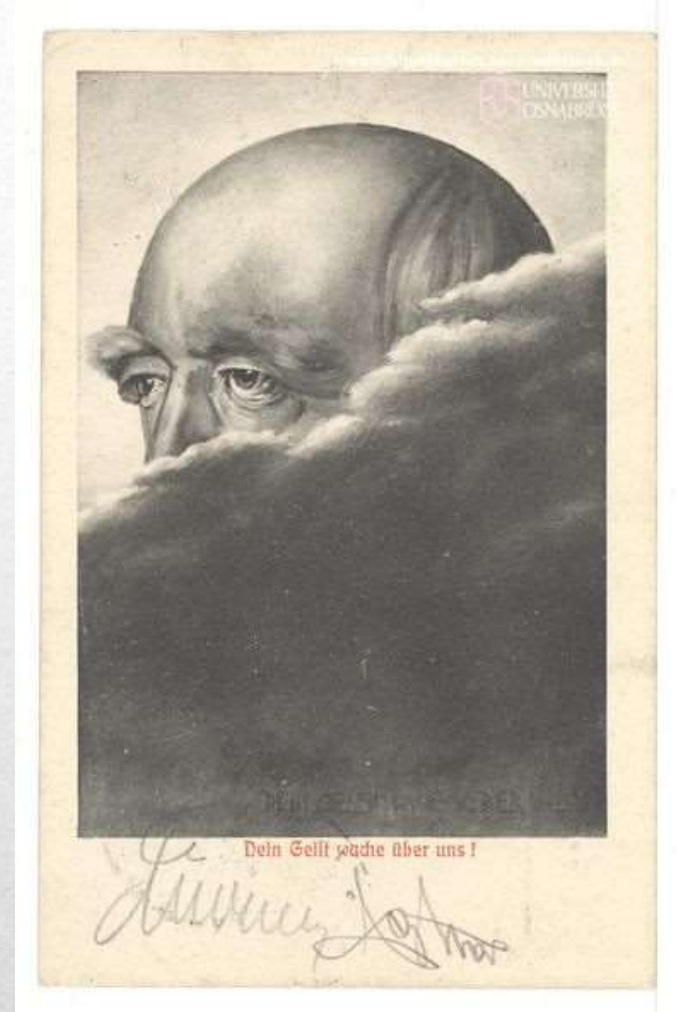
Article 17 of the imperial constitution: “the Chancellor is responsible for all the acts of the Empire”.

- Persuades the public opinion to adopt an overall thrust in the government, instead of examining each act of its growingly complex administration.**
 - Promotes the personalization of political trust based on a pretended direct connection of the leader with the masses.**
-

