ROUTLEDGE REVIVALS

The German Unemployed

Experiences and Consequences of Mass Unemployment from the Weimar Republic to the Third Reich

Edited by
Richard J. Evans and
Dick Geary

Routledge Revivals

The German Unemployed

Unemployment was perhaps *the* major problem confronting European society at the time in which this book was first published in 1987, and is arguably still the case today. This collection of essays by British and German historians contributes to the debate by taking a close look at unemployment in the Weimar Republic. What groups were most severely affected, and why? How did they react? How effective were welfare and job creation schemes? Did unemployment fuel social instability and political extremism? How far was unemployment a cause of the collapse of the Weimar Republic and the triumph of the Third Reich? Did the Nazis solve the unemployment problem by peaceful Keynsianism or through massive rearmament?

This book is ideal for students of history, sociology, and economics.

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LIST OF ABBREVIATIONS

ADGB	Allgemeiner Deutscher Gewerkschaftsbund
AH	*Die Arbeitslosenhilfe*
APP	Archivum Panstwowe w Poznaniu
APS	Archivum Panstwowe w Szczecinie
ASte	Amt für Stadtentwicklung und Statistik, Augsburg
AVAVG	Gesetz über Arbeitsvermittlung und Arbeitslosenversicherung
AWO	*Arbeiterwohlfahrt*
BA	Bundesarchiv
BASF	Badische Anilin– und Sodafabrik
BWøB	*Berliner Wohlfahrtsblatt*
BzG	*Beiträge zur Geschichte der Arbeiterbewegung*
DHV	Deutschnationaler Handlungsgehilfenverband
DMV	Deutscher Metallarbeiter-Verband
DZW	*Deutsche Zeitschrift für Wohlfahrtspflege*
E	Evening edition
FAD	Freiwilliger Arbeitsdienst
FW	*Freie Wohlfahrtspflege*
GZ	*Gewerkschaftszeitung. Organ des Allgemeinen Deutschen Gewerkschaftsbundes*
H	Heft
HStA	Hauptstaatsarchiv
ILR	*International Labor Review*
IML/ZPA	Institut für Marxismus-Leninismus beim Zentralkomitee der SED
IWK	*Internationale Wissenschaftliche Korrespondenz zur Geschichte der deutschen Arbeiterbewegung*
KAH	Kirchenarchiv Hamburg
KJA	Kirchliches Jugendamt
KPD	Kommunistische Partei Deutschlands (Communists)
LA	Landesarchiv
LABln	Landesarchiv Berlin
M	Morning edition
ND	*Nachrichtendienst des Deutschen Vereins für öffentliche und private Fürsorge*
NF.	Neue Folge

NSDAP	Nationalsozialistische Deutsche Arbeiterpartei (Nazis)
RABl	*Reichsarbeitsblatt*
RAM	Reichsarbeitsministerium
RAVAV	Reichsanstalt für Arbeitsvermittlung und Arbeitslosenversicherung
RF	*Die Rote Fahne*
RFV	Reichsverordnung über Fürsorgepflicht (13 Feb. 1924)
RGBl	*Reichsgesetzblatt*
RGO	Rote Gewerkschaftsopposition
RGS	Reichsgrundsätze über Voraussetzung, Art und Mass der öffentlichen Fürsorge (4 Dec. 1924)
RM	Reichsmark
RMWD	Reichsministerium für wirtschaftliche Demobilmachung
SA	Sturmabteilung
SJDR	*Statistisches Jahrbuch für das Deutsche Reich*
SJH	*Statistisches Jahrbuch für die Freie und Hansestadt Hamburg*
SP	*Soziale Praxis*
SPD	Sozialdemokratische Partei Deutschlands (Social Democrats)
StA	Staatsarchiv
StAA	Stadtarchiv Augsburg
StAB	Staatsarchiv Bremen
StAH	Staatsarchiv Hamburg
StJB	*Statistisches Jahrbuch der Stadt Berlin*
USPD	Unabhängige Sozialdemokratische Partei Deutschlands
VfZG	*Vierteljahrshefte für Zeitgeschichte*
VO	Verordnung
VRT	*Stenographische Berichte über die Verhandlungen des Deutschen Reichstags*
VW	*Volkswohlfahrt*
ZB	*Zentralblatt der christlichen Gewerkschaften Deutschlands*
ZfG	*Zeitschrift für Geschichtswissenschaft*
ZfH	*Zeitschrift für das Heimatwesen. Amtliches Organ von Fürsorgeverbänden des Deutschen Reichs*
ZStA	Zentrales Staatsarchiv

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PREFACE

Mass unemployment is the major social problem of the 1980s in the advanced industrial world. Politicians, economists, sociologists and academic analysts of all kinds are divided about its causes, its impact and its relevance to crime, rioting and political extremism. Historians too have a contribution to make to this debate. For our own society is not the first to have been affected by mass unemployment. Just half a century ago, in the Depression, an economic slump of even more dramatic proportions than that of the 1980s threw tens of millions of people out of their jobs right across Europe, causing misery and despair on a scale not even matched in the unemployment crisis of our own day. The most extreme depredations of unemployment were undoubtedly visited upon the ill-fated democracy of the Weimar Republic in Germany. Founded in the aftermath of defeat in the First World War, the Republic, thanks to the leading role played in it by the social reformers of the working-class Social Democratic Party and the Social Catholics of the Centre Party, in many ways had every right to be proud of its social legislation and its efforts to create a genuine welfare state. But these achievements in the end counted for little in the face of economic collapse and political extremism. The fate of the Weimar Republic, as it collapsed and gave way in 1933 to the Nazi dictatorship of Hitler's 'Third Reich', has stood ever since as a grim reminder of the fragility of democracy and the frightening ease with which it can be destroyed in a time of crisis.

