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## White-collar employees and industrial society in Imperial Germany

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*Suggested Citation:* Kocka, Jürgen (1985) : White-collar employees and industrial society in Imperial Germany, In: Georg Iggers (Ed.): The social history of politics: critical perspectives in West German historical writing since 1945, ISBN 0-907582-78-8, Berg, Dover, NH ; Heidelberg, pp. 113-136

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## *White-Collar Employees and Industrial Society in Imperial Germany*

White-collar employees in Germany developed a particular consciousness which took the civil servant as its model.\* This consciousness, which was a result of the peculiarities of German industrialisation and cultural traditions,<sup>1</sup> was particularly marked among those employees who found themselves in a work-place situation where they dealt with blue-collar workers, so to speak, as their 'subjects' (*Untertanen*). If we consider those who were employed by the large-scale enterprises of the turn of the century, it might appear that their self-image as private civil servants was not without justification. It was certainly better founded than it had been in any enterprise during early industrialisation. Certainly there were strong similarities between their position and that of civil servants in a large government department. Around 1900 the principle of efficiency and drive (*Leistungsprinzip*) was losing its import-

\* It should be explained that salaried (white-collar) employees in the private sector did not enjoy the status of civil servants (*Beamtenstatus*), which was restricted to those employed in the public sector; however, they saw themselves and were identified as 'private' civil servants (*Privatbeamten*). This idea was developed and substantiated in preceding chapters of the book from which this essay has been extracted: J. Kocka, *Unternehmensverwaltung und Angestelltenschaft am Beispiel Siemens 1894-1914. Zum Verhältnis von Kapitalismus und Bürokratie in der deutsche Industrialisierung*, Ernst Klett Verlag, Stuttgart, 1969, pp. 523-44. The author would like to thank the publishers for permission to prepare and use this translation.

1. See D. Lockwood, *The Blackcoated Worker*, London 1958, pp. 29ff., who in his analysis of early British white-collar workers makes no reference to a self-image modelled upon the Civil Service; rather it appears that the early clerks took the ideal of the gentleman as their example. See also R. Lewis and A. Maude, *The English Middle Classes*, London, 1953.

ance in determining the salary levels of employees working for Siemens, the electrical engineering trust. Only the directors were the exception from this rule. The activities of the great majority of employees lost all those features which bear the marks of entrepreneurial dynamism, private-capitalist initiative, a willingness to take risks, to improvise and innovate. Instead they increasingly approximated the mere implementation of administrative acts based on rational planning and a division of labour. This was true even of those employees who worked on the marketing side of the company. Open competition as a primary determinant of entrepreneurial success was increasingly restricted by horizontal agreements between companies, and cartels and syndicates emerged in its place. All this led to a corresponding restriction of the room for manoeuvre available to the commercial and marketing side of the enterprise. The majority of these employees followed rulings from the top and administered a market which had been carved up among different companies. The 'victories' of the enterprise were no longer won in the jungle of the early-capitalist market. Rather they were won in the research and development departments which rationalised production methods and reduced unit costs; they were also achieved in negotiations and organisational innovations in which no more than a few people participated. Following the expansion of the educational system, qualifications gained outside the company played an increasing role, albeit not a dominant one. There were even the first signs of a respect, normally to be found in a bureaucracy, for claims based on civil service status (*Berechtigungen*). Outside influences to which companies were exposed as well as internal trends towards bureaucratisation were at the root of these developments.

However, these tendencies were less important than those which began to highlight the fact that white-collar workers were dependent employees in a private economy. They were increasingly dependent on a well-functioning labour market which determined their chances of finding employment and their salary levels. There was also the related problem of job security. The most vital interests of the white-collar employees were therefore subjected to the mechanisms of a private-capitalist economy, even if the impact of these mechanisms was cushioned in large-scale enterprises like Siemens & Halske (S & H) or Siemens-Schuckert-Werke (SSW).<sup>2</sup>

2. Flourishing and steadily expanding large-scale enterprises like Siemens & Halske

It was different in the public sector: here the principle of the free market was put out of action where the monopoly of the state (and the local authorities) in providing and creating civil service positions was concerned. This was the basis for of civil service claims to tenure, adequate material support and pension rights. In contrast, white-collar employees in the private sector usually did not enjoy contractually laid down privileges, even in large-scale enterprises such as Siemens. For them, salaries on the basis of seniority, holidays, job security and pension provisions were based on nothing more than concessions on the part of the employer. These concessions resulted from tradition, but could be revoked by the company board at any time. The position of public servants was regulated by laws which guaranteed stability and security. The position of white-collar workers in private industry was at best secured by three-to-five-year contracts and by the firm's service code (*Dienstordnung*). Unlike public sector laws, both could be revised by the company board at any time. Promotion prospects in industrial enterprises were much more dependent than in the public service upon individual effort, and above all upon a personal assessment by a superior.<sup>3</sup> This assessment became the more crucial the more the immediate success of individual decisions became submerged within a huge enterprise based on the principle of a division of labour. There was largely a lack of any objective criteria as to whether someone deserved employment or promotion which were comparable to the *Berechtigungen* used in the public service. Even if the duties of many employees in large-scale enterprises came close to the activities of civil servants in the bureaucracy, the socio-economic situation of white-collar workers was still far removed from that of public servants. Basically, they were involved in a contractual relationship with their employers, even if it contained certain elements of a loyalty and duty nexus which were typical of civil servants, involving the individual *in toto*.<sup>4</sup> After the turn of the

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and Siemens-Schuckert were not entirely representative as far as the question of job security was concerned. Being subject to greater profitability pressures, smaller entrepreneurs could not afford to guarantee their employees job security either in times of crisis or up to retirement age. According to an enquiry of the DTV, some 27 per cent of the technicians and engineers included in the sample had been unemployed in the five years up to 1903. See also R. Jaekel, *Statistik über die Lage der technischen Privatbeamten in Gross-Berlin*, Jena, 1908, pp. 86, 94: of some 3,265 technical employees in Berlin polled in 1907 some 1,048 (=32.1 per cent) reported to have been unemployed at least once.

3. F. Marbach, *Theorie des Mittelstandes*, Berne, 1942.

4. See E. Lederer and J. Marschak, 'Der neue Mittelstand', in *Grundriss der*

century, a minority of industrial employees drew the conclusion from this difference between their own situation and that of public servants and abandoned the idea of modelling their self-image and their demands on the example of the civil servant; instead they perceived themselves as employees facing their employers and began to pursue a trade-union-inspired policy, without however wishing to give up their autonomy *vis-à-vis* the blue-collar workers.<sup>5</sup>

The majority of white-collar employees, on the other hand, responded to the problems which threatened their self-image as private civil servants by emphasising that image. It was now even possible to call the clerical assistants (*Handlungsgehilfen*) lower down the scale *Beamte*.<sup>6</sup> The public servant continued to be the figure with which they identified themselves. This identification now became the basis for collective action. From 1900 on, it was reflected in the agitation surrounding the Employee Insurance Act (*Angestelltenversicherungsgesetz* — AVG) of 1911, which was inspired by existing regulations for the Civil Service and gained a wide significance for the evolution of social policy. It is now necessary briefly to discuss a number of factors relating to changes in social prestige between the groups concerned in the period before the First World War. Only in this way will it be possible to recognise the importance of this self-image modelled on the Civil Service. It was an image which had been upheld for many decades and was now emerging in public outside the company sphere; it was also an image which we have explained, *inter alia*, in terms of the gap between the prestige enjoyed by public servants on the one hand and employees in industry, on the other.<sup>7</sup>

There can be no doubt that technology had witnessed a boost to

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*Sozialökonomik*, sect. 9, pt. I, Tübingen, 1926, p. 126, who found that there was a growing similarity between civil servants and white-collar employees in view of the fact that the relationship of loyalty and hierarchy which was typical of the Civil Service increasingly turned into a contractual relationship.