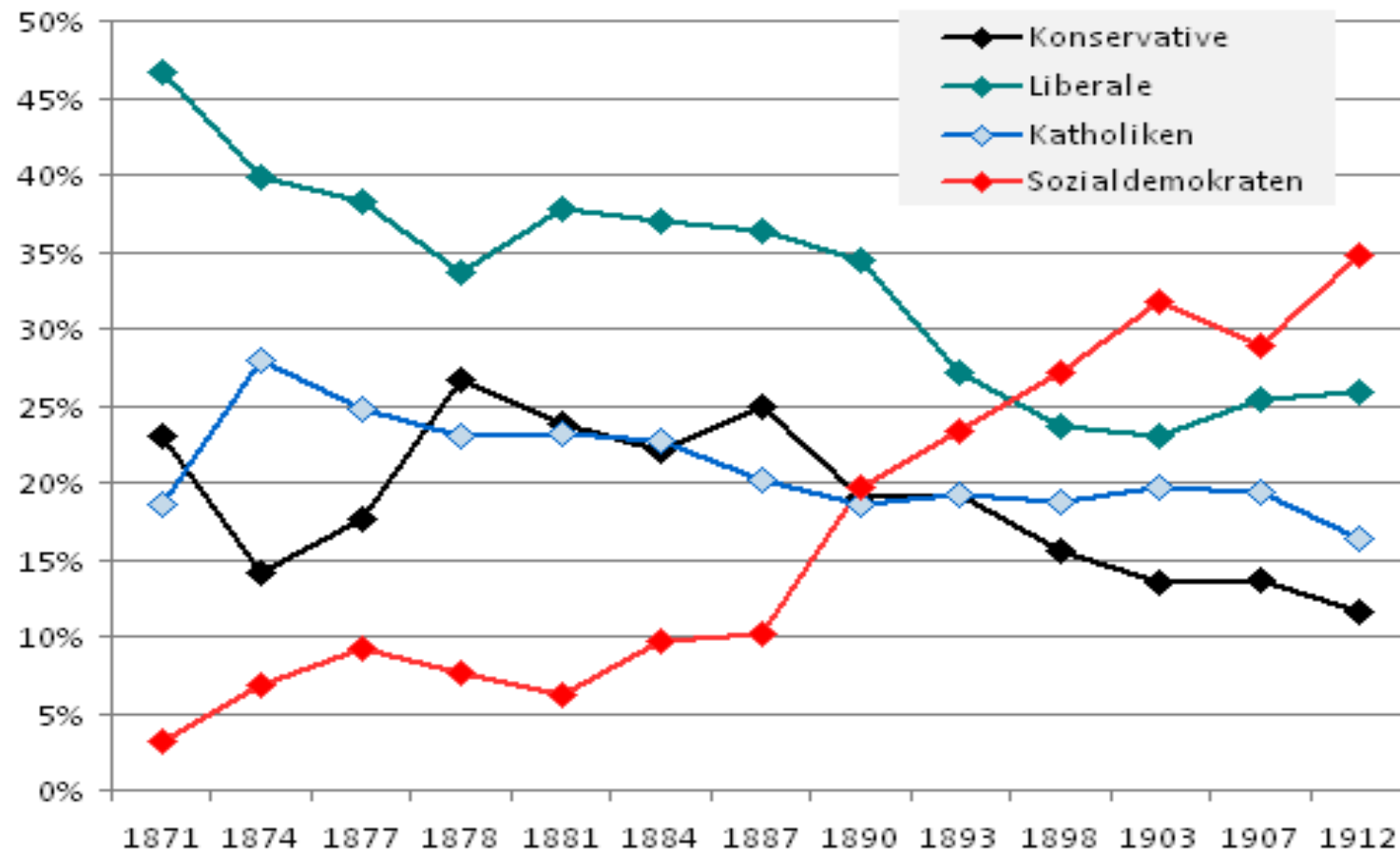
The dominant political discourse

The state education system promotes an authoritarian system of beliefs:

- The national community wants the realization of values of justice;**
 - The national governments' will is the reflection of peoples' will;**
 - The governments' political unity is the reflection of national unity;**
 - The leaders' quality can emerge only if every member of the nation obeys his commands with blind faith.**
-



“We Germans fear God and nothing else” – “Your spirit watch over us!”



Results of the Reichstag elections

Industrialization through state intervention

An energetic national government controls the process of industrialization as a “revolution from above”, in order to prevent the undesired consequences of Manchesterism (i.e. single entrepreneurs risking on free market), such as:

Uneven growth and irregular rhythm of development within the same production cycle, leading to

Unpredictable rotation of upward and downward trends, causing crisis, depressions and social unrest.

After the 1873 world crisis, the leading industrials promote cartelization and state intervention, thus rejecting the dogmas of liberal economy:

- State interventions to reduce the entrepreneurial risk;**
- Cartels to reduce the autonomy of entrepreneurs on the free market;**
- Oligopolies and monopolies to reduce the impact of the competition on the determination of prices.**

Organized capitalism

- **Deutsche Bank – founded in 1870 in Berlin with Bismarck’s approval, “to serve both economic and national purposes”; helps financing:**
 - **Krupp (steel, armaments),**
 - **Bayer (chemical and pharmaceutical),**
 - **BASF (chemical industry),**
 - **AEG (electrical equipment),**
 - **Siemens (electronics)**

Concentration of capital

| Year | Number of major mining industries in Rhineland | Their overall production | Their overall amount of employees |
|-------------|---|---------------------------------|--|
| 1873 | 268 | 11,8 | 51 400 |
| 1894 | 164 | 35,5 | 128 000 |

Restructuring through fusions

- **Largest company in Europe in 1880s with 75.000 employees.**
***Generalregulativ* - firm's constitution imposing strict control of workers (loyalty oath) and prohibiting dealing with national politics.**
- **In return, Krupp provided social services - insurances for men and their families in case of illness or death, hospitals, schools and settlement houses in Essen – a model for Bismarck's paternalist government.**

Friedrich Krupp AG

| Year | Population |
|-------------|-------------------|
| 1850 | 10.500 |
| 1870 | 51.000 |
| 1900 | 120.000 |
| 1910 | 295.000 |
| 1920 | 460.000 |
| 1930 | 650.000 |

Company town Essen

Westend 1863



Neu-Westend 1870



Krupp's workmen colony

- **From: *Arbeitersiedlungen Krupp*, 1912:**
- **“The industrial village is economically and politically important: it gives a pleasant tone to excited proletarian conscience. The colony is isolated from external influences, helping those willing to work during strikes. The house entrances open to inner courtyard, turning its back wall into a defensive wall against the main street”.**

