INTRODUCTION:
FROM BOURGEOIS TO
CORPORATIST EUROPE

In an era of upheaval, it is continuity and stability that need explanation. The premise of this study is that European social hierarchies in the twentieth century have proved strikingly tenacious when men often expected otherwise. Violence is not always a midwife of history: despite world wars and domestic conflict much of Europe's institutional and class structure has showed itself tough and durable; the forces of continuity and conservatism have held their own. Real changes have certainly taken place—growing enrichment, loosening family structures, broader educational opportunities. But these have occurred more as a product of the last quarter century's stability than of prior social turmoil, and they have not dispossessed the privileged groups. The Fiats and Renaults of the workers may now push to the campgrounds of the Riviera, but the Mercedes and Jaguars still convey their masters to Cap d'Antibes or Santa Margherita. Industrialists, now as after World War I, can still lament the intrusion of labor unions upon their prerogatives; the respectable press can still denounce public service strikes; Ruhr managers command awe in Germany; the nation-state persists. This is not to claim that the relative social stability of the last quarter century may not finally disintegrate under new pressures. But it is to call attention to the persistence of social hegemonies that a half century ago seemed precarious if not doomed.

This study examines a critical period in the disciplining of change, in the survival and adaptation of political and economic elites, and in the twentieth-century capitalist order they dominated. The years after World War I are especially instructive, because security was apparently wrested from profound disorder and turbulence. If in the turmoil of 1918–1919 a new European world seemed to be in birth by the late 1920's much of the prewar order appeared to have been substantially restored. Both perspectives were skewed: the transformations of 1918 had been in good part superficial, and so was the stability of the 1920's. Nonetheless, despite the limits of the restoration, the decade rewarded conservative efforts with striking success.

The process by which this occurred is the subject of this study. In retrospect, it is easy to note that the forces actively pressing for major social or political changes constituted a minority, and a badly divided one at that. But this response is not very revealing; it discourages in-
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vestigation of how so great a degree of hierarchical social ordering was preserved when mass parties, “total war,” and economic dislocation made some social leveling inevitable. And if the weakness and divisions of the attackers are well known, the strategies of social and political defense remain unexplored. Political and economic institutions served as the outworks of a fortress—so Tocqueville had described them while waiting for the assault on private property he feared as the revolution of 1848 approached.¹ How in the decade after 1917 were the fortifications challenged? How were they defended? The strategy and the ultimate stakes were not always apparent. Partisans of order and partisans of change, besieged and besiegers, too often served as Tolstoyan commanders, mapping delusory tactics for misconceived battles. Noisy clashes were not always significant ones. The spectacular conflicts of the era were not always the important ones in shaking or reestablishing the structures of power. For every March on Rome, Kapp Putsch, or general strike, there were equally determinative disputes over factory council prerogatives, taxes, coal prices, and iron tariffs. These were quieter but still decisive struggles.

In the wake of World War I, these confrontations formed part of an overarching development. That long and grueling combat imposed parallel social and political strains upon the states of Europe, and for years after dictated a common rhythm of radicalism and reaction. All Western nations experienced new restiveness on the left after the Russian Revolutions of 1917 and continuing radical turmoil from the 1918 Armistice through the spring of 1919. The “forces of order” had to make their peace either with political overturn, as in Germany, or, at the least, new attacks on capitalism. Yet, by 1920–1921, they had recovered the upper hand and pushed the “forces of movement” onto the defensive. By 1922–1923 a new wave of nationalist, sometimes authoritarian, remedies replaced the earlier surge of leftist efforts. Right-wing schemes, however, could not durably settle the economic and social dislocations the war had left. By the mid-1920’s each country had to find a new and precarious equilibrium, based less on the revival of traditional ideological prescriptions than upon new interest-group compromises or new forms of coercion. Despite their many differences, France, Germany, and Italy all participated in this postwar political cycle.