Curiously, however, the very drama of the Republic's political collapse has diverted historians' attention away from the mass unemployment which did so much to bring it about. In Britain, where the political resonances of the Depression were far less severe, as was the impact of the economic crisis, the early 1930s live on in popular memory principally as a time of economic hardship and social misery, and it is these features of the crisis which historians have done most to illuminate, although recent research has also stressed that for those in employment this was a period of rising real wages. In Germany, however, it is the tramping of jackbooted stormtroopers, the roar of the Nazi crowd, and the bumbling intrigues of the incompetent political leaders of the late Weimar Republic that have attracted most attention. It is only the re-emergence of mass unemployment in our own day that has prompted historians to take a closer look at the same problem as it beset the Weimar Republic in the 1920s and 1930s. The availability of large quantities of published and unpublished documentation makes it possible for historians to study the problem at many levels in a depth and detail unattainable by the contemporary observer; while the distance in time from which we approach the problem enables us to set it in a longer-term perspective that is unavailable to those who study unemployment only in the present. History, of course, seldom repeats itself; Britain and Europe, and still more Germany, are very different today from what they were fifty or sixty years ago. Above all, the political context within which economic crises occur has changed. Nevertheless, the studies collected in this book offer some striking and sometimes unexpected parallels, as well as exposing some obvious, and perhaps also not so obvious, differences between the two periods.

Unemployment, especially in the dimensions which it eventually attained under the Weimar Republic, is a highly complex phenomenon, and its causes are still a matter for conjecture and dispute. The authors of this book are not so much concerned with the economic analysis of the origins of unemployment, a subject which belongs more properly to the often rather technical realm of economic and financial history, as with its social and political consequences. What groups were most severely affected by unemployment, and why? How did they react? How effective were welfare and job-creation schemes? Did unemployment fuel social instability and political extremism, and if so, in what ways? How far was unemployment a cause of the collapse of the Weimar Republic and the triumph of Hitler? Did the Nazis solve the unemployment problem by peaceful Keynesian measures or through other, less laudable means? In responding to these questions, the contributors to this volume do not seek easy answers. Above all, they do not neglect the unemployed themselves. It is all too easy to treat the jobless as mere statistics, or the anonymous objects of social welfare and political debate. But a wealth of sources exists through which historians can recapture something of the subjective experience of unemployed men and women. Only by trying to understand what it felt like to be jobless in Weimar Germany can we hope to comprehend why the unemployed reacted to their situation in the ways they did. A major focus of this book, therefore, is on reconstructing the experience of the German unemployed. The resulting revelations are often unexpected, and enable us to see the social and political crisis of the Weimar years in a new and often disturbing light.

Disturbing too are the parallels which emerge with our own time. In the pages of this book can be found a wide variety of devices through which successive governments in Germany, up to and above all including the Third Reich, fiddled the statistics so as to make it look as if unemployment rates were much lower than any reasonably fair definition would have made them out to be. The exposure, in several chapters of this book, of the statistical manipulations of the authorities in the early 1930s, serves as a reminder that similar manipulations being carried out by government today will not escape the attention of future historians. Then as now too, it was political expediency that dominated government thinking: and so-called job-creation schemes, as a number of the authors of this book show, mostly had little effect on long-term unemployment, providing only temporary relief at such low wage-rates that they had no stimulating effect on demand at all. Worse still, they were achieved only by various forms of coercion, under the Weimar regimes disguised in legal formulae and gift-wrapped in the language of welfare, in the Third Reich naked, brutal and overt. Apprentices were taken on only because they were cheap, and were replaced by other apprentices when they finished their training, not by full-time adult workers. 'Voluntary Labour Service' was less than voluntary, least of all after the Nazi seizure of power. It was rearmament and military expenditure that did most to bring a real increase in jobs, at a cost that was eventually to prove appalling in any terms, although other kinds of job-creation schemes had already begun to have an impact on unemployment levels under the last Weimar governments. Here too is a lesson we might ponder in our own day, as the welfare state is steadily dismantled while expenditure on armaments and 'law and order' continues to rise.

