



Volume 4. Forging an Empire: Bismarckian Germany, 1866-1890
Gustav Schmoller on the Social Question and the Prussian State (1874)

“The Social Question and the Prussian State” (1874) was published in a prestigious contemporary journal by the economics professor and co-founder of the Association for Social Policy Gustav Schmoller (1838-1917). A so-called “socialist of the lectern” [*Kathedersozialist*], Schmoller pointed to the legitimate demands of underprivileged workers, although he also acknowledged the deficiencies of Social Democratic leadership. Not unlike many other social reformers of the mid-1870s – some of whom vehemently attacked Bismarck and his liberal advisors – Schmoller criticized the profiteering of stock market speculators in the “founding period” that followed unification in 1871. But he did not argue that the existing state was corrupt, that industrial capitalism was utterly dysfunctional, or that Germany was overrun by the Jews, as more radical critics did. Instead, he called for the active involvement of legislators, the public, the monarchy, and the Prussian civil service in a program of comprehensive social reform.

[. . .] The new epoch has also taken on the destitute, languishing classes that have been mistreated for centuries. Suddenly left to their own devices and exposed to the competitive struggle, these people inevitably fell behind at the same rate that those with greater means, the educated and propertied classes, progressed. The small business fell victim to the larger one. Modern technology was only accessible to big capital. The enormous upswing in production and trade did not benefit the different social classes uniformly and was most advantageous to a privileged minority. Until a few years ago, wages in Germany lagged alarmingly behind the general price trend. The repercussions of large-scale industry on housing, education, and family conditions were predominantly unfavorable anyway. Members of the working class, suddenly laid off by the thousands, had to bear the brunt of the trade crises. The same workers who received new political rights every day, who were called from all sides into the arena of political conflict, who were assured on a daily basis that *they* were the actual people – most of these workers found themselves, until very recently, in conditions that grew increasingly pitiful by the day. Inevitably, the moment had to come when workers told themselves: Well, when it comes to political life, service to the Fatherland, and everything else, I am supposed to have the same standing as the most distinguished, richest person – but in economic and social life, the gulf is not only supposed to remain but actually continue to grow.

It is from this starting point that today’s social question arose – and in fact *had* to arise. A social class-consciousness had to develop at the very moment when a single voice pointed out clearly and insistently that the dispossessed working class had different interests than even the most

radical members of the entrepreneurial class. The fact that all complaints raised by the fourth estate were elegantly dismissed with remarks that the new legislation had done everything it could for this class – and that anyone who didn't manage to get ahead now was personally responsible for his fate – had to exacerbate the bitterness all the faster, all the more distinctly a disturbing materialism and petty egoism spread among the propertied classes, and all the more obviously the average degree of scrupulousness in employing dubious means to quickly acquire property was sinking. The masses' sense of justice supports any existing distribution of property that seems in accordance – when even only approximately – with the virtues, knowledge, and achievements of the individual as well as the different classes. Conversely, however, every single system of property and income, no matter how many may have been known throughout the world, has succumbed over time if it no longer rests on that conviction. The nail in the coffin of every existing form of property distribution is the growing belief that morally reprehensible forms of income are spreading much too freely, that dishonest occupations, rather than honest work, are creating great fortunes, that there is too great a discrepancy between the different accomplishments of individuals and the economic results – namely, their incomes. [. . .]

Thus, in Social Democracy, I can only discern the youthful fever of the great social movement into which we are entering. Our Social Democracy is somewhat different but hardly worse than English Chartism in its day; and just like it [Chartism], it will hopefully represent only a temporary phase of social development that soon makes room for more mature, clearer formations and feasible plans. Certainly, serious charges can be leveled against Social Democracy, especially that a portion of the leadership always appeals only to the negative passions: to envy, hatred, wild covetousness; and that these very leaders pursue a system of persecution against individual people, when they really ought to attack institutions. However, in addition to those who are intemperate and dishonest, Social Democracy also has leaders who are highly respectable in their persons. [. . .]