This common tidal flow of politics virtually calls for comparative examination. In a more general work, post-World War I developments could be set in an even wider context of conservative reaction

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or liberal crisis. Other countries, Austria and Spain, and from some perspectives Great Britain and the United States, might also have been included. This book sacrifices a broader range through space and time for intensive examination of three countries during one critical decade.

The three countries, moreover, do form a coherent unit for political and social analysis, despite the fact that Italy ended up under fascism, the German Republic as of the mid-1920’s remained vulnerable to authoritarian pressures, while France maintained parliamentary institutions until its military defeat in 1940. Despite major differences, the three nations all had traditions of sharp ideological dispute and fragmentation, concepts of liberalism and labels for class distinction that set them apart from Britain or the United States. France, Italy, and Germany certainly do not provide the only matrix for comparison, but they do offer a logical one.

In the last analysis, there can be no a priori validity or lack of validity in historical comparison. The researcher can group together any range of phenomena under some common rubric. The issue is whether the exercise suggests relationships that would otherwise remain unilluminated. Some comparative approaches are more fruitful than others. Comparative history remains superficial if it merely plucks out elites in different societies—or working-class organizations, or party systems, or revolutionary disturbances. Flower arranging is not botany. A bouquet of historic parallels provides little knowledge about society unless we dissect and analyze the component parts. What is important to learn is what functions were served by supposedly comparable historical phenomena in establishing and contesting power and values. Organized parties, for instance, were critical in Germany but less so in Italy and France, so to follow parties alone would distort historical perspective. Issues deemed vital at one moment often lose the symbolic importance with which they were originally charged. Nationalization of the French railroads was bitterly contested in 1920, yet it meant little when it was finally accomplished in 1937. Issues and associations, therefore, must be scrutinized not according to their external form, but according to the changing roles they played in revealing the stress lines of European society. For this reason, comparative analysis starts here, from the disputes wherein the basic distributions of power were contested or at least exposed.

The analytical description needed here is complicated because what the contestants themselves described as the stakes of conflict was often misleading. The defenders envisioned their struggle in terms of the clashes they knew from before the war. They entered the interwar years with an inherited imagery of social and political conflict. Borrowing their terminology, this study uses the term bourgeois to denote
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the arrangements which conservatives felt they were defending. In many instances the imagery of bourgeois defense was inadequate for understanding the new institutional realities that were emerging. To describe these new realities we cannot borrow from the terminology of the era, but must impose our own unifying concept. I have chosen the notion of corporatism. Each of these terms oversimplifies—distorting, on the one hand, conservative aspirations, and, on the other, the emerging institutional reality. Taken together, however, they force us to keep in mind the tension between aspiration and achievement.

What conservatives naturally aimed at was a stability and status associated with prewar Europe. “Bourgeois” was the most general term of orientation they invoked; they employed it as a shorthand for all they felt threatened by war, mass politics, and economic difficulty—in short, as the common denominator of social anxiety and political defense. For an observer suddenly transplanted from Restoration France or Germany before 1848, the conservative connotations of “bourgeois Europe” might have been startling. In those earlier eras the bourgeoisie had spearheaded the liberalization of economy and politics against the prescriptive claims of dynasties and agrarian traditionalists. But during the course of the nineteenth century, bourgeois spokesmen achieved the civil rights and, at least partially, the access to power they desired. Increasingly, in Western Europe they formed long-term associations with the old elite. Universities, government bureaucracies, boards of directors, and marriage beds could not produce a complete fusion of classes, but they did offer new chances to combine the assets of land, capital, public service, and education.