5. Thus the Butib, its name notwithstanding. See the summary of its demands in W. Mertens, 'Zur Bewegung der technischen Privatbeamten', in *Archiv für Sozialwissenschaft und Sozialpolitik*, vol. 26, 1908, pp. 649-713. In 1909 the Bund resolved not to collaborate with the Bund der Festbesoldeten because public service employees worked under conditions different from those of the private sector employees. See *Jahrbuch für die soziale Bewegung*, 1909, p. 336.
6. See W. Stiller, *Der Verein für Handlungs-Commis von 1858*, Jena, 1910, with the sub-title 'A Contribution to the History of the Movement of Private Civil Servants'.
7. See J. Kocka, *Unternehmensverwaltung und Angestelltenschaft*, Stuttgart, 1969, pp. 186ff.

its general prestige from the *Gründerzeit* around 1870 onwards. Reservations voiced by the educated middle classes against technology which was debunked as being utilitarian lost their former power. Quite often they had even given way to an admiration of technology which amounted almost to a progressive gospel and was particularly strong among the youth. Increasingly, sectors of the population turned their attention and enthusiasm to modern technology, influenced here by the role which military technology had played in the unification of Germany.<sup>8</sup> They were impressed by the books of Max Maria von Weber<sup>9</sup> and Max Eyth (*Hinter Pflug und Schraubstock*) which were widely read and stylised the creative progressiveness of the engineer. They were finally carried away by the great discoveries that followed the age of the steam engine, railway and telegraph, i.e., first that of electric light, then that of the motor-car and the races organised with its rise and later that of the first flying machines, of the Zeppelin and the cinematograph.<sup>10</sup>

The development of science-orientated secondary schools (*Realschulen*) and of technical universities also indicates that a non-humanist education was slowly overtaking that of the more classically-orientated grammar schools and older universities. This trend culminated in 1899/1900 when Emperor Wilhelm II gave the technical universities the right to award doctorates.<sup>11</sup> Frequent references to the prestige of 'German industry' abroad put the rise of technology into a national context. 'Made in Germany' had changed from a mark of negative discrimination to a sign of high quality. The successful upvaluing of technology, which had met with many obstacles, also found an expression in the varied technical interests of the Emperor, in his praise of, and support for, the technical universities. 'The best families', he proclaimed, 'who thus far, it appears, have distanced themselves now encourage their sons

8. It is no coincidence that the German Emperors paid frequent visits to Krupp's factories and in particular those involved in armaments production. Wilhelm I and his son, while Crown Prince, did so at least four times, Wilhelm II at least eight times.
9. See F. Schnabel, *Deutsche Geschichte im 19. Jahrhundert*, Freiburg, 1954, vol. III, pp. 450f.
10. See the chapter 'Wirtschaft und Technik' in G. Kotowski et al. (eds.), *Das Wilhelminische Deutschland. Stimmen der Zeitgenossen*, Frankfurt, 1965, pp. 109-24, with various materials documenting the positive reception of technological progress, but also including some sceptical statements.
11. See W. Treue, 'Das Verhältnis der Universitäten und technischen Hochschulen zueinander und ihre Bedeutung für die Wirtschaft', in F. Lütge (ed.), *Die wirtschaftliche Situation in Deutschland und Österreich um die Wende von 18. zum 19. Jahrhundert*, Stuttgart, 1964, pp. 234ff.

to turn to technological subjects and I hope that this trend will grow'.<sup>12</sup> The engineers above all were convinced of the epochal significance of technology: 'While there is absolutely no doubt that technology has become a significant cultural factor in our cultural life, its triumphant rise (*Siegeslauf*) has also conquered the hearts of all people'.<sup>13</sup> The growing importance of the applied sciences was also reflected in the increased self-confidence of many engineers.<sup>14</sup> Their claim that the non-technological spheres be 'engineerified' and that social and political life be shaped according to technological criteria was given limited support by the Emperor.<sup>15</sup> If they articulated their ideas at all, many engineers frequently reacted to these transformations not so much with naively formulated technocratic claims to leadership, but with an imprecise demand for more 'influence' or 'standing' (*Geltung*).

It was the economic upswing since the end of the Great Depression much more than technology itself that created the preconditions of the imperialistic ideas which gained greater importance in Wilhelmine society towards the end of the nineteenth century. This also applies to the hypothesis that Germany had become an *Industriestaat* which from 1900 was deployed to provide an ideological basis to the legislative demands of industry.<sup>16</sup> In this way, industry and commerce appeared in the public's consciousness as the foundation of German greatness. This was used by entrepreneurs and merchants to demonstrate how important they were to society, culture and to the German nation as a whole. Thus we read; 'Especially we Germans, who have made very rapid and much-envied economic strides, will need, at a time of increased potential for tensions, a stratum of merchants who possess a deep and all-round knowledge of business and the world, such as can only be provided by the best

12. Thus Wilhelm II on 19.10.1899, quoted in W. Schröder (ed.), *Das persönliche Regiment*, Munich, 1907, p. 150.
13. C. Weihe, *Die akademisch-technischen Berufe*, Berlin, 1904, p. 4.
14. See W. Franz, *Ingenieurstudium und Verwaltungsreform*, Berlin, 1909, p. 9: 'Just take a single link out of the great technical works and the intellectual life of the period will immediately experience the most difficult problems. What a massive and all-embracing power is encapsulated in technology! . . . And yet — what is the esteem enjoyed by the technologist in his national community?'
15. Thus the Kaiser proposed to 'move the technical universities into the foreground', arguing that they 'have to solve great tasks, and not just technical ones, but also big social tasks'. Count Arthur von Posadowsky-Wehner, the State Secretary in the Reich Office of the Interior, speaking on the occasion of the fiftieth anniversary of the Verein Deutscher Ingenieure in 1906 emphasised the task of the engineer as a social mediator.
16. See H. Kaelble, *Industrielle Interessenpolitik in der Wilhelminischen Gesellschaft*, Berlin, 1967, pp. 127f., 152.



education and real-life training'.<sup>17</sup> Georg Siemens, a banker whose father, as a civil servant, never accepted his son's decision to become a businessman, described the situation at the turn of the century as follows:

The activity of a businessman does not enjoy a special esteem among civil service circles as far as its usefulness is concerned. In my view [this is so] because the[se] gentlemen are still so full of the ideas of earlier centuries and simply cannot yet imagine the colossal change that has occurred during the past fifty years in the relationship between [different social] forces.<sup>18</sup>

Some ten years later, Walther Rathenau stated that the 'art of business' enjoyed general high prestige and was frequently even over-estimated. It was now directly competing with the traditional virtues of the civil service and the military.<sup>19</sup>

It was a reflection of the growing esteem enjoyed by trade and commerce that historical accounts glorified the 'German merchant' of the Hanseatic League as well as the 'royal merchant' of the eighteenth century.<sup>20</sup> At the turn of the century the notion of the wealthy businessman carried with it clear nationalist overtones. In after-dinner speeches even the employees were deemed always to have adhered to 'a genuinely businesslike, Hanseatic spirit' (Rostock).<sup>21</sup> One extolled the personality 'who was called upon to give the German name the widest popularity and recognition, especially abroad. The German merchant was and is this personality'. The 'foundations of our German fatherland, of our greatness and our power-consciousness' were seen to rest primarily upon the 'estate of merchants'.<sup>22</sup> As *Deutsche Handelswacht*, the organ of the *Deutschnationale Handlungsgehilfen-Verband* (DHV), put it, 'foreign nations were beginning to fear the German merchant as the future ruler of the large empire of the world market'.<sup>23</sup> This notion of the businessman who was widely travelled, cosmopolitan, urbane

17. L. Rothschild, *Taschenbuch für Kaufleute*, 20th ed., Leipzig, 1878; 53rd ed., Leipzig, 1910.

18. K. Helfferich, *Georg von Siemens*, Berlin 1921-3, vol. III, p. 350.

19. W. Rathenau, *Zur Kritik der Zeit*, 17th ed., Berlin, 1919, pp. 210f.

20. See also R. Ehrenberg, 'Handelshochschulen II', in *Deutscher Verband für das kaufmännische Unterrichtswesen*, Braunschweig, 1897, p. 6.