The graphic details which emerge from this book about the sufferings of the unemployed themselves are no less striking. In chapter after chapter, we shall see how they were exposed to continued and increasingly arbitrary official action, cuts in benefits, coercion and discrimination. The story of how they responded does not offer much comfort to socialists or indeed to democrats of any persuasion. Unemployment brought fatal divisions into the labour movement and the workforce. Those affected by it flocked in their millions to vote for the Communists, while fear of unemployment and the unemployed, and anger at the effect the crisis was having on business, led millions of other voters into the polling-booths to support the Nazis. Genuine political commitment among the jobless was relatively rare, and when they mobilised on the streets, no political party, not even the Communist, was able to control them. Apathy and indifference were the major psychological consequences of long-term unemployment, and those who sought a way out of the impasse, whether through crime, or through gang violence, or through political activism, remained a minority. The experience of unemployment was thus not only financially ruinous but also morally and psychologically debilitating.

The 1920s and 1930s were a time when full-time wage-labour was perhaps at the height of its historical career as the defining factor in people's expectations of life in countries such as Britain and Germany, although in Germany there was still a large artisanal and peasant sector that fell outside this category. It may be that with the growth of economic activity beyond employed wage labour, whether in the form of the 'black economy' of clandestine work, or in the shape of computer-based freelance domestic labour, its importance is now in a phase of secular decline. But however rapid the effects of technological and social change in our own day, we still have a long way to go before full-time waged employment ceases to be the basis on which millions of people in advanced industrial societies construct their lives. It is for the reader, perhaps, to draw from the following pages any lessons that might suggest themselves for social policy and political action to confront the problem of unemployment in our own time. What can be said, however, is that spurious solutions, whether based on statistical sleight of hand, on demagogic rhetoric, on forced labour, or on increased arms expenditure, bring about a 'reduction' of unemployment at a very high price. The dangers of avoiding a genuine confrontation of the problem should be as apparent in Britain and Germany in the 1980s as they were in the much more dramatic circumstances of half a century ago.

The following chapters attempt to trace the history of unemployment from the beginning of the Weimar Republic (Chapters 2 and 3), through its whole history from 1918 to 1933 (Chapter 5), and into the Third Reich (Chapter 11), so that the years of mass unemployment in 1929–33 can be seen in their proper perspective. But the concentration of the book (Chapters 4, and 6–10) is inevitably on the Depression which brought about the Republic's collapse. While some of the contributions (Chapters 3, 4, 6, 11) deal mainly with government and municipal policies towards the unemployed, some (Chapters 2, 5 and 7) with the social distribution of unemployment, and some (Chapters 8, 9, 10) with attempts to bring about the political mobilisation of the unemployed, none of them neglects the subjective experiences and aspirations of the unemployed themselves, and in some contributions (Chapters 5, 7, 8 and 9) these form indeed the central focus of study.

Throughout this book an attempt has been made to allow the German unemployed to speak to posterity, both directly, from interview material, and indirectly, through their actions and opinions as reported in contemporary sources. Material on which to base such an attempt is plentiful, above all on a local basis, and a number of the contributions, whether on Augsburg (Chapter 3), Frankfurt (Chapter 5), Hamburg (Chapters 6, 11), Berlin (Chapter 8) or Altona (Chapter 9) reveal the advantages of local studies in this respect. Inevitably, the development of unemployment legislation and welfare provisions forms an important part of the context, without which some of the points at issue are not easy to grasp: so the general introduction (Chapter 1) tries to provide an outline of basic information on this context, as well as to sketch in some of the main trends and structures of unemployment in the Weimar Republic, to show how they have been studied by historians, and to suggest some of the ways in which the contributions to this book come together to revise or extend the current state of knowledge on these problems.

The origins of this book go back to the seventh meeting of the Research Seminar Group on German Social History, held at the University of East Anglia in July 1983, when several of the chapters were presented as discussion papers. None of them has previously been published, though during the preparation of this book, some may have appeared in different versions in German. Thanks are due to the Nuffield Foundation for providing the financial support for the meeting, to the University of East Anglia for its assistance in organising it, and to the participants for providing a stimulating discussion which, as they will recognise, has left its traces in the Introduction (Chapter 1) at various points.

We would also like to express our gratitude to Cathleen S. Catt for translating Chapter 3, to Lynn Abrams for reading the proofs and helping with the translation of Chapter 4, to Marjan Bhavsar and Elvi Dobie for their work in assisting with the final preparation, and, as with previous volumes in this series,[1] to Richard Johnson for converting our often obscure graphs into readable artwork, and to Croom Helm and especially to Richard Stoneman for the editorial patience and tolerance which the very protracted period of gestation has been accorded.

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Note

1. Richard J. Evans and W. R. Lee (eds), *The German Family. Essays in the Social History of the Family in Nineteenth- and Twentieth-Century Germany* (Croom Helm, London, 1981); Richard J. Evans (ed.), *The German Working Class 1888–1933: The Politics of Everyday Life* (Croom Helm, London, 1982); Richard J. Evans and W. R. Lee (eds), *The German Peasantry: Conflict and Community in Rural Society from the Eighteenth to the Twentieth Centuries* (London, Croom Helm, 1986); and also Richard J. Evans (ed.) 'Religion and Society in Germany' (special issue of *European Studies Review*, vol. 12, no. 3, July 1982).