Settlement as community

Main street



Inner courtyard



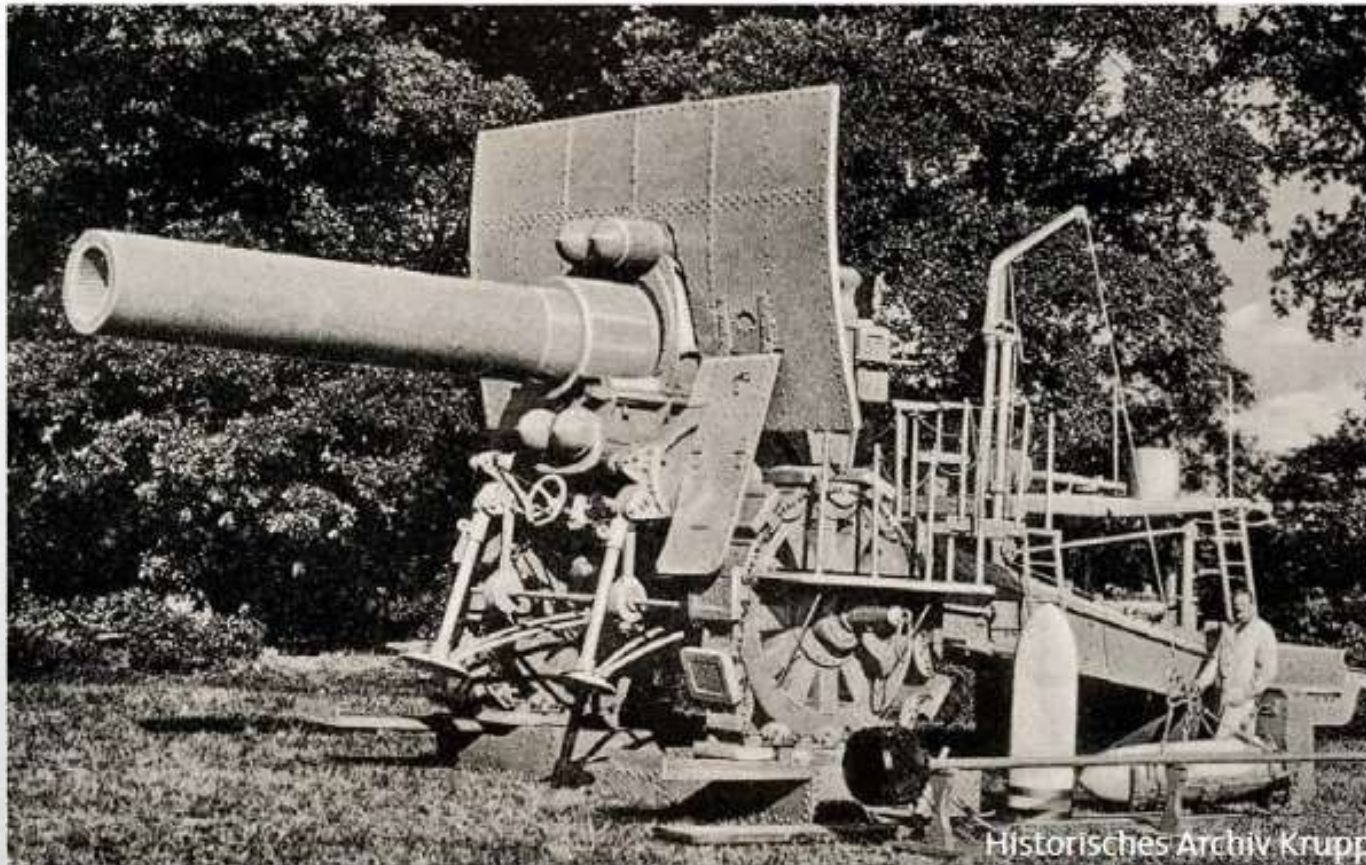
Siedlung Friedrichshof 1899 - 1906



Kanonenstadt Essen

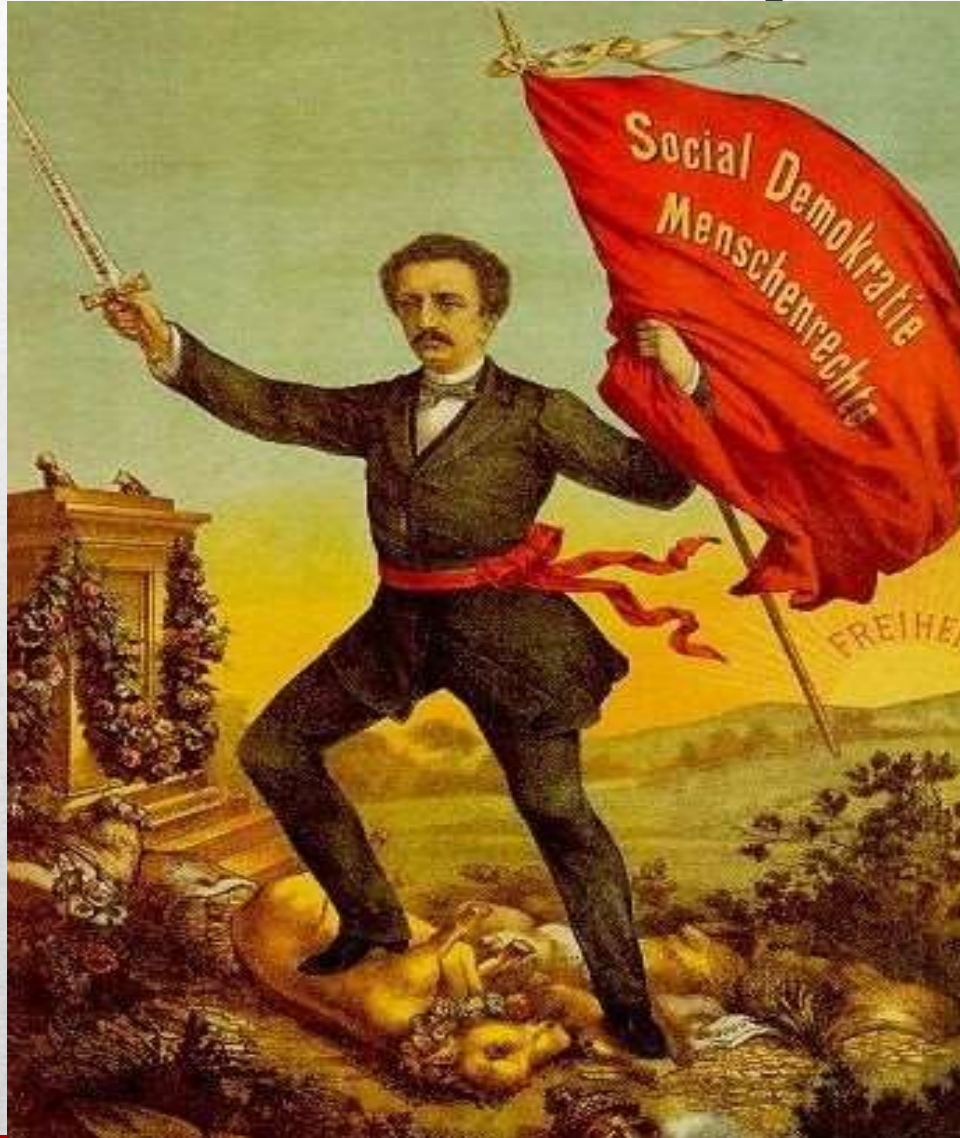


Greetings from Essen 1915



Dicke Bertha (Bertha Krupp – owner of Krupp AG from 1902 to 1934)

Ferdinand Lassalle (1825-1864)



“The sin of the golden calf”



ADAV (1863-1875)

General German Workers' Association (ADAV) formed in 1863 by Ferdinand Lassalle;

the ultimate goal was the establishment of a people's state (*Volksstaat*), that is a rigidly centralized socialist national state dominated by dictatorship of the conviction

- to be understood as a free submission to dictatorial power of a leader voted for the good of the people.**
-

Article 4 of 1867 ADAV program

“The association considers a sad mistake if someone thinks he can be useful to the interests of the working class acting on his own. The association has recognized that only by submitting to the whole, each can operate successfully from his place. The association must therefore consider anyone who does not recognize the idea of the organization, as well as anyone who fails to comply with the principles, as an enemy of the working class.”