21. Verein junger Kaufleute (ed.), *Festbuch zur Hundertjahrfeier der 'Union'*, Rostock, 1909, p. 36.

22. *Ibid.*, pp. 38f. See also similar statements in G. Steinhausen, *Der Kaufmann in der deutschen Vergangenheit*, Jena, 1912, p. 131. This book was written for the Verband Deutscher Handlungsgehilfen at Leipzig.

23. *Deutsche Handels-Wacht*, vol. V, 1898, p. 427.

and at home with foreign languages, continued to appear in the columns of the white-collar employee journals whose headlines were embroidered by symbols of long-distance trade such as a globe, heavily-laden ships and Mercury, the god of trade.<sup>24</sup>

However, these changes in societal consciousness which occurred during the Wilhelmine period did not lead to a tangible upvaluing of the groups employed in commerce and industry; nor did they result in a belated acceptance of capitalist-industrial modes of thought. There can be no doubt that industrialists like Wilhelm von Siemens were part of the Berlin Establishment, if public honours and social contacts are to be taken as a guide. He had a large estate (*Rittergut*) outside Berlin, was nominated Privy Councillor (*Geheimer Regierungsrat*) and awarded an honorary doctorate in engineering science. These were honours bestowed upon him by very different spheres of public life. He mixed with top civil servants and invited them to his hunting estates.<sup>25</sup> The Prussian Minister for Public Works took a one-week holiday on Wilhelm von Siemens's estate at Biesdorf.<sup>26</sup> However, the civil servant was no model for the owner and director of the House of Siemens just as he probably did not have the admiration of the firm's top employees. Rather, civil servants were strongly drawn to taking up leading positions in the private sector, not least for financial reasons. This is not only demonstrated by the entry of Tonio Bödiker, the President of the Reich Insurance Office, into the Siemens board of directors from where he later moved to the Siemens & Halske supervisory board; it is also evidenced by the employment, sometimes on a provisional but often on a permanent basis, of technical civil servants (such as *Regierungsbaumeister*) who, coming from the technical departments of central or local government, achieved higher positions in

24. Thus the cover of *Handelsstand*, the journal of the Verein für Handlungs-Commis von 1858, carried a globe, ships and the baton of Mercury. Similar symbols were used in the issues of October, November and December 1898 of *Deutsche Handels-Wacht*. The Kaiser undertook a trip to the Near East at this time.
25. Archiv des Werner-von-Siemens-Instituts, München (SAA), 4/Lf 775, diary of Wilhelm von Siemens, referring to his elevation to Geheimer Regierungsrat on 1.1.1905. At the same time he became a member of the Akademie für Bauwesen. Dresden Technical University awarded him an honorary doctorate in engineering science (Dr-Ing. e.h.). Wilhelm was also a member of several scientific societies, among them the Elektrotechnische Verein, the Deutsche Bunsengesellschaft and the Staatswissenschaftliche Gesellschaft at Göttingen which had some thirty members, most of them civil servants and professors. He was also a member of the Presidium (Vorstandsrat) of the Deutsche Museum at Munich.
26. See *ibid.*, entry for 1.1.1906, referring to Budde's stay. Von Thielen, Budde's predecessor, also visited Gut Biesdorf.

the Siemens echelons. And Siemens was not an exception in this respect. The three Krupp directors, Jencke, Roetger and Hugenberg, were all former civil servants.<sup>27</sup> By 1912 this migration had become so widespread that the problem was debated in the German Parliament (*Reichstag*).<sup>28</sup> It is also unlikely that directors of the AEG electrical engineering trust, like the successful Felix Deutsch or even Emil Rathenau, looked up to the former Prussian minister, Herrfurth, or the former State Secretary for the Navy, Hollmann, who succeeded each other as well-paid figureheads on the AEG supervisory board and whose assets consisted of good connections with the spending departments of the government.<sup>29</sup> Senior managers, acting as they did as aides to the entrepreneur, enjoyed a prestige which the industrialists of the earlier period had lacked.

Yet, their greater social recognition notwithstanding, it would be wrong to speak of a public opinion that favoured industry. Large sections of the press as well as opinion-moulding social scientists did not take a kind view of 'large-scale capital'.<sup>30</sup> As the secretary of one industrial association (probably with slight exaggeration) put it: 'Nowhere in the world does the entrepreneur enjoy so little prestige and favour as in Germany . . . [To the people] the large-scale industrialist is a less well-known figure than the large-scale land-owner'.<sup>31</sup> Thus the criticism of capitalism by socialists, *Mittelstand* and agrarians combined to influence a public which favoured economic concentration.<sup>32</sup> If Gustav Stresemann in 1905 sensed 'little enthusiasm for the value of an industrial society' (*Industries-*

27. See W. Fischer, 'Selbstverwaltung und Interessenverbände im Deutschen Reich, 1871-1914', in C. Böhrer and D. Grosser (eds.), *Interdependenzen von Politik und Wirtschaft*, Berlin 1967, p. 444.

28. See *Stenographische Berichte des Deutschen Reichstages*, vol. 283, pp. 561ff., 12.3.1912. The Reichstag discussed the problem of higher civil servants who had retired (frequently because of alleged incapacity — 'Dienstuntauglichkeit') and then supplemented their pensions with lucrative salaries paid by private companies. Those civil servants who joined industry waiving their pension rights were not mentioned.

29. This is how Liesching, a member of the Progressive Party, explained why the companies were interested in attracting former civil servants. See *ibid.*, p. 564. See also F. Eulenburg, 'Die Aufsichtsräte der deutschen Aktiengesellschaften', in *Jahrbuch für Nationalökonomie und Statistik*, III series, vol. 32, 1906, pp. 100ff. Examples from the AEG trust may be found in F. Pinner, *Deutsche Wirtschaftsführer*, Charlottenburg, 1925, p. 399.

30. See Kocka, *Unternehmensverwaltung*, pp. 444ff., on the efforts by the companies to influence public opinion.

31. P. Steller, *Das Unternehmertum und die öffentlichen Zustände in Deutschland*, Berlin, 1911, p. 1. Steller was the General Secretary of the Verein der Industriellen des Regierungsbezirkes Köln.