1 INTRODUCTION: The Experience of Unemployment in the Weimar Republic

Richard J. Evans

I

To be unemployed is to be without a job: yet the notion of a 'job', in the sense of regular, full-time employment is, historically speaking, quite new. In pre-industrial society, with its seasonally determined patterns of work and its fluid, often unarticulated and barely visible dividing-line between work and leisure, to be idle or inactive was almost unknown, for even leisure had its productive aspects. Only with the rise of industrial wage-labour did fixed hours of work, in a place away from home, on a regular, uninterrupted basis, five or six days a week, become the defining norm against which the concept of unemployment could establish itself. Yet even in the late nineteenth century, as Germany was still an industrial society in the making, millions of people were engaged in casual or domestic forms of labour; or changed from one job to another, indeed from one type of job to another, with a frequency that made the notion of a fixed, permanently employed workforce inapplicable; or migrated from country to town and back again at intervals during the year, as the demands of the harvest or the opportunities of seasonal employment dictated. The concept of unemployment was by no means absent from political discourse in the late nineteenth century: indeed, there were even demonstrations of the unemployed on one famous occasion in Berlin early in 1892. Some groups of workers were already coming to regard wage-labour in a chosen trade or place of abode as so essential to their existence that they could feel justifiably aggrieved if they were deprived of it. But the fluidity and instability of the workforce was still such that any attempt to calculate overall levels of 'unemployment' for this period would be premature.[1]

For the definition of unemployment is itself subjective. Official definitions are quite often relatively arbitrarily changed according to the political exigencies of the moment. As we shall see later in this book, the governments of the Weimar Republic were no exception to this rule (still less was that of the Third Reich). Government statistics ultimately depend on the actions of bureaucratic agencies which register some people as unemployed, but refuse to register others. Correspondingly, however, individual workers themselves also vary in their willingness to 'sign on' as unemployed. Women, for example, have been in some situations notoriously reluctant to regard themselves as unemployed when dismissed from their jobs; although, as Helgard Kramer points out in her contribution to this volume, the reasons for this behaviour and its variations between different categories of women were more complex (and more interesting) than has often been supposed. Only when millions of workers — the majority of the workforce — had come to regard a full-time job as the normal, indispensable basis for their existence, and to reject any alternatives that might be proffered, was it possible for those selfsame millions, on losing their jobs, to become unemployed.

So unemployment was the product of the triumph of a particular kind of work ethic, and its defintion became — as it is today — the focus of political controversy. The state may operate one definition of unemployment: the unemployed themselves, even if refused recognition as such by the rest of the state, might operate a very different one. By the 1920s, certainly, the concept of unemployment had entered the centre of political discourse in a way that it had never managed to do before the First World War. Probably it was helped on its way there by the beginning of welfare legislation in the area. Whatever the social policy of Bismarck and his successors did in the way of creating a viable system of insurance against illness, accidents and old age, it never went so far as to insure people against the loss of their jobs. All that was available to them was the bounty of the Poor Law, which took away their civil rights, including the vote, and subjected them to a regime of demeaning inquisition and intrusive control.[2] As Richard Bessel and Merith Niehuss suggest in the first two contributions to this volume, it was the First World War that began the move away from this system and towards a real scheme of unemployment relief. Unemployment was not a serious social or political problem in Germany before the First World War, in contrast to Britain. But the dislocation of the economy caused by the switch from consumer goods to war production in 1914–15 brought about a substantial level of unemployment. The need to deal with this, to support dependents of soldiers at the Front, and then later, to provide those returning from the war in 1918–19 with the means of subsistence until they found a job: these were the political imperatives that lay behind the emergence of the unemployment benefit system that took on concrete form at the start of the Weimar era.

The 13 November 1918 saw the introduction of the first in a long series of ordinances establishing a system of support for 'those without an occupation' (*Erwerbslosenfürsorge*) which lasted, despite frequent amendment, until 1927.[3] Amendment was necessary not least because of the galloping inflation which was becoming the dominant economic fact of the early Weimar years, so that the rate payable had to be changed with ever-growing frequency. The financial burden of the payments was borne partly by the central state authorities in Berlin, which paid a half, the *Länder* or federated states (such as Bavaria, Baden or Hamburg), which paid a third, and the local city or district authorities, which paid the rest. In the inflationary conditions of the early 1920s these financial arrangements soon began to prove very costly. Already in November 1918, therefore, measures were taken to encourage those supported to find work. By 1919 an extensive system of state labour exchanges (*Arbeitsnachweise*) was being established, to be co-ordinated by a specially-created central Reich Office for Employment (*Reichsamt für Arbeitsvermittlung*) set up in May 1920, and the maximum period allowable for receipt of benefits was being restricted to six months, or in some cases even less. What these and other regulations meant for those to whom they applied is shown in detail by Merith Niehuss, using the example of Augsburg, in Chapter 3. The situation in which these various laws and institutions were created to deal with, however, was only a temporary one. As Richard Bessel suggests in Chapter 2, fears of permanent mass unemployment in the wake of demobilisation proved to be exaggerated, and before long the returning troops had been largely re-absorbed into the labour market.[4]