Dictatorship of the conviction

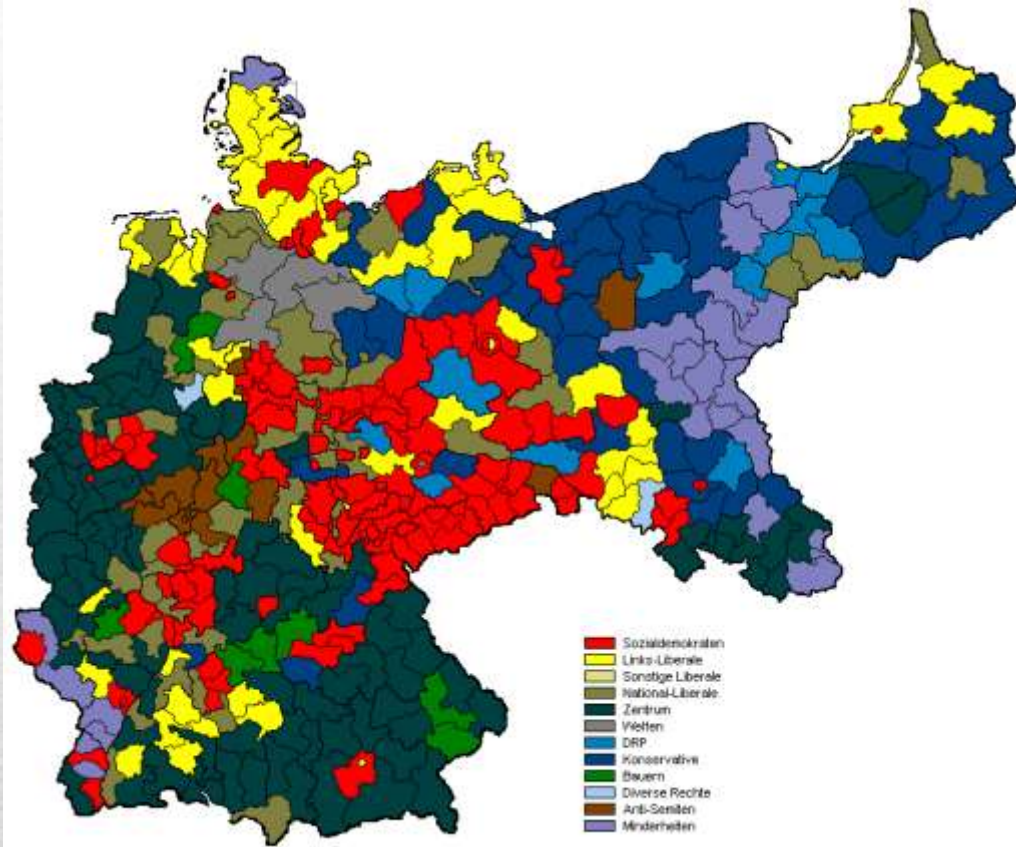
“Freedom and authority are united in our Association, which offers a miniature model of what will be the future shape of our society! This discipline is not based on any other ground except on clear understanding that only by the dictatorship of the conviction, not by personal opinion and grumbling, you can put into action the great violent work of transformation of society! We let the proliferation of individual chatter to the bourgeois.”

- **Lassalle refuses cooperation with trade unions as he claims all their effort being useless:**
- **real wages always tend, in the long run, toward the minimum wage necessary to sustain the life of the worker. Wages cannot fall below subsistence level, otherwise laborers will be unable to work. However, competition among laborers for employment will drive wages down to this minimal level in accordance with supply and demand theory.**
- **Thus for ADAV the only real remedy for “wage slavery” is state regulation of economy.**

“Iron law of wages”

- **SPD: created in 1869 as a Marxist inspired party;**
- **contrary to state-oriented ADAV, it promotes cooperation with trade unions, workers cultural improvement and female emancipation.**
- **Declared “internal enemy of the Reich”, the party is banished from 1878 to 1890. Despite persecution, it is the most voted party in every election since 1890 and in 1912 it is the party with most seats in Reichstag – fostering fears of revolution and anarchy among middle class.**
- **Supporters – urban, protestant, industry workers (very low support among Catholics, Polish immigrant workers, in the countryside and Eastern provinces). Strongholds – Berlin, Saxony.**

Social Democratic Party



| Election Year | Votes | Seats |
|---------------|-------|-------|
| 1871 | 3,2 | 2 |
| 1874 | 6,8 | 9 |
| 1877 | 9,1 | 12 |
| 1884 | 9,7 | 24 |
| 1887 | 10,1 | 11 |
| 1890 | 19,8 | 35 |
| 1893 | 23,3 | 44 |
| 1898 | 27,2 | 56 |
| 1903 | 31,7 | 81 |
| 1907 | 28,9 | 43 |
| 1912 | 34,8 | 110 |

Growth of SPD

- **Rudolf Hilferding, SPD economic theorist:**

“The previously separate spheres of industrial, commercial and bank capital are now brought under the common direction of high finance, in which the masters of industry and of the banks are united in a close personal association.

The basis of this association is the elimination of free competition among individual capitalists by the large monopolistic combines.

This naturally involves at the same time a change in the relation of the capitalist class to state power”.

«Finance capital», 1910

“Cartelization, by unifying economic power, increases its political effectiveness. At the same time it coordinates the political interests of capital and enables the whole weight of economic power to be exerted directly on the state.

Who exercises this control, and is the owner of production, is a question of power.

Finance capital facilitates enormously the task of overcoming capitalism... it is enough for **the state conquered by the working class to seize finance capital in order to gain immediate control of these branches of production”.**

A shortcut to Socialism?

- Since 1870 to 1900 almost half of German population migrated from rural areas of the eastern Prussia to industrial centers of the Rhineland.
- Junker agricultural associations and nascent *völkisch* and anti-Semite movements raised political campaigns against mass exodus from the countryside into the “degenerated city”, seen as “the tomb of the race”.