32. *Ibid.*, p. 2.

taat) and saw the legislature and public opinion as 'retarding' factors hostile to industry, his views were in line with the contradictory approach to a social and economic policy which was taken in the German Empire<sup>33</sup> — a system which was strongly shaped by the forces of bureaucracy and agriculture.<sup>34</sup>

In this connection the feudalisation tendencies among the German *haute bourgeoisie*, which accelerated around the turn of the century and which Wilhelm von Siemens reflected, gained a new significance. This also applied to the militarism of the prewar decades which likewise became a force that moulded society. Both symbolised the relative social (and political) weakness of the industrial elite which had gained in economic strength. As has been shown above, the head of one of the country's largest companies (Siemens) found it quite possible to combine the notion of bourgeois-capitalist expansion on the world market and the demand for imperialistic great power politics with a critique of capitalism touted in agrarian or *Mittelstand* rhetoric and with anti-urban attitudes and life-styles. The Siemens-Schuckert director Alfred Berliner who, according to Sombart, as a Jew was largely instrumental in bringing about an organizational-commercial modernisation of Siemens in the wake of the 'commercialisation' of the electrical engineering industry after 1800, was likewise the owner of a *Rittergut*.<sup>35</sup> Just as the bourgeois-capitalist 'great power' policies of the German Empire were, in terms of domestic politics, permeated by authoritarian traditions and agrarian-feudal interests,<sup>36</sup> the rise of the industrial upper bourgeoisie in the age of imperialism similarly occurred against a background of a successive shedding of genuinely bourgeois attitudes and life-styles.<sup>37</sup>

33. See the criticisms which Max Weber advanced in his Inaugural Lecture at Freiburg University in 1895 from the perspective of a nationalism of the 'machstaatlich-grossbürgerlich' variety. See also the criticism that the industrial policy of the Reich lacked a clear line made by the Left Liberal deputy and representative of the *Werkmeister* in *Schriften des Werkmeister-Verbandes*, vol. II, 1906, pp. 3f.
34. G. Stresemann, 'Die Stellung der Industrie zur Frage der Pensionierungs-Versicherung der Privatangestellten', in idem, *Wirtschaftspolitische Zeifragen*, Dresden, 1910, p. 58; also Kocka, *Unternehmensverwaltung*, p. 369.
35. See SAA, *Biographische Sammlung zu ausgewählten Personen aus der Firmengeschichte (Berliner)*; W. Sombart, *Die Juden und das Wirtschaftsleben*, Leipzig, 1911, p. 132; for criticisms see Kocka, *Unternehmensverwaltung*, p. 369.
36. See E. Kehr, *Schlachtflottenbau und Parteipolitik, 1894-1901*, Berlin, 1930, pp. 430f., with the critical statements by Max Weber, Emil Rathenau and others cited there.
37. W. Zorn, 'Typen und Entwicklungskräfte deutschen Unternehmertums im 19. Jahrhundert', in *Vierteljahrsschrift für Sozial- und Wirtschaftsgeschichte*, vol. 44,

One aspect of this was that the pursuit of special commercial interests was only reluctantly admitted in public, unless 'national interests', relating to the world market and 'great power' politics, could be invoked. An attitude which began to take the bureaucratic model as its guide can also be discerned in the widely read *Rothschild*, the 'merchant's pocket-book'. It raised the questions, firstly, of why the 'commercial estate' had improved its position in economic terms, but hardly at all in terms of social prestige and, secondly, why it was held in lower esteem than the professions or the officer corps. The author of the article also provided the answer to this puzzle: 'The basic reason for the inferior standing of the commercial estate lies in the fact that the activities of the latter, in contrast with the above-mentioned [groups], are deemed to be independent (*selbständig*) and egotistical'. The soldier and the civil servant, on the other hand, were held in high esteem because they served the general public.<sup>38</sup> Even trade and commerce, whose original orientation was anti-bureaucratic, apparently developed a tendency formally to reject an essential feature of capitalism, i.e. the independent and unwavering pursuit of self-interest. They did so for accommodationist reasons and in the name of providing an (ideologically somewhat distorted) service to the whole nation.

The rise of trade and industry carried with it even less social upvaluing of commercial and technical white-collar employees. The crisis of the 1870s with the anti-industrial resentments generated by it reinforced the complaints of the engineers concerning their low social prestige.<sup>39</sup> As a professor at the (Berlin) Charlottenburg Technical University put it, probably with some exaggeration, production engineers (*Maschineningenieure*) were widely seen, even up to the 1880s, as 'superior lock-smiths' and the *Verein Deutscher Ingenieure* (VDI) was thought to be a 'club of machinists'.<sup>40</sup> In 1893

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1957, p. 76; W. Hock, *Deutscher Antikapitalismus*, Frankfurt, 1960, pp. 18f., 74 (n. 14).

38. Rothschild, *Taschenbuch*, pp. 11ff. Patronage, a sense of duty towards the whole, a preparedness to sacrifice and a broad education were put forward as an antidote. Here are also to be found the roots of the striving for higher education among merchants.
39. See, e.g., the speech by the technical director of an iron-manufacturing enterprise at the general meeting of the Technische Verein für Eisenhüttenwesen in Düsseldorf (J. Schlink, *Über die sociale Stellung des deutschen Technikers*, Berlin, 1879) who complained about the differences in social prestige which he thought existed between civil servants, lawyers, teachers, doctors and clergymen on the one hand and engineers on the other.
40. A. Riedler, *Emil Rathenau und das Werden der Grosswirtschaft*, Berlin, 1916, p. 115.

Sinzheimer took the view that in Germany, in contrast with other countries, the low esteem of engineers and technologists should be compensated for by high salaries.<sup>41</sup> From the end of the century onwards, these complaints increased in volume. It is hardly justified to speak of a 'movement of engineers', which is supposed to have arisen from the gap between a sophisticated technical training and the low prestige of the engineering professions.<sup>42</sup> Nevertheless, there was a growing sense that these groups were socially underprivileged. A representative of the *Verein Deutscher Diplomingenieure* formulated this feeling as follows: 'At the moment [the papers] still report that the collaborators [of Count Zeppelin] are engineers. But once Zeppelin No. 5 has happily made a few journeys, you will no longer read about an *Oberingenieur*; the man then sitting in the cabin will be a qualified lawyer (*Assessor*). And thenceforth technical staff and machinists will merely be required for "technical" maintenance'.<sup>43</sup>

The prejudices of the educated middle class were the root cause of this persistent state of affairs, even if they were less strong than at the beginning of the industrial revolution.<sup>44</sup> The organisations and spokesmen of the engineers tried to circumvent this rejection by emphasising the need to obtain a general education. They warned against narrow specialisation, even though this was what was needed above all in the ranks of the middle management. And ultimately they were successful in linking up their technical universities, endowed with the right to award doctorates, with the highest levels of a *bildungsbürgerliche* educational system which, through many informal channels, allocated social and economic privileges.<sup>45</sup> As a former president of the VDI demanded: 'Every larger enterprise . . . must in a certain way also constitute a small-scale cultural centre which may form a platform enabling broadly educated engineers and private civil servants' to participate, 'like their

41. L. Sinzheimer, *Über die Grenzen der Weiterbildung des fabrikmässigen Grossbetriebes in Deutschland*, Stuttgart, 1893, pp. 180ff., 186.

42. L. Bernhard, 'Die Stellung der Ingenieure in der heutigen Staatswissenschaft', in *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft im Deutschen Reich*, vol. 28, 1904, p. 130f., who gives 1895 as the starting date of the 'movement of engineers'.

43. W. Franz, *Ingenieurstudium und Verwaltungsreform*, Berlin, 1909.

44. See Schlink, *Technikers*, pp. 4ff., where he gives as the main reason for the lower prestige of the engineers their lack of an obligatory classical education. Similarly, Sinzheimer, *Weiterbildung*, pp. 180f.; Bernhard, *Ingenieure*, pp. 128f.

45. See *Verein Deutscher Ingenieure, 1856-1926*, Berlin, 1926, p. 32, with references to the Association's efforts to establish the applied sciences in the educational system. See also J. Kollmann, 'Des Ingenieurs Erziehung', in *Der Ingenieur*, 20.

bosses', in public cultural life.<sup>46</sup> The ambiguous attitude of the engineers towards civil servants moreover continued to be informed by the struggle against the monopoly position occupied by the lawyers: 'The engineer has made the entrepreneur a wealthy, even a rich, man; it is the lawyer-dominated administration that prevents him from bringing wealth and happiness to his fatherland and his country (*Staat*)'.<sup>47</sup> Such complaints and grievances became more acute for two reasons which are inseparable from the rise of trade and industry.