Bourgeois reformers, moreover, had always had potential enemies to the left: democrats, artisans, spokesmen for working-class grievances. Except in periods of crisis, cooperation with these volatile forces was short-lived, even during the era of bourgeois reform. From the advent of mass suffrage in the 1860’s and after, the left became even more threatening, especially as it advocated major changes in property relationships. Under this pressure, too, members of the old elites perceived the same dangers as did bourgeois leaders. Tory radicalism, or the effort to outflank bourgeois elites with working-class alliances, yielded meager results and was never popular for very long among conservative constituencies. By the twentieth century most of the old elites had formed a conservative cartel with bourgeois political representatives. They identified the same enemies and defended the same prerogatives. As the most preoccupying enemy, social democrats set the terms of attack for the defenders of the social order as well as for themselves. More consistently than any other group, the socialists
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challenged existing property and power relationships as the foundation of a bourgeois society that rested upon economic exploitation, sacrificed democracy to elitism, and created suicidal international conflicts to preserve its internal structure. Under the pressure of growing social-democratic strength, both sides focused upon bourgeois society as the ultimate stake of political and economic conflict.

Yet in what sense was “bourgeois” a meaningful class category by 1918; or had it already been bleed of all sociological precision? In the mid-1920’s, Croce, for one, complained of the careless usage that “bourgeois” was receiving as a historical term. He argued that it had really come to mean little more than modern and secular. Similar reservations could be made of its widespread use by social commentators. But its broad use also suggests that “bourgeois” really did evoke the basic social divisions of a market economy and industrial social order. Frequent recourse to the term revealed a nagging preoccupation with inequality and class antagonism. Conservatives liked to claim that class conflict as Marxists portrayed it was merely conjured up by agitators and demagogues. And yet they devoted major efforts to shoring up the very institutions that anchored class domination in the eyes of the left: they extolled the nation-state, fretted about nationalization of coal mines or railroads, praised property and entrepreneurship. As men of the 1920’s employed the term, bourgeois invoked fundamental questions of social hierarchy and power. It remained the code word for a matrix of relationships defined in opposition to what socialists suggested as alternatives. For the elites of the 1920’s, bourgeois Europe was both elegiac and compelling: the image of an ancien régime that was still salvageable and whose rescue became the broadest common purpose of postwar politics.

This is not to claim that bourgeois defense was the stake of all political conflict in the 1920’s. Disputes between Catholics and anticlerical liberals remained deep enough to influence party organization in each country and to cut across the issues of social defense. Italian fascists or German right-radicals would also have rejected any claim


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that they sought to strengthen bourgeois Europe, for they fundamentally despised its parliamentary institutions. Even before the war a “new” European right had moved beyond the conservatism of agrarian, business, and bureaucratic elites to embrace a strident chauvinism, anti-Semitism, and antiparliamentarism. This new right comprised distressed farmers, retired officers, intellectuals and university youth, clerical employees and hard-pressed small businessmen and shopkeepers. Yet ironically, this rag-tag right-radical constituency could also contribute to the defense of bourgeois Europe. By the 1920’s both the old and new right were attacking Marxist socialism (and communism) as an evil incubated by liberal democracy. The gains of socialism testified to a bourgeois failure of nerve; they made counteraction urgent and sanctioned a violent assault on liberalism itself. Thus, even as the radical right rhetorically lashed out against the parasites of finance or corrupt party politics, it moved with violence against the major organized opposition to bourgeois institutions. Disillusioned liberals, traditionalist conservatives, nationalists, and new right-radicals converged in their hostility to socialism and the democracy that permitted it to thrive.4

Nonetheless, this book focuses neither on the old nor the new right per se, but upon the process of stabilizing institutions under attack. It must, in fact, explore positions that were never considered to be on the right at all, in the militant sense usually given to that word. The right incorporated only one of two possible approaches to protecting the social order. While the right accepted a clear clash of ideologies and aimed at repressing change, moderate and democratic leaders dreaded Armageddon and hoped to disarm the attackers by reformist initiatives. Both strategies come under study here insofar as both envisaged a social order according to bourgeois criteria. To reconstitute that social order was the overriding aim of conservative thought and action after 1918. It was the essential effort for the old right, often catalytic for the emergence of the radical new right, and a preoccupation as well for many progressives not on the right at all. To anticipate our conclusions, it was an effort that was largely successful, even if the victory required significant institutional transformation.