Political effects of urbanization

- **An array of populist parties, associations and publishers that emerged since 1890s. Their shared features:**
- **a romantic focus on “organic” unity of the nation or race and a “back-to-the-land” revolt against modernity.**
- **an anti-urban, anti-industrial and anti-capitalist rhetoric;**
- **nationalism/racism: anti-immigration, anti-Semitic, anti-Slavic,**
- **Authoritarianism/militarism: anti-Parliamentarian, anti-liberal and anti-socialist.**

Völkisch **movement**

- **Max Weber's survey on agrarian workers of eastern Prussia, 1892/3:**
- **Decay of *Instverhältnis* - centuries obeyed regime of the countryside, a pact between the owner and the peasant family, offering a relative economic tranquility in exchange for an almost complete dependence (subjection), legitimized by the fiction of a community of interest between them.**

End of patriarchal regime

- **Weber: even assuming that the farmers hadn't found work in the city, "for the *Junkers* their laborers were lost anyway, because now they had become "too politically cunning".**
- **Once the patriarchal ideology had been broken, the class struggle replaced the image of a "community of interests" with the owners, both among agricultural workers as among those of industry.**

Loss of social control

- **Werner Sombart, *Modern capitalism* (1902-1927):**
- **“The need for individual freedom makes seem the city life full of charm. But individual freedom as an ideal for the masses took on the meaning of freedom “from”, the liberation from the constraints of the neighborhood, the family, the authority. The city has shaped the capitalist spirit: individualism, intellectualism, rationality, the ability to calculate.”**

City and individualism

“What in reality is the idea of making profit, what is economic rationalism, but the application to economic activities of the rules by which the Jewish religion shaped Jewish life?

Before capitalism could develop, the natural man had to be changed out of all recognition, and a rationalistically minded mechanism introduced in his stead. There had to be a transvaluation of all economic values.

And what was the result? The *homo capitalisticus*, who is closely related to the *homo Judeus*, both belonging to the same species, *homines rationalistic-artificiales*”.

Werner Sombart, *The Jews and modern capitalism*, 1911

Sombart:

“Before capitalism came, exchange was a many-sided, multi-coloured process; now it is just one specialized act — that of the dealer...

In short, there has been a tendency towards uniformity, and in this capitalism and Liberalism have much in common. Liberalism we have already shown to be a near relative of Judaism and so we have the kindred trio of Capitalism, Liberalism and Judaism”.

**Judaism=Urbanisation=Liberalism
=Capitalism=Cosmopolitanism**

Society vs Community

Ferdinand Tönnies, *Society and community*, 1887:

An attempt to theorize social dysfunctions caused by the rapid industrial revolution and new social relations and values (individualism, materialism);

Society: an “aggregate and mechanical product” in which we see the overall picture of the "bourgeois society" or "society of exchange": “for the poor, the sweet native soil of our homeland is nothing but the paving of the sidewalk”.

Community

Tönnies:

A place of “real and organic life” based on face-to-face relations and traditional ethics of mutual help; but also an exclusive place prohibited to foreigners: “as a place of mother tongue, and thus of deep, instinctive understanding between members, in which harmony and common will are governed by rules of natural law”.

“In the metropolis, money and capital are unlimited and almighty, producing and supplying goods and science for the entire earth as well as laws and public opinion for all nations. It represents the world market and world traffic; in it world industries are concentrated. Its newspapers are world papers, its people come from all corners of the earth, being curious and hungry for money and pleasure”.

(Ferdinand Tönnies, 1887)