To begin with, the engineers and scientists became more self-confident and put forward increased demands. But at the same time, the upswing was based precisely on the fact that the position of the individual white-collar employee became more restricted, less important, other-directed and partially even socially degraded.<sup>48</sup> There was a direct link between the industrial boom of the prewar decade, the rationalisation, concentration and bureaucratisation of the enterprises, the proliferation of technical training and, finally, the increased discipline imposed upon white-collar workers. The rise of German industry was tantamount to the rise of the industrial tycoon and a small stratum of top managers. This occurred not merely in terms of industry's profitability but also in terms of this minority's power and room for manoeuvre. Many engineers felt dissatisfied as far as their professional consciousness was concerned because the demands made upon them at their work-place no longer lived up to their ideas about the professionalism of the engineer and about their own expertise. They also were dissatisfied with their economic and social status which, so it seemed to many of them, could only be improved through collective organisation.<sup>49</sup>

On the other hand, the image of the public civil servant did exert a remarkable fascination, even if it had seen changes in detail since

46. Thus H. Oechelhäuser, 'Die "allgemeinbildenden Fächer" an den Technischen Hochschulen', in *Abhandlungen und Berichte über technisches Schulwesen*, vol. V, p. 70; *ibid.*, pp. 70-2, the guidelines of a Committee, founded by the VDI, concerning the 'general department' in Technical Universities; *ibid.*, pp. 72-9, a list of general educational lectures at Technical Universities at this time.
47. Bernhard, *Ingenieure*, p. 119. Almost all writers take a similarly combative attitude towards the domination of the lawyers. See Schlink, *Technikers*, pp. 4ff.; Riedler, *Rathenau*, p. 115; Franz, *Ingenieurstudium*, *passim*.
48. On this discrepancy see *Deutsche Industriebeamten-Zeitung*, vol. V, 1909, p. 435.
49. See L. Brinkmann, *Der Ingenieur*, Frankfurt, 1908; H. Klages and G. Hortleder, 'Gesellschaftsbild und soziales Selbstverständnis des Ingenieurs', in *Schmollers Jahrbuch*, vol. 85, 1965, pp. 670f. Butib saw insufficient remuneration as one main cause of the low social status of the engineer. See *Deutsche Industriebeamten-Zeitung*, vol. V, 1909, p. 436; Jaekel, *Statistik*, 158.

the first phase of industrialisation. This was even true of foreign observers.<sup>50</sup> Writing at the beginning of the century, Otto Hintze praised the 'high virtues which the civil service estate had never been lacking'.<sup>51</sup> As is clearly evidenced by the programme of the Association of German Private Civil Servants or by the statements of white-collar representatives during the debate on the AVG, employees admired particularly, in a fashion that was quite alien to the capitalist ethic, the job security enjoyed by civil servants. Indeed, around 1900, just as during the crisis of the 1870s, the notion of civil service tenure gained in significance and attractiveness, given that employees in private industry continued to be exposed to the crisis proneness of a market economy.<sup>52</sup> Nor does it appear that the average current incomes of middle-ranking and lower white-collar employees rose much above the average of the equivalent civil service grades. They hardly provided compensation for the lack of job security obtaining in private industry.<sup>53</sup>

By the turn of the century, after the various crises of advanced capitalism, the trend towards a secure civil service position with pension rights had become a significant force in Germany. This is demonstrated, *inter alia*, by the arguments with which Stresemann, speaking before the League of Industrialists (BDI), justified the AVG. He pointed to the tendency of parents to direct their best qualified offspring towards a civil service career in order to guarantee them a 'secure future'. He continued: '... this tendency to favour the civil service does exist and, to some extent, we have to take into consideration the existing esteem for civil service status. These currents siphon off extremely valuable talents which industry needs at all cost in order to remain competitive'.<sup>54</sup> Heinz Potthoff, the secretary of the *Werkmeisterverband*, added another point: 'Certainly it is for the most part economic considerations, job security and the prospect of a pension which cause the private employee to strive for civil service-like positions; but in large part it

50. See, for example, S. Whitman, *Das Kaiserliche Deutschland*, Berlin, 1889, p. 85.
51. O. Hintze, 'Der Beamtenstand', in idem, *Soziologie und Geschichte*, Göttingen, 1964, p. 77. However, Hintze also mentions as civil service vices corruptibility, laziness and careerism.
52. See H. Rosenberg, *Grosse Depression und Bismarckzeit*, Berlin, 1967, p. 54, for the upvaluing which civil servants achieved during the Great Depression.
53. See the statement by the Centre Party deputy, M. Erzberger, in the Reichstag on 12.3.1912 in *Stenographische Berichte des Deutschen Reichstages*, vol. 283, p. 566.
54. Stresemann, *Industrie*, pp. 54f: this was in a speech he made before the Bund der Industriellen in 1906.



is also the striving for social recognition, [and] increased esteem which produce a longing among employees to achieve a civil service position'.<sup>55</sup>

Thus many German entrepreneurs took as their guide preindustrial ideals and life-styles which originated in agrarian feudalism at a time when German capitalism expanded and organised itself most vigorously; when Social Darwinist ideas and slogans of power politics were frequently to be heard. Meanwhile a constantly rising number of their employees looked towards civil service-like positions and bureaucratic models which, in Germany, were similarly preindustrial in origin.<sup>56</sup> The repercussions of several crises reinforced, within the framework of a capitalist economy, those large groups which refused to apply to themselves entrepreneurial values such as risk, initiative, efficiency, competition and free self-responsibility. The trend towards feudalisation among many German entrepreneurs corresponded to the trend towards achieving civil service-like positions among the white-collar employees.<sup>57</sup> In Germany, the beginnings of bureaucratisation were rooted in the genesis of the bourgeois society and in the conditions of industrialisation. Now, at the turn of the century, these beginnings combined with the historically unavoidable instabilities of a capitalist economy and both produced, in their midst, a *Mittelstand* which was anti-capitalist as far as its ideas and aspirations were concerned.<sup>58</sup>

This development, which went back as far as the early phases of industrialisation, now turned into an effective demand for a change in social policy. With its adoption the white-collar employees succeeded in fixing by law (the AVG) a special position for themselves within the welfare and insurance system. They achieved this success at the last moment, i.e. just before the actual economic

55. Thus H. Potthoff, *Die Organisation des Privatbeamtenstandes*, Berlin, 1904, p. 7. On Potthoff see also n. 33 above; he was secretary general (Syndikus) of the *Werkmeisterverband*.

56. However, it appears that this proclivity declined somewhat in the last years before the First World War.

57. J. Schumpeter (*Capitalism, Socialism and Democracy*, New York, 1942) and D. Landes (*Unbound Prometheus*, Cambridge, 1970) point to certain parallels with Britain. Against this, we would like to emphasise the specifically German traditions and pressures behind this orientation which took preindustrial models with their anti-capitalist and anti-bourgeois elements as its reference points and which can be traced forward into National Socialism in terms of its social and intellectual history. However, a comprehensive and detailed comparative study would be necessary in order to separate general repercussions of industrialisation from national peculiarities with sufficient clarity.

58. Marbach, *Mittelstandes*, pp. 140ff., identifies an anti-capitalist interest as the common feature of both the self-employed and the dependent *Mittelstand*.

rationale of the privileged position of 'private civil servants' evaporated, for the majority of these groups, in the anonymity of the office with its division of labour. The result was a clear legal and semantic separation of blue-collar workers (*Arbeiter*) from white-collar employees (*Angestellte*) which has continued into our own times, even if it has become increasingly difficult to recognise its rationale.