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For there was no simple restoration. While Europeans sought stability in the image of a prewar bourgeois society, they were creating new institutional arrangements and distributions of power. What began to evolve was a political economy that I have chosen to call corporatist. This involved the displacement of power from elected representatives or a career bureaucracy to the major organized forces of European society and economy, sometimes bargaining directly among themselves, sometimes exerting influence through a weakened parliament, and occasionally seeking advantages through new executive authority. In each case corporatism meant the growth of private power and the twilight of sovereignty.

Most conspicuously, this evolution toward corporatism involved a decay of parliamentary influence. Already effaced during World War I, parliaments proved incapable of recovering a decisive position of power. Even in Germany, where the Reichstag had almost always been subordinate, the Weimar Republic’s parliament proved a reflection and not a source of effective power. In part, parliamentary incapacity was a consequence of the harsher political tasks imposed by the 1920’s. Not the fruits of growth but the costs of war had to be distributed: parliaments faced dilemmas of economic reallocation and relative deprivation that strained older party alignments and precluded coherent majorities. Ultimately, the weakening of parliament also meant the undermining of older notions of a common good and a traditionally conceived citizenry of free individuals.

In the liberal polity, decisions demanded periodic ratification by a supposedly atomized electorate. The new corporatism, however,

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5 Like an emergency paper currency, the concept of a “corporatist” Europe is assigned a given value for internal use within the argumentation of this book. I make no claim that the term has a universal value. In fact, it is chosen hesitantly since it generally suggests “estatist” or a society of legally defined “orders.” Political scientists might prefer “pluralist,” but this notion usually suggests a free competition among social forces. And while I have resorted to the term “corporative pluralism” elsewhere it is inappropriate to deal with fascist Italy as pluralist. The Germans have tried “organized capitalism,” but I wish to emphasize the political more than economic transition; hence “corporatist” as a provisional description of social bargaining under fascism and democratic conditions alike. On the general theme see my own and others’ essays in Heinrich August Winkler, ed., Organisierter Kapitalismus, Voraussetzungen und Anfänge (Göttingen, 1974). For discussions of analogous developments within the United States, cf. Grant McConnell, Private Power and American Democracy (New York, 1966); Theodore J. Lowi, The End of Liberalism: Ideology, Policy, and the Crisis of Public Authority (New York, 1969). Samuel Beer, British Politics in the Collectivist Age (New York, 1967), also introduces comparable concepts.

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sought consensus less through the occasional approval of a mass public than through continued bargaining among organized interests. Consequently, policy depended less upon the aggregation of individual preferences than upon averting or overcoming the vetoes that interest groups could impose at the center. Consensus became hostage to the cooperation of each major interest. If industry, agriculture, labor, or in some cases the military, resisted government policy, they could make its costs unacceptable.

The leverage that each major interest could exert had further institutional consequences. It tended to dissolve the old line between parliament and the marketplace—between state and society—that continental liberals had claimed to defend. The political veto power of an interest group came to depend upon its strength in the economic arena. Conversely, viability in the marketplace required a voice in determining the political ground rules for economic competition, such as tariffs and taxes or the rights of collective bargaining.7

Consequently, too, the locus of policy making changed. Parliamentary assemblies grew too unwieldy for the continuing brokerage of interests. Bargaining moved outside the chamber to unofficial party or coalition caucuses, and to government ministries that tended to identify with major economic groupings, such as the Weimar Republic’s Ministry of Labor.

Even the modalities of exerting influence altered. The liberal polity had always sanctioned discreet compacts between powerful individuals and ministers or parliamentary delegates. Influence was also transmitted less directly but just as pervasively in the clubs, lodges, schools, and regiments that formed the social milieu of the governing elites. But in the emerging corporatist system, new social elements had to be consulted, above all labor leaders who had earlier been outside the system. Domestic policy no longer emerged intact from the foys of the ruling class, no longer represented just the shared premises of the era’s “best and the brightest.” Policy formation required formal confrontation in offices and ministries between old social antagonists. Political stability demanded a more bureaucratic and centralized bargaining. If Marx, in short, dictated the preoccupations of bourgeois society, Weber discerned its emerging structures of power.