Inflation meant full employment in the early Weimar years; until, that is, it became hyperinflation and got completely out of control. By 1923 the labour exchanges and benefit offices were in full swing again. The crisis of hyperinflation, as Merith Niehuss shows, had a much more serious and long-lasting effect on the labour market than the demobilisation in 1918–19 had done. It threw not only the unskilled out of their jobs, but also forced independent craftsmen to stop trading, and even professionals to seek welfare support. New kinds of claimants were thus coming into being, and as conditions reached their most chaotic in the late autumn of 1923, the existing system of supporting 'those without a livelihood' came close to collapse. The consequences for those receiving benefits — illustrated in graphic detail in Chapter 3 — were less than pleasant. As the crisis receded with the currency stabilisation of early 1924, and employment prospects started improving once more, government began to consider how to prevent such a near-collapse occurring again. Support for 'those without a livelihood' had originally been regarded as a temporary measure to deal with demobilisation. In the long run it seemed inadvisable for the central and regional authorities to bear so much of the cost of supporting the unemployed, when it was the local authorities who in reality were best placed to deal with them and find them jobs.

On numerous occasions from 1919 onwards, indeed, there had been attempts to introduce a new, permanent and comprehensive system of unemployment insurance. In the spring of 1924 the existing system of support for 'those without a livelihood' was restricted to employees who had contributed to the state health insurance scheme for a minimum of 13 weeks over the previous year. This not only introduced the principle of insurance but also excluded the long-term unemployed and lower-middle-class groups, such as white-collar workers and the self-employed, who did not participate in health insurance schemes.[5] The numbers of these excluded groups, as Merith Niehuss shows in Chapter 3, could be quite considerable. Meanwhile, the financial provisions of the system were also reformed, so that contributions came from employers, employees and local authorities instead of the Reich and the *Länder*. The maximum period of eligibility was set at 26 weeks, with the possibility of extension to 39. The rates paid, as before, were scarcely adequate even for the smaller number of people now covered. Even so, employers were inclined to object that they were so close to some wage-rates they paid that they weakened the will to work of those who actually were in employment.[6]

This scheme too soon ran into difficulties. True, unemployment declined rapidly during 1924 as the economy recovered in the first phases of currency stabilisation. But in the longer run, the consequences of stabilisation were less favourable for workers. Cost-cutting and rationalisation all round helped business, but by the winter of 1925–6 unemployment was rising sharply again, largely as a consequence of the realignment of the economy that followed the recovery of the mark in 1924. Soon the unemployed were to be counted in millions again.[7] For the rest of its existence the Weimar Republic had to live with mass unemployment. The years 1924–9 are sometimes thought of as years of prosperity and stability, a peaceful interlude between the inflation and political crisis of 1918–23 and the Depression and political collapse of 1929–33. But from 1926 onwards they were years of hardship for the millions of workers who were unable to get a job. In particular, it quickly became apparent that something would have to be done about the lower-middle-class groups and long-term unemployed excluded from support for 'those without a livelihood' by the reforms of 1924. The result was a fundamental series of laws passed in 1926–7 which laid down the framework of unemployment support for the rest of the Republic's existence.

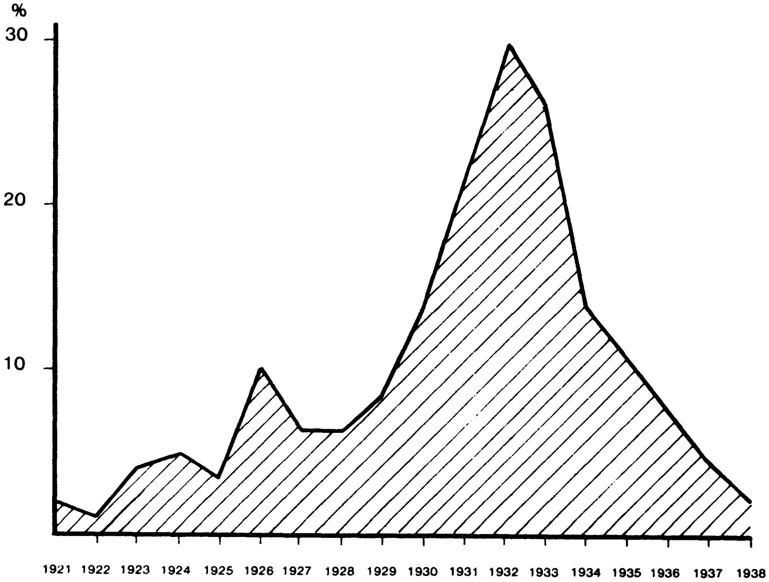
On 20 November 1926, after much debate, a new form of support was established to help those excluded in 1924. This was the system of so-called 'crisis benefits' (*Krisenunterstützung*). When the period of support for 'those without a livelihood' — by now extended to a year — ran out, claimants could receive 'crisis benefits' for a period to be determined according to trade and locality, and provided they passed a means test. Three-quarters of the necessary sums were raised by central government, the rest by local authorities. In 1927 a maximum length of 26 weeks was imposed for the receipt of crisis benefits, extended to 39 weeks in 1928 (one year for white-collar workers over 40 years of age). Although attempts were made to restrict crisis benefits to certain trades, they were made general from June 1929 for all branches of employment except seasonal trades. In the conditions of permanent mass unemployment that began in 1929, however, increasing numbers of the unemployed began to run through the 39 weeks allowable for receipt of crisis benefits. Their support after this was a matter for poor relief, and soon the numbers of these 'welfare unemployed' (*Wohlfahrtserwerbslose*) were growing rapidly. Since crisis benefits were largely paid by the Reich, and poor relief wholly by local authorities, this placed an ever-increasing burden on local authority finances as the Depression wore on.[8]