Metropolis

Political effects of World War I

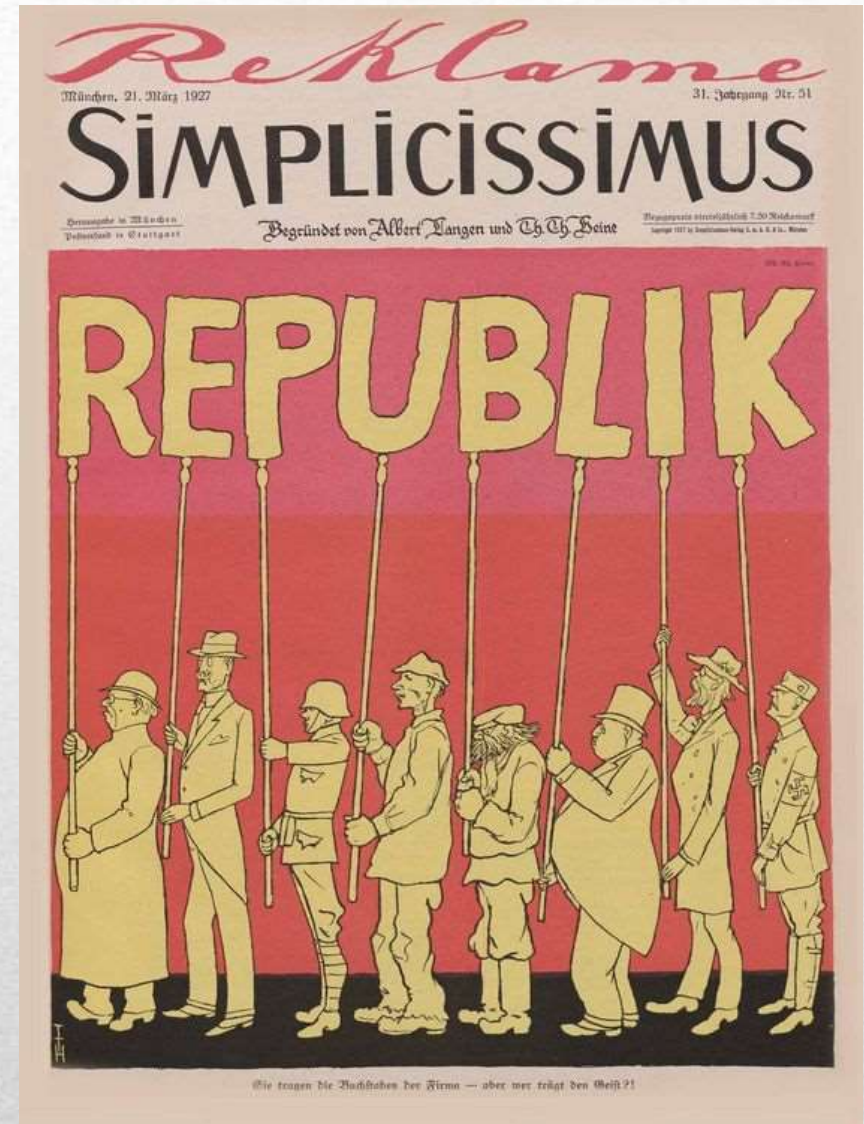
Legacy of the war years:

- gradual downfall of public institutions (Parliament, civil government, authority of the Chancellor and the Emperor);**
 - 1916-1918 unofficial establishment of a military dictatorship over society (war economy)**
 - November 9, 1918 – end of the German Empire and birth of the first German Republic;**
-

August 11, 1919 – first democratic constitution, based on a western type parliamentary pluralistic model.

Being a compromise between social-democracy and liberal-conservative parties, it expresses diverging interests and ideologies - individual and political rights, but also social-economical rights and duties.

Weimar republic



The legitimacy of the republican constitution is based on the political responsibility of the government for the basic **well-being of all members of the nation.**

The constitution recognizes the existence of different social classes and tries to attenuate **class conflict by:**

- **placing the labor force under the protection of the state,**
- **imposing the social duty of private property,**
- **committing the state itself to social progress by granting social and economic rights of the citizens.**

Welfare state (Sozialstaat)

- **Art. 151: The organization of economic life must conform to the principles of justice to the end that all may be guaranteed a decent standard of living.**
- **Art. 153: Property imposes obligations. Its use by its owner shall at the same time serve the public good.**
- **Art. 161: The Reich shall ... establish a comprehensive scheme of insurance for the conservation of health and of the capacity to work, for the protection of maternity, and for the amelioration of the economic consequences of old age, infirmity, and the changing circumstances of life.**
- **Art. 163: Every German shall, without prejudice to his personal freedom, be under the moral duty to use his intellectual and physical capacity as may be demanded by the general welfare.**
- **Every German shall be given an opportunity to gain a living by productive work. In so far as a suitable occupation cannot be found for him, provision shall be made for his necessary maintenance.**

“Fundamental rights and duties of the Germans”



Share of national income possessed by top 1%

- **The social function of property (art. 153) imposes redistribution of wealth as a remedy to social problems caused by concentration of capital:**
- **progressive tax from 5-8% up to 60%,**
- **20% corporate income tax,**
- **unemployment insurance,**
- **wage increases due to collective bargaining and labour jurisdiction.**

Constitution vs capitalism

Open society or closed community?

Deep contrast between **the institutional framework:**

- parliamentary negotiation seen as horse-trading (*Kuhhandel*)
- multi-party government coalitions based on compromise,
- formal democracy and rule of law,