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It would be wrong to exaggerate the suddenness of this transformation, which began before World War I and is really still underway. Labor and tariff disputes spurred the organization of modern pressure groups in the late nineteenth century. Cartelization further signaled the consolidation of economic power. Observers of the same era noted the growing affiliation of political parties with economic interest groups; and they discussed how party competition was changing from a clubby and whiggish rivalry into a professional mobilization of opinion through electoral machines. These developments quietly altered the nature of representative government.8

But they did not create a corporatist policy. Two further significant developments emerged only with the massive economic mobilization of World War I. The first was the integration of organized labor into a bargaining system supervised by the state. This accreditation of labor also had been underway, but the urgency of war production accelerated the process. Adding labor to the interest groups bargaining around the table suggested that a new division between those producer groups which could organize effectively and the fragmented components of the middle classes might become more politically significant than the older class cleavage between bourgeois and worker.

A second decisive impulse was the wartime erosion of the distinction between private and public sectors. As the state claimed important new powers to control prices, the movement of labor, and the allocation of raw materials, it turned over this new regulatory authority to delegates of business, labor, or agriculture, not merely through informal consultation but also through official supervisory boards and committees. A new commonwealth that dissolved the old distinction between state and economy seemed at hand; and some of its beneficiaries looked forward to extending wartime organization as the basis, in Rathenau’s phrase, of a “new economy.”

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Advocates for this parceling out of sovereignty spoke out from different points along the political spectrum. Men of the left, right, and center noted the new tendencies at the turn of the century: the growing web of interest groups and cartels, the obsolescence of the market economy, the interpenetration of government and industry. But they hoped to rationalize and order what they saw taking place as an unplanned evolution before 1914 and as an emergency response during the war. Rather than just a new centralization of interest-group bargaining, they wanted to leave brokerage behind entirely and create a planned and harmonious productive system based upon technological or moral imperatives. On the moderate left, guild socialists, Marxist revisionists, and some democratic liberals envisioned a gradual dissolution of central state authority and the growth of works councils and industrial self-government. Their premise was that if normally antagonistic groups, such as the workers and entrepreneurs of a given industry, could be seated at the same table to hammer out common policy, the result must be impartial enough to guarantee the public interest as a whole. Their concept of decentralization sometimes borrowed from French and Italian syndicalism, but the syndicalists envisaged a more radical elimination of the entrepreneurs.

There were also spokesmen for an older corporatism on the right, represented by writers from La Tour du Pin in the 1870’s to Othmar Spann a half-century later. These theorists felt that they could undo the social ravages of an atomistic liberalism by creating an estatist representation. This vision differed in an important respect from the new corporatism that was actually emerging, because it envisioned not merely a de facto representation of economic forces, but a society of legal orders. As on the left, the corporatism invoked by conservatives was designed to secure a social harmony that transcended mere pressure-group bargaining. The new corporatism, however, did not eliminate class transactions but merely centralized them.

Finally, a technocratic vision of a new industrial order emerged from the ranks of professional engineers and progressive businessmen. American enthusiasts joined Europeans in blueprinting the future industrial commonwealth. Herbert Hoover’s crusade for an orderly community of abundance and Walther Rathenau’s more mystical revery of a postcompetitive industrial order both drew on the promises of technology and organization. Both men envisaged moving beyond an often wasteful laissez-faire economy, subject to cycles of boom and bust and to overproduction in some sectors and shortages in others. Horizontal association among producers would eliminate wasteful competition. Vertical association between industry and labor would
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ultimately rest upon technological determination of how to share the rewards of productivity.⁹

Each of these groups rejected the Manchesterite, bourgeois state, but their final visions remained different. Socialist and syndicalist theorists, who eschewed the term “corporative” because of its reactionary overtones, hoped to move beyond state authority to a less coercive and more egalitarian economy. Corporatists of the right, however, sought to re-create earlier hierarchies. The old ladders of subordination and domination, deference and largesse, reflected an ethical universal ordering that liberalism and the commercial spirit had shattered. Technocratic spokesmen denied class objectives in favor of a new efficiency, enhanced productivity, and a society of abundance.