In order to be successful, these separatist tendencies of the Siemens employees required active reinforcement through the personnel policy of the employing company. This had been the case in many large corporations during the nineteenth and early-twentieth centuries. Consequently, there was already a clear division between blue- and white-collar workers within these firms. In addition, the striving for separateness and privilege among these employees, which was rooted in their professional and civil service mentality, could not have asserted itself had it not been for the support of dominant groups in Imperial Germany. These were the financial considerations of the Imperial government<sup>59</sup> and the aspirations of the political parties that were competing for electoral groups which, like the employees, were rapidly growing, but politically still volatile.<sup>60</sup> But what also helped them were the *mittelständisch* and anti-socialist intentions of influential circles.

If one follows their first statements which touched upon issues beyond their firms and their professional concerns, the private civil servants saw themselves as a 'broad *Mittelstand* stratum'.<sup>61</sup> The 1894/5 action programme of the DHV included the demand that the *Mittelstand* had to be preserved.<sup>62</sup> The term '*Mittelstand*' frequently appeared in the context of the fear that the employees might decline to the level of blue-collar workers; or it was used in the context of a rejection of Social Democracy. In both cases the term pointed to a requirement that these *Mittelstand* groups needed support in order

59. An expansion of the existing system of social insurance would probably have implied that the Reich would have had to pay contributions also for those white-collar employees who would have to be insured anew. Contributions under the AVG were paid, on a 50:50 basis, by employers and employees alone. The Government bill of 20.5.1911 for the AVG argued that an expansion of workers' insurance would be too expensive.

60. Despite reservations on the part of the Social Democrats and the Progressives, the AVG was unanimously approved by the Reichstag. Both these parties would have preferred an expansion of the existing social insurance scheme. In 1907 the parties quarrelled over who had seized the initiative in proposing the AVG. See *Stenographische Berichte des Deutschen Reichstages*, vol. 227, pp. 470ff.

61. See *Privat-Beamten-Zeitung*, vol. V, 1889, p. 3.

62. See the action programme of the DHV in *Deutsche Handels-Wacht*, vol. I, 1894/5, n.p.

to help to erect defences against the forces of revolution (*Umsturz*). In this way the slogan encapsulated on the one hand, the notion of a double demarcation (from those above and those below — *Abgrenzung*) and consequently a double threat; on the other hand, it emphasised the variety and the potential of this group which was worthy of encouragement and, finally, its great significance for the continued stability of state and society.<sup>63</sup>

Since the beginning of the 1890s, however, *Mittelstand* policies, as pursued by the government, concentrated on providing aid and concessions to peasants, retailers and small-scale businessmen. These measures were of little help to the white-collar employees. The interests of private civil servants and employees were not helped by the law against unfair competition, the 'small-scale supporting measures' (*Kleinen Mittel*) for agriculture, the funds for inner colonisation; nor were they served by the meat inspection law, the handicraft chambers, compulsory guild membership in certain conditions, the protection of the title of master craftsman, the regulation of apprenticeship, the restriction of door-to-door trading, the law on department stores and the stock exchange act. On the contrary. It was only possible to bracket as *Mittelstand* peasants, small-scale merchants, self-employed craftsmen, lower- and middle-ranking civil servants, white-collar employees and some members of the 'liberal' professions, if, following Schmoller, one used such superficial definitions as levels of wealth and income and ignored the actual interests of different groups.<sup>64</sup> After all, it had been precisely this latter factor which had led to the politicisation of the *Mittelstand* concept. By including better-paid workers, maintenance personnel and foremen (*Meister*) as well as the 'higher administrative personnel' and by extolling them as 'one of the most dynamic energetic elements with great prospects for the future', as the 'core of the newly forming *Mittelstand*', Schmoller was able optimistically to predict the growth of the *Mittelstand* and hence the reduction of social tensions.<sup>65</sup>

Politicians and employees referred to this speech by Schmoller

63. See H. Böttger, *Vom alten und neuen Mittelstand*, Berlin, 1901, pp. 5f., 9, 38ff.  
 64. In G. Schmoller's view ('Was verstehen wir unter dem Mittelstande?', in *Die Verhandlungen des 8. Evangelisch-sozialen Kongresses*, Göttingen, 1897, pp. 157f.) persons counting among the *Mittelstand* had to have an annual income of between 1,800 and 8,000 marks, on top of 'quite a bit' in assets (up to 10,000 marks). See also his definition of 'Mittelstand', *ibid.*, pp. 134f.  
 65. *Ibid.*, pp. 154, 160. He added, with reference to public service employees: 'Thus we have in front of us new strata of a *Mittelstand* which have a considerable weight'.

before the Evangelical-Social Congress when they spoke of the 'new *Mittelstand*' and actually had the 'dependently employed *Mittelstand*' in mind.<sup>66</sup> It was only after 1904 and after the first small successes of white-collar agitation that the concept was effectively taken on board by the discussion on social policy. It facilitated the adoption of the traditional corporate (*ständische*) connotations of the term *Mittelstand* at a time when these *ständische* structures were in fact crumbling and, simultaneously, it could imply a happy optimism about the future: 'If therefore the old *Mittelstand* is declining, a new *Mittelstand* is developing which replaces the former at least in financial terms'.<sup>67</sup> The concept made it possible even for proletaroid groups to set themselves apart from those who existed, in accordance with the assumed hierarchical image of society, beneath their own respective rank on the social scale. The talk about the *Mittelstand* always assumed the existence of at least three social strata: upper, middle and lower.

First indications that industrial white-collar workers were beginning to behave like trade unionists emerged in 1906,<sup>68</sup> one year after the founding of the *Bund der technisch-industriellen Beamten* (Butib) and after the white-collar organisations had influenced the 1907 election campaign.<sup>69</sup> Thenceforth *Reichstag* politicians took an interest in this growing stratum which all parties now saw as part of the *Mittelstand*.<sup>70</sup> The term was employed in particular by those parties which supported the idea of a special insurance scheme for white-collar employees.<sup>71</sup> For a National Liberal like Stresemann the task was 'to prevent by means of a special insurance scheme that, after the blue-collar workers, the new *Mittelstand* also becomes alienated from industry'.<sup>72</sup> The spokesman of the conservative

66. Similarly Böttger, *Mittelstand*, p. 8, who also more or less adopts Schmoller's financial criteria. Marbach, *Mittelstandes*, p. 193ff., believes that the identification of 'new' with 'dependent' is not quite correct, as employees such as book-keepers had existed for a long time. Conversely, he talks of a 'new self-employed *Mittelstand*', e.g. designers, garage owners.

67. Potthoff, *Organisation*, p. 6. He explicitly quotes Schmoller ('*Mittelstand*', p. 7).

68. See P. Lange, 'Der neue *Mittelstand*', in *Die Neue Zeit*, vol. 25/2, 1907, p. 364, and above all the references to the reports of the Breslau and Halberstadt Chambers of Commerce.

69. Thus Potthoff in the *Reichstag* on 14.3.1907. See *Stenographische Berichte des Deutschen Reichstages*, vol. 227, p. 474.

70. *Ibid.*, p. 467, with a statement by the National Liberal deputy, von Heyl, relating to the 'new *Mittelstand*' which he saw as the 'core of the *Mittelstand*'. The SPD deputy, Heine, did not reject the term (*ibid.*, p. 479). See also the statement by the Centre Party deputy, Trimborn, on 20.10.1911, *ibid.*, vol. 268, p. 7439.