and **the common political culture:**

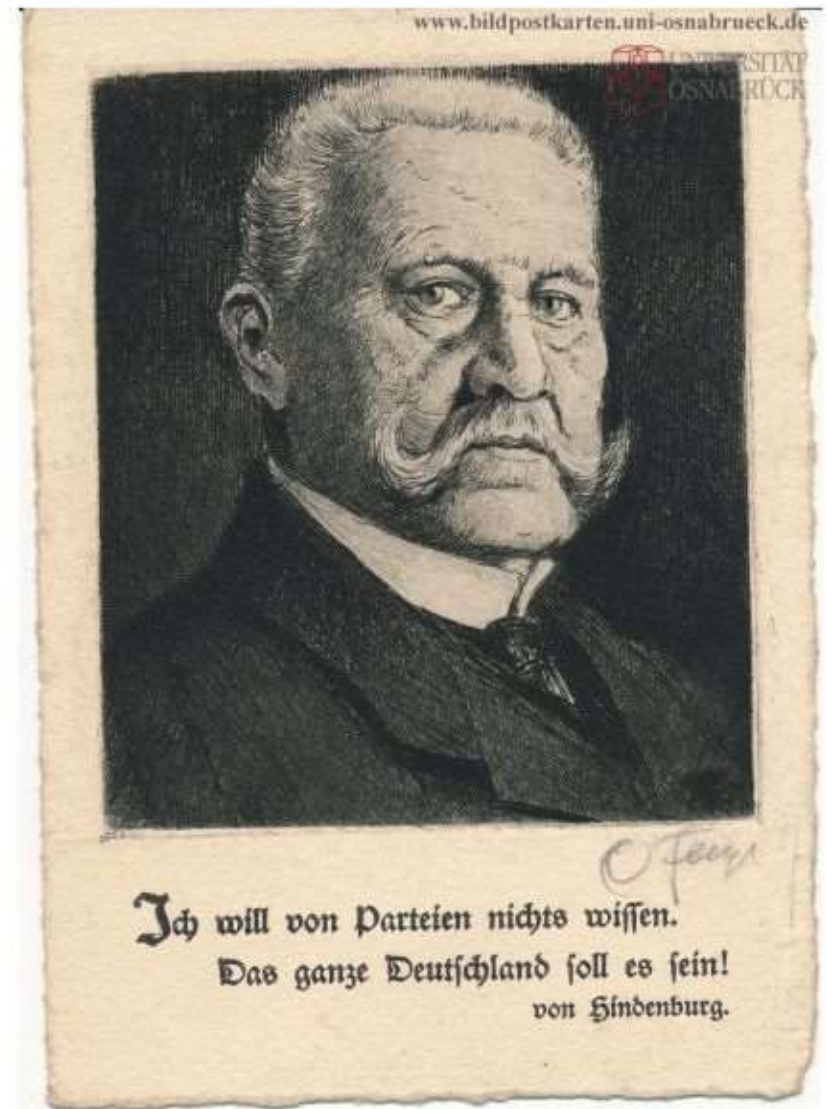
- communitarian identity,
- substantial democracy,
- strong leadership,

deprives the Republic of its legitimacy and promotes authoritarian movements.

- “Modern parties are the children of democracy, of mass franchise, of the necessity to woo and organize the masses, and develop the utmost unity of direction and the strictest discipline.
- 'Professional' politicians outside the parliaments take the organization in hand. They do so either as 'entrepreneurs' or as officials with a fixed salary.
- Power actually rests in the hands of those who, within the organization, handle the work continuously, or on whom the organization depends financially.
- They keep the members of the parliament in check and impose their will for the selection of the party leader. The creation of such machines signifies the advent of plebiscitarian democracy”.

Max Weber, *Politics as a vocation*, January 1919

**“I don’t want
to know
anything
about parties.
Germany will
be as one!”
Paul von
Hindenburg,
President of
the Republic
1925-1934**



Anti-party rhetoric



Downfall of democracy

- **October 1930 – March 1933:**
- **Due to 1929 world economic crisis, the rise of anti-system parties in 1930 elections and the refusal to cooperate with SPD, President Hindenburg uses the article 48 of the constitution to appoint Chancellors of his choice who promotes economic austerity through presidential emergency decrees.**

Art. 48 b: “In the event that the public order and security are seriously disturbed or endangered, the Reich President may take the measures necessary for their restoration”.

Presidential governments without parliament

“Food first, then the rent”:

Anti-system parties (Nazi and communist party) act as defenders of the people against an unjust legal order by exposing the unfulfilled constitutional promises



Rent strike, Berlin 1932

- **Deflationary measures and welfare cuts fuel popular unrest leading to further growth of NSDAP and KPD in 1932 elections.**
- **30 January 1933 President Hindenburg appoints Hitler as Chancellor of a Nazi-conservative coalition government.**
- **27 February - Reichstag fire; Hindenburg signs the decree on “state of exception” under art. 48: It abolishes “personal freedom, freedom of expression, including the freedom of the press, the freedom to organize and assemble, the privacy of communications. Warrants for House searches, orders for confiscations as well as restrictions on property, are also permissible”.**

Reichstag fire decree

- **Enabling Act of March 23, 1933:** Considered a constitutional amendment and thus adopted by a two-thirds majority, it allows the Chancellor Hitler to enact laws altering the constitution without the consent of the Reichstag. All parties - centrist, conservative and liberal - vote in favour of the Act except the SPD (banned soon afterwards, while KPD is already banned).
- **7 April 1933** – law on civil service enables the removal of all opponents from state administration, judiciary, school and university.
- **2 May 1933** – all trade unions are dissolved;
- **14 July 1933** – NSDAP is the only party allowed

One-party state