Meanwhile, an even more significant legislative intervention had taken place in the shape of a new law on labour exchanges and unemployment insurance (*Gesetz über Arbeitsvermittlung und*

Arbeitslosenversicherung), which came into effect on 1 October 1927. This replaced the old system of support for 'those without a livelihood' (*Erwerbslosenfürsorge*), which finally ceased to exist in 1928, with a new system of unemployment insurance (*Arbeitslosenversicherung*) in which employers and employees were to pay contributions which were intended to finance unemployment benefits for a maximum of 26 weeks (in some cases 39). These benefits (*Arbeitslosenunterstützung*) were paid at levels that varied according to trade, locality and former earnings-levels, and were supplemented by family benefits where appropriate. All this was to be implemented by a new system of labour exchanges (*Arbeitsämter*) organised in 13 large districts which corresponded to economically determined geographical areas rather than already existing administrative structures. The whole package has rightly been regarded as one of the major achievements of the Weimar welfare state. For all that, however, it soon proved incapable of dealing with the unprecedented levels reached by unemployment during the Depression of 1929–33.[9]

For the numbers of unemployed increased to more than five million in the winter of 1930–1, and six million in 1931–2, without significantly declining thereafter. By January 1932 it was estimated that the unemployed, with their dependents, made up about a fifth of the entire population, some 12.86 million people. These numbers were substantially the same as late as March 1933. In this long period of mass unemployment, the insurance contributions paid by employers and employees soon proved unable to cover the vast sums being paid out in benefits. The problem of what to do with the unemployment insurance system now moved to the centre of the political arena. Central government became increasingly reluctant to cover the gap between contributions and benefits because of its commitment to solve the crisis by deflation and reducing government expenditure. Employers did not want to increase their contributions at a time when profits were falling. Trade unionists and workers were unwilling to see the level of benefits reduced at a time when it seemed more and more likely that they themselves would soon become dependent on them. Local authorities were anxious not to see a shift in the burden of support from the centre to the localities at a time when the numbers of 'welfare unemployed' supported by local authorities were rapidly increasing. The political institutions of the Republic were unable to reconcile these differences. From 1930 they were overriden by the 'government of experts' under Heinrich Brüning, which now began to issue a series of 'emergency decrees' whose cumulative effect was to bring about a gradual dismantling of the welfare state so painstakingly assembled in the years of relative prosperity.[10]

Figure 1.1: The Unemployment Rate in Germany 1921–38



The graph shows registered unemployed persons as a percentage of dependent occupied persons.
Source: Dietmar Petzina *et al.* (eds), *Sozialgeschichtliches Arbeitsbuch* III (Munich, 1978), p. 119.

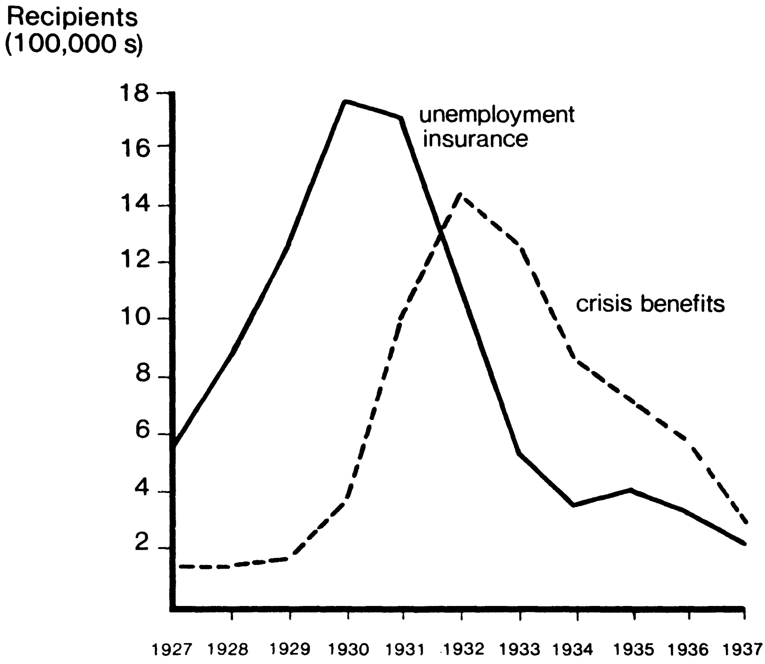
The Brüning government moved to deal with the situation by reducing benefits, increasing contributions and providing financial support from the Reich all at the same time, in the emergency decree of 26 July 1930. But no sooner were these adjustments made than unemployment reached fresh heights and brought the problem of financing benefits to a head once more. A gesture towards a solution was made on 6 October, when contributions were raised again, but little was achieved by this step and the situation grew steadily worse. On 5 June 1931, therefore, the

Brüning government went much further and reduced unemployment benefits by up to 14.3 per cent. The period claimable was reduced to 20 weeks for seasonal labourers and the rate for them fixed at the same as that for 'crisis benefits', which were also reduced by up to 14.3 per cent. Claimants under 21 were disqualified unless they had a family to support, and married women were subjected to a means test (thus breaching the principle of insurance). A series of detailed provisions effectively reduced the level of wages against which benefits could be calculated, and increased the obligatory waiting-period between ceasing employment and receiving benefits to up to three weeks.