71. See also *Deutsche Industriebeamten-Zeitung*, vol. 7, 1911, pp. 340f.

72. Stresemann, *Industrie*, pp. 60, 49.

*Reichspartei* argued that the white-collar workers, as a group, acted as a 'link and bridge (*Mittel- und Bindeglied*) between divergent social classes, between workers and employers'. The middle-class parties would do well 'warmly to promote this estate as a pillar against Social Democracy'.<sup>73</sup> The Catholic Centre Party, finally, saw the AVG as an 'essential piece of *Mittelstand* policy'.<sup>74</sup>

The protagonists of a unitary insurance scheme, on the other hand, avoided the concept after a brief period of vacillation.<sup>75</sup> They pointed to the heterogeneity of the interests subsumed under the vague notion of *Mittelstand*; this all the more so, because the self-employed retailers and traders took a sceptical view of the AVG which was bound to impose higher costs upon them.<sup>76</sup> Just as prior to 1900 the 'private civil servants', the white-collar employees were not interested in a support of the 'old' *Mittelstand*, the latter took no interest in, or viewed with suspicion, a policy favouring the employees.<sup>77</sup> Common interests between the 'old' and the 'new' *Mittelstand* (or to be more precise; between self-employed and employees), which might have given force to the term in a more than superficial sense, probably existed only in their joint opposition to the working class and its organisations.<sup>78</sup> This opposition was also the common bond with the industrial entrepreneurs, whose interest in a special insurance scheme was openly articulated by Stresemann. Being opposed to the notion of class struggle, he explained, industry had spoken against an extension of a unitary insurance scheme, because such a scheme would, so to speak, give the seal of approval to the idea that all groups in dependent employ-

73. See the statement by Deputy Linz on 14.3.1907, *Stenographische Berichte des Deutschen Reichstages*, vol. 227, p. 481.

74. See also the Centre Party deputy, Trimborn, on 20.10.1911 (*ibid.*, vol. 268, p. 7439): 'These groups represent, so to speak, the corps of leaders and sub-leaders, with whose help industry, commerce and agriculture have gained their victories in the economic field'.

75. On 20.10.1911 the Social Democrat deputy, Schmidt, spoke of the 'so-called *Mittelstand*' (*ibid.*, p. 7444).

76. *Ibid.*, with the assertion that a newly-founded '*Mittelstandsvereinigung*' was refusing to accept '*Angestellte*'. See also the statement by the Centre Party deputy, Irl, on 30.11.1911 (*ibid.*, p. 8183), warning, in the name of the self-employed *Mittelstand*, against an excessive widening of the groups to be covered by the AVG.

77. T. Geiger, *Die soziale Schichtung des deutschen Volkes*, Stuttgart, 1932, pp. 128f. stresses the incompatibility of interests and 'mentalities' between the 'old' and the 'new' *Mittelstand*. On the attitude of the Centralverband der Deutschen Industrie see Kaelble, *Interessenpolitik*, p. 66.

78. However, it was not a completely united front, with Butib and the Werkmeister-Verband, among others, taking up a clear position against the SPD and the Free Trade Unions.

ment were engaged in a common class struggle.<sup>79</sup>

Thus it was on the one hand the desire to recruit better 'human material' for the industrial 'officer corps' and to strengthen the 'professional enthusiasm' and 'devotion' among the 'circle of mentally occupied and technical collaborators' which motivated organisations like the BDI; on the other hand, it was also a major consideration of the BDI to maintain the 'feeling of solidarity of the private civil servants with commerce and industry' which appeared threatened and, by making concessions, to block an emergent trade unionism. A related consideration was to present, with the help of these newly-won masses and within the context of a restricted public opinion, a greater power-factor than had been available hitherto against a tide of public opinion which had many reservations about industry.<sup>80</sup>

The establishment of the special insurance scheme (AVG) was motivated by the fear of a united front of all dependent workers and of a strengthening of Social Democracy. This scheme became the basis of a separate white-collar employee class, just as the granting of a privileged position to employees within the Siemens trust had done before.<sup>81</sup> The notion of the 'new' *Mittelstand* served as the ideological catch-word of a policy of social integration by explicitly differentiating large groups of employees from the proletariat and by constructing a community between these groups and the self-employed which, in reality, did not go beyond superficial and ideological criteria; the notion also promised, in a totally vague form, a mediation between oppositional forces within a class society and hence a stabilisation of that society. In the final analysis, this

79. On 20.11.1911. See *Stenographische Berichte des Deutschen Reichstages*, vol. 268, p. 7452; the attitude of the Centralverband der Deutschen Industrie, on the other hand, remained wavering and contradictory towards the AVG.

80. See Stresemann, *Industrie*, pp. 54f., 57-60. One reason why the Bund der Industriellen gave its support to the scheme more unambiguously was that the medium-sized enterprises which dominated the Bund could not afford company-run insurance schemes, even if these would have been better suited to realise the same objectives. Big business, on the other hand, which called the tune in the Centralverband, tended to see the AVG as competition to their own programmes. On these debates inside the Centralverband, see Kaelble, *Interessenpolitik*, pp. 66, 106. See *ibid.*, concerning the link between AVG and 'liberal Sammlungspolitik (rallying policy)'.

81. The impact of this motive upon the government's decision to establish a separate scheme would require a special investigation. According to the *Schriften des Werkmeister-Verbandes* (vol. I, 1906, p. 19), Posadowsky spoke in favour of an expansion of the existing social insurance scheme as late as July 1906. When he submitted his first Denkschrift on the subject in 1907, he left a decision between the two solutions open. The second Denkschrift of 11.7.1908 opted for the setting up of a special Reich insurance office (Reichsanstalt).

was the function of the AVG which established a privileged position in the field of social insurance.<sup>82</sup>

Whatever the weighting between them, the reasons which led to the decision to grant social policy privileges to white-collar employees rather than to blue-collar workers are to be found in the developing separatist consciousness of the former, in financial calculations on the part of the government, in the vying of the parties for voters and, above all, in the *Mittelstand* policies of certain powerful groups. In view of these causes and actual motives, it was ultimately irrelevant where the line between white- and blue-collar workers was drawn. A political tug-of-war determined whether this or that group of employees was included in the circle of those covered by the AVG. The allies and opponents in this tug-of-war were the various occupational groups, trade organisations and employee lobbies, as well as the political parties and the state bureaucracy which was supposed to provide the legal know-how (*juristischen Sachverstand*). The definitions and descriptions of who was a 'private civil servant', a 'private white-collar worker', which were put forward during these debates, resembled ideological justifications rather more than they provided an objective (*sachbezogene*) basis for decision-making and legislative action. After all, their invariable purpose was to establish a demarcation line for a particular group of employees in such a way that it justified the superior provision of that group.<sup>83</sup>

The government finally admitted that it was futile to attempt to find a general definition<sup>84</sup> for white-collar employees to be covered by the special insurance scheme. It confined itself to drawing up a catalogue of occupational categories and to define the scope of the law by simple enumeration. It proved impossible to formulate a common concept under which the groups listed might be sub-

82. On the ideological substance of the catchword 'Mittelstand' see also H.-J. Puhle, *Agrarische Interessenpolitik und preussischer Konservatismus im Wilhelminischen Reich, 1893-1914*, Hanover, 1966, pp. 98ff.

83. See the criticisms which the Social Democrat deputy, Heine, advanced on 14.3.1907 against the notion that white-collar employees were engaged in 'primarily intellectual' work in *Stenographische Berichte des Deutschen Reichstages*, vol. 227, p. 479.