History was to play tricks on each group; for the new corporatism encouraged restriction of output as much as abundance, and it led neither to radical liberation nor to recovery of an estatist social order. Instead it brought enhanced control for the very elites that had come to prominence under parliamentary auspices. Nor could any far-seeing statesman oversee the transformation: there was no Bismarck for the bourgeoisie as there had been for the Junkers. Rather, corporatist stability arose out of new pressures and false starts: as noted, wartime demands upon industry and labor for massive industrial production with a minimum of conflict; the accompanying wartime inflation, which permitted big business and the unions to reward themselves jointly—or at least to lose less than the other, less organized sectors of the economy; thereafter, the failure of liberal parliamentary leaders to solve postwar economic and social problems by traditional coalition compromises; finally, the terms of American economic intervention and of stabilization in the mid-1920’s. It was this sequence of events that helped to consolidate the new relationships between private and public power, the development of which is presented below.

It is not claimed here that the trend was uniform throughout Europe. By the mid-1920’s the thrust toward corporatism was clear in Germany, emerging under authoritarian auspices in Italy, but only embryonic in France. Corporatist trends in the Weimar Republic could build upon estatist patterns of authority and economic organization that had


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survived the nineteenth century in Germany. In Italy the traditional elites were more isolated and less protected by guild-like economic organization or by vigorous local self-government. A corporatist defense could not emerge from the fragmented pattern of business groupings and antiquated bourgeois parties. It had to be imposed by political coercion. In France, corporatist developments were even more retarded. Estatist patterns had been pulverized by prerevolutionary and postrevolutionary regimes, while a gentler pace of industrialization than Germany’s lessened the scope and impact of powerful pressure groups. Less buffeted by radicalism, too, the French could preserve a bourgeois society through the parliamentary institutions of the Third Republic. Yet even in France the incapacities of the parliamentary regime pointed the way toward corporatist development.

The notion of corporatism is applied to all three countries, in any case, not as a simple description but rather as an ideal type. As such, it helps us to make sense of French tendencies as well as German ones and to forecast the structure of stability throughout Europe. The decade after World War I was a decisive era in this regrouping of conservative forces. The legacy of war precluded any simple return to the model of the liberal polity; and the role of the United States—a society marked by a new cooperation of government and business in the wake of wartime mobilization—helped advance the transformation in Europe. The Depression, World War II, and subsequent American aid in reconstruction would thrust the evolution of corporatism even further along. After 1945, it would no longer be necessary or even comforting for conservatives to imagine the restoration of a bourgeois society as the endpoint of their efforts. The corporatist structure that was emerging in the 1920’s as the instrument of social reconsolidation became a goal in its own right by the end of World War II. To reestablish the given hierarchies in Western Europe by the late 1940’s, it was sufficient to assure the independence of private industry and interest groups. Conservative goals were less utopian than they were after 1918, less fraught with nostalgia for a deferential and stable bourgeois order. After 1945 bourgeois Europe neither existed nor ceased to exist: an ideological construct, it faded from concern.

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Stratification, inequality, and corporatist power remained, but few had sought to abolish them.

Bourgeois society, considered in retrospect, amounted to a conservative utopia.\textsuperscript{11} It incorporated a collection of images, ideas, and memories about desirable ranking in a tensely divided industrial Europe. As a utopia it spurred conservative, and ultimately corporatist strategies, once simple restoration proved beyond reach. These corporatist arrangements not only helped reentrench prewar elites, but also rewarded labor leadership and injured the less organized middle classes. The history of stabilization after World War I thus involved, not a political freeze or simple reaction, but a decade of capitalist restructuring and renovation. The tension between bourgeois utopia and corporatist outcome—part of history's constant dialectic between men's intentions and their collective realization—provides the interpretive structure for what was a key era of conservative transformation.