The emergency decree of 5 June 1931 meant real hardship for millions of unemployed, and it is not surprising that the Social Democratic Party made its further toleration of the government dependent on revision of the decree. On 6 October 1931 some minor reforms improved the situation for seasonal labourers and raised the base-level of wages on which the benefit-rate was calculated. But the continuing rapid deterioration of the financial position of the unemployment insurance system led the same month to a reduction of the period of payment of unemployment benefits to 20 weeks (16 weeks for seasonal labourers), made good by an increase of 6 weeks in the period of eligibility for crisis benefits, to which, however, a greatly sharpened form of means testing was henceforth applied. Thus, the burden of payment continued to shift from the self-financing unemployment insurance system to the Reich-financed crisis-benefit system, and thence to the local authority-supported welfare system. Each responsible authority was now imposing increasingly restrictive definitions of unemployment in order to reduce the number of claimants. Beyond this, too, the Reich was increasingly using the indebtedness of local authorities as a lever to force on them an acceptance of its own deflationary policies, as Elizabeth Harvey shows, using the example of Hamburg, in Chapter 6.

By the winter of 1932–3, it has been estimated, there were over a million people capable of work who were without either a job or any form of support, so that the official figure of six million unemployed was certainly a gross underestimate by almost any definition except that of the responsible officials.[11] The variety of ways in which the number of registered unemployed was held in check by official action was virtually endless, as numerous examples in the following chapters will illustrate. By 1932 no more than

Figure 1.2: Recipients of Unemployment Insurance and Crisis Benefits 1927–37



The figure for 1927 covers October–December only.
Source: Dietmar Petzina *et al.* (eds), *Sozialgeschichtliches Arbeitsbuch* III (Munich, 1978), p. 160.

a third of the unemployed were receiving unemployment benefits; most of the rest were on crisis benefits or welfare support, and a significant number were receiving nothing at all. The Brüning cabinet seemed incapable of solving the problem of financing these payments, and the burden falling on the local authorities continued to grow. In September 1932 there were only 618,000 people on unemployment pay, 1,230,000 on crisis benefits and 2,500,000 on welfare support. The right-wing Papen cabinet, which came to power in the spring of 1932, passed a decree on 14 June 1932 that was intended to rescue the finances of the unemployment insurance system by reducing the period claimable to a mere six weeks, and reducing the level of benefits by up to 23 per cent. After six weeks claimants were subjected to a means test. If they were allowed onto crisis benefits (which were reduced by 10 per cent) they could stay only for a maximum of one year. The reform meant yet more hardship for the unemployed, but it did relatively little for the near-bankrupt local authorities, even though the level of welfare payments was also reduced by 15 per cent. Only in November was the drift of claimants to local welfare stopped by allowing those on crisis benefits to continue receiving them indefinitely. But by then it was too late to rescue local authority finances, which were by now in a state of collapse.[12]

One trend ran through all these emergency decrees: the progressive dismantling of the unemployment insurance scheme and its gradual replacement by a system of means-tested benefits. The period of automatic entitlement to a level of support directly related to previous earnings was reduced until it became negligible, and instead more and more unemployed were forced to accept a level of support related to a notional level of subsistence. Throughout the whole process the actual levels of support in all categories were gradually reduced, and the criteria for granting benefits tightened up. This piecemeal destruction of the unemployment insurance system had very real consequences for the unemployed who were on the receiving end: Heidrun Homburg delineates some of these in Chapter 4. They were often at the mercy of definitions and categories imposed by officialdom, and as time went on, more and more of them fell into the category of the 'welfare unemployed'. They were increasingly exposed to arbitrary variations in practice between different local authorities. The growing financial crisis of the municipalities made their situation steadily worse as cuts and restrictions in welfare followed. The 'welfare unemployed', as a consequence, were discriminated against and marginalised as the financial burden of the crisis was now inexorably transferred from the insurance scheme to the Reich, from the Reich to the local authorities and finally, from the local authorities to the unemployed and their families themselves. Growing poverty and malnutrition and an increase in diseases like rickets and tuberculosis were the inevitable results.