84. The impossibility of devising such a definition provided the supporters of a single insurance scheme with additional ammunition, as such a scheme made definitional exercises unnecessary. See *Schriften des Werkmeister-Verbandes*, V, 1907, p. 16; *Stenographische Berichte des Deutschen Reichstages*, vol. 227, p. 479 (statement by Heine on 14.3.1907); *ibid.*, vol. 268, p. 8185 (statement by the Progressive deputy, Cuno, on 30.11.1911).

sumed.<sup>85</sup> For the occupational categories defined as 'white-collar employees' in this way the new insurance was to 'secure a higher measure of state support than can be offered to them through the workers' insurance'.<sup>86</sup> The government considered the following criteria, which justified their privileges, as common to white-collar employees: education, living conditions and social status.<sup>87</sup> These were the groups

which, by comparison with workers occupy a socially and economically elevated position; [they are the] groups which stand between the owner and the worker within the company; [they are] on the one hand called upon to represent the principal and to support him in the running of the enterprise; on the other hand, they are also expected to hire workers, to advise and to lead them. These are persons who are of special importance to their respective company because of their particular expertise [and] special trustworthiness; persons who, owing to their training and the nature of their contract, have positions similar to those of civil servants . . . .<sup>88</sup>

Such descriptions likewise could do no more than to justify *ex-post facto* the selection of these groups and did not constitute the actual basis of that process. Their vagueness apart, they applied only to one part of those whom the government had selected for inclusion in the AVG. At least the large group of shop assistants who were not represented in the Association of Private Civil Servants and who in contemporary statistics were still counted among the blue-collar workers,<sup>89</sup> hardly fulfilled any of the criteria listed.<sup>90</sup> But even many technicians, foremen, agents and other employees did not meet the elitist description drawn up by the government. Rather that description must be taken as an ideological justification of a

85. On § 1 of the AVG see Kocka, *Unternehmensverwaltung*, p. 518. The government spokesman, Dr Caspar, admitted this on 30.11.1911. See *Stenographische Berichte des Deutschen Reichstages*, vol. 268, pp. 8184, 8187.

86. Government Bill of 20.5.1911. O. Bode, in *Die Invaliden- und Angestelltenversicherung in vergleichender Darstellung*, Berlin, 1913, provides a systematic comparison of the two schemes.

87. Government Bill of 20.5.1911, with a restriction of these criteria to the 'majority of the white-collar employees'.

88. Thus Clemens von Delbrück, the State Secretary in the Reich Office of the Interior, in his speech before the Reichstag on 10.10.1911, in *Stenographische Berichte des Deutschen Reichstages*, vol. 268, pp. 7432f.

89. See *Statistik des Deutschen Reiches*, Berlin, 1878 et seq., vol 111, p. 73; idem, vol. 202, p. 37; G. Hartfiel, *Angestellte und Angestelltengewerkschaften in Deutschland*, Berlin, 1961, p. 24.

90. The plight of the Handlungsgehilfen had been a topic of discussion since the early 1880s. Except for a minority charged with higher office duties they were probably hardly better off than the majority of the blue-collar workers.



legislative decision that had resulted from other considerations.

This gap between actual reasons and proclaimed motives — between actual criteria of selection and the public justification of those criteria and of the privileged position of white-collar employees in general — is clearly demonstrated if one looks at what the ministerial bureaucracy admitted to be its procedure: as it was impossible to develop a sufficiently clear-cut division between blue-collar workers and white-collar employees, the catalogue in the government bill followed 'closely the text of the workers' insurance acts which had been elaborated upon by over thirty years of application by the Reich Insurance Office . . . It is here that all these terms have been fully developed and specified through detailed court decisions'.<sup>91</sup> This meant that the criteria as to whether or not someone was a white-collar employee were taken from a completely disparate context.

In the 1880s and 1890s the government had, for public insurance purposes, put workers as well as white-collar employees of industrial firms, clerical assistants, agricultural workers and 'other employees', provided they had an income of less than 2,000 marks per annum, in the same category.<sup>92</sup> This had been done irrespective of the vocational differences and branches of the national economy which they belonged to. The common criterion was their 'social and economic position' and the motive had been to protect them,

91. Thus the Government spokesman, Dr Caspar, before the Reichstag on 30.11.1911, in *Stenographische Berichte des Deutschen Reichstages*, vol. 268, p. 8181. See also his statement, *ibid.*, p. 8184. Caspar referred to the 'Guidelines of the Reich Insurance Office of 6.12.1905 Relating to the Circle of Persons insured under the Terms of the Invalidenversicherungsgesetz of 13.7.1888'. These 'Guidelines' were attached to the Government bill of 20.5.1911. It was on this basis that Parliament debated and ratified, prior to the AVG, the Reichsversicherungsordnung of 19.7.1911, esp. § 165.
92. This 2,000 mark limit which applied to white-collar workers only, *not* to blue-collar workers, was of the utmost importance. The Government Bill relating to the Accident Insurance Act of 1881 and which had seen no possibility of making a clear distinction between workers and 'Betriebsbeamte', had envisaged this limit to apply also to blue-collar workers; by a small amendment, the Reichstag had subsequently restricted it to the Betriebsbeamte. This confronted the courts, the legal commentators and the Reich Insurance Office with the task of deciding, when considering cases of employees who earned over 2,000 marks, whether the individual concerned was a blue-collar worker or a 'Betriebsbeamter'. Later, after the clause had been extended to other insurance schemes and occupational groups, they had to decide as to whether a person was a worker or an Angestellter. The criteria which had been developed in the process by long and meticulous legal practice were invoked by the Government in 1911. See Government Bill of the Accident Insurance Act of 8.3.1881 (= Appendix 41 in *Stenographische Berichte des Deutschen Reichstages*, vol. 65 pp. 222, 228, 237,) and the Report of the Reichstag Commission, *ibid.*, vol. 66, p. 834. The Bill's § 1 was no longer made an issue in the subsequent discussions and served as the model of the other insurance laws.

together with the blue-collar workers, from economic hardship and to prevent their political radicalisation. At that time the government had seen no reason to identify clear social and economic differences between them. For both the above categories the crucial factor was 'the insecurity of a livelihood which was based exclusively on the use of a person's ability to work (*Verwertung der persönlichen Arbeitskraft*)'.<sup>93</sup> The results of these previous decisions — legal definitions and ordinances — were now taken over as the basis of the AVG. Of course, this created a paradoxical situation: groups of employees who had previously been combined irrespective of their professional and sectoral divisions because they were deemed to be in need of insurance cover and who were thus protected in the same way as blue-collar workers, were now — with the help of the same definitions — separated again from the latter in order to differentiate them economically and socially and to grant them privileges over the blue-collar workers.

These origins of the group and the particular concept of *Angestellte* explain why lawyers and social scientists later found it so difficult to provide a common basis and denominator for the term.<sup>94</sup> The classification of white-collar work as 'elevated' or 'similar to that of the civil service' and the privileges derived from this, which from the start applied only to a section of the employees, was made even more questionable when, in the 1920s, *all* office workers became included in it.<sup>95</sup> And this the more so because technological change constantly added new occupations which, based on an advanced division of labour as they were, happened to be routinised and required few skills. The meaning behind the legal and semantic separation of blue-collar workers from white-collar employees (*Arbeiter* from *Angestellte*) evaporated more and more, although not completely. Its meaning can only be understood historically and was distorted by ideology. Proposals were made to revise it.<sup>96</sup> But just as its origins and early legalisation were almost inextricably intertwined with social and political conflicts and compromises of interests, so powerful interests also block a revision, until the day when the differentiation loses its economic, social and cultural anchorage in reality completely.

93. Government Bill of the Accident Insurance Act of 8.3.1881. Similar again, the introduction to the Invalidenversicherungsgesetz of 19.1.1899.

94. See the survey of the scholarly and legal discussion of the 'Angestellter' concept in subsequent decades in Hartfiel, *Angestellte*, pp. 52–82.

95. See the AVG of 28.5.1924.

96. See Hartfiel, *Angestellte*, pp. 110ff.