In our country, public opinion has done very little justice to the workers' question. Primarily influenced by the side inconvenienced by the social movement in the calm and cozy course of business, public opinion is prejudiced against the working class; the people disseminating this sentiment – quite understandable in terms of psychology – behave in much the same way towards the workers' movement as bureaucracy did towards liberal constitutional demands before 1848. Anyone causing discomfort to another is easily regarded as a bad fellow. There are shady elements in any crowd. People are never at a loss for examples, so soon enough there is much to say about the coarseness of the working class and the excellence of its opponents.

Today, the entire working class certainly suffers from having entered into new economic conditions, [ones] for which the moral concepts and bonds, and the customs of the old times no longer fit, and in whose place corresponding new ones have yet to develop. The workers do not quite know what they can and ought to demand, to what use they should put their higher wages, what liberties they may take in their new situation. They find themselves on somewhat unstable ground – but in this respect they very much resemble the upper classes. The moral spectacle

presented to us by so many of the “founders” turned rich overnight seems quite comparable to that of the many workers who merely take their increased wages to the next pub. [. . .]

The working class today, as in all other periods, is exactly what it has been made to be by its schools and homes, its workshops and work, its family life and environment, [by] the example of the upper classes, and [by] the ideas of the time, today’s ideals and vices.

Is the working class alone, is the individual worker really to blame for the fact that he often lives in a hovel that reduces him to the level of an animal or criminal? Is the individual worker to blame when children’s and women’s work increasingly erodes family life in these circles? Is he to blame when the divided, mechanical nature of his labor means that he is taught less than the apprentice or journeyman in the workshop of old, and when the moral influences of the large factory are more unfavorable than those of the workshop? Is he to blame for the fact that he will never become independent, that he usually lacks the slightest hope for the future? And does not the most basic psychology teach us that the lack of any prospect makes people feeble and sullen or inclined towards revolution? Is the working class to blame for having schooling and technical training that is insufficient and that allows it to succumb so frequently in the competitive struggle?

If these simple truths were generally recognized by public opinion, social issues would be assessed completely differently, and we would be much closer to a relative solution of the question.

In that case, the attitude of leading parliamentary and government circles vis-à-vis the social question would also be different. And I would definitely deem that very desirable.

Certainly, in a parliamentary state with a free press and a liberal right of association and assembly, today’s monarchy cannot directly take leadership of the lower classes as it did in the previous century. Government has to assume a more neutral position; but then it really must hold itself neutral above the economic classes; it must not regard any demand raised by the working class – any working-class objective conforming to the bounds of current law, however disagreeable it is to the propertied classes – as being directed against the state, against public order, and thus follow it with a begrudging eye. Apparently, though, this is the case from time to time, and a number of individual government agencies indisputably act in this way. The government would relinquish all tradition of Prussian politics if it sees the social question only through the eyes of large-scale entrepreneurs; if, when taking surveys, it only questions the chambers of commerce that inevitably advocate one-sided egotistical interests; if, in the legislative process, it does not energetically resist the overwhelming influence that is being exerted today in all representative bodies and in the frequently corrupted press, by big private railways, large-scale banks and stockholding companies, great industries with their well-paid and well-trained agents. [. . .]

[. . .] [T]he dangers facing the social situation in the future can only be eradicated by one means: the monarchy and the civil service. These representatives of the idea of the state, these sole neutral elements in social class conflict must be reconciled with the notion of a liberal state and supplemented with the best elements of parliamentarism; they must firmly and resolutely take the initiative in the great campaign for social reform legislation, and they must persist unshakably in this goal for one or two generations. [. . .]

Source: Gustav Schmoller, "Die soziale Frage und der Preußische Staat" ["The Social Question and the Prussian State"], in *Preußischer Jahrbücher* [*Prussian Yearbooks*], vol. 33 (1874): pp. 323-42.

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