II

Changing official definitions of unemployment were most marked perhaps in their application to women: but here even more than among other groups of the population, a crucial role was played by the willingness or otherwise of those thrown out of work to define themselves as unemployed. Arranging the dismissal of certain categories of women from their jobs in order to make way for men, and then refusing to regard these dismissed women as unemployed, was a method of 'reducing' unemployment which was relatively easy to implement, given the strength in German society of the belief that woman's place was in the home. Such measures were taken during demobilisation in 1918–19, as women drafted into jobs previously done by men were ousted, now that men were returning from the front.[13] In the stabilisation crisis of 1923–4, the authorities introduced special ordinances to reduce the employment of married women (so-called 'double earners' supported both by their husbands and by their own job). Again in 1931 the state officially decreed the removal of married women employees from the civil service, while in 1933–4 the Nazi regime actually offered loans to those women who gave up their jobs in order to get married. The effect of these measures is far from clear. As Helgard Kramer points out in Chapter 5, because male unemployment in the Depression rose faster than female, it is often assumed that women were simply not registering as unemployed when they lost their jobs (whether this was through official action or not). Yet there is a singular lack of evidence to back this assumption, and as Kramer shows, the reality was a good deal more complex.[14]

To begin with, by removing or drastically reducing the income of the male head of household, mass unemployment forced many previously non-working women to find jobs (even if only part-time) in order to make up the family wage. Thus, women coming onto the labour market went a long way towards balancing out those who were leaving it. Moreover, many unemployed women could ill-afford to do without benefits in this situation, and despite all the efforts of the authorities to deny women benefits (and indeed classification as unemployed) on the grounds that they were being supported by their families, those women who had had employment in a trained or skilled post such as white-collar work — and they were very numerous by the end of the 1920s — were very difficult to treat this way. Women often tended to be employed in sectors of the economy less severely hit by the Depression than the male-dominated heavy industrial sector. On the other hand, many were engaged in seasonal or part-time work (for example in the garment trade) which fell outside the statistics. Women workers were used to frequent job-changing and short-time or part-time work, and were more flexible and adaptable in their employment behaviour than men were. For this reason, and also because part-time women workers did not bring with them any obligation on the part of employers to pay insurance contributions on their behalf, many employers found it preferable to take them on during the Depression. As Helgard Kramer shows, the complexities of this situation were considerable, and varied from job to job and between different sectors of the economy. But all in all it seems more than possible that the relatively low rates of recorded female unemployment may have reflected a complex reality rather than a simple statistical illusion.

If women thus enjoyed a certain freedom of choice in how they responded to changes in the official definition of employment, the same was clearly less true in the case of young people. Here too the state undertook repeated attempts to reduce the financial burden of paying benefits by removing various categories of the unemployed from the register. First, apprentices were not obliged to pay contributions until near the end of their apprenticeship; then the under-21s were excluded from crisis benefits; and finally, from 1930, payment of unemployment insurance benefits to the under-17s (then from 5 June 1931 the under-21s) was means tested against the parents' income. As Elizabeth Harvey shows in Chapter 6, these tactics increasingly ushered young people without jobs into the ranks of the 'welfare unemployed'. Such policies reflected not least the fact that the young were particularly hard hit by unemployment in the Weimar years. As Detlev Peukert demonstrates in Chapter 7, this period saw the entry onto the labour market of the last substantial birth cohorts of the prewar years, before the continuous fall of the birth-rate that began at the turn of the century and reached dramatic proportions during and after the First World War took effect. An increase in the female labour supply further worsened the chances of young men. Many of them had got their jobs without training in the special circumstances of the First World War, and now faced trying to find employment without skills to offer. Apprenticeship schemes made little difference in the long run because employers simply replaced apprentices when they ended their apprenticeship, preferring a continuous supply of cheap temporary labour to the employment of full-time adult workers. And as Dick Geary shows in Chapter

10, the trade unions made things worse by their policy of agreeing to the dismissal of young workers in order to keep older workers and heads of families in their jobs.[15]

While Weimar governments complacently assumed that women dismissed from their employment as 'double earners' would return to a safe and non-threatening existence as mothers and housewives, they were far more concerned about the reactions of unemployed youth. Throughout the Weimar Republic, therefore, they tried strenuously to prevent them becoming a source of crime and disorder. Central to these efforts were the numerous attempts of the authorities to direct young people into specially created work schemes where they could be supervised and controlled. For governments, of course, did not rest at juggling with statistics and definitions of unemployment in their efforts to 'reduce' the unemployment rate. It is often thought that job-creation schemes in Germany were the invention of the Nazis. But it is a mistake to see the advent of the Third Reich as being followed by a Keynesian bolt from the blue, in which the jobless were quickly put to work on building autobahns and the like. To begin with, the old poor-relief system of the Imperial period and the new system of benefits for 'those without livelihood' of the immediate postwar years, both gave priority to finding work for claimants over paying them benefits. Indeed, claimants were virtually obliged to take on any job assigned to them by the authorities. Only when all possibilities had been explored did they finally receive their payments. The authorities did their best to see that this point was never reached. As soon as the war ended the government launched a state-funded emergency works scheme in which the unemployed were offered jobs on road, canal and dam construction and other specially created civil-engineering projects. In 1924 the new law on unemployment benefits strengthened the obligation to carry out 'compulsory labour' (*Pflichtarbeit*). Even the unemployment insurance scheme of 1927 allowed the authorities to assign jobs to claimants who were under 21. As Elizabeth Harvey shows in Chapter 6, the authorities enrolled large numbers of young people in compulsory vocational training courses, rural work programmes, emergency labour schemes and so-called 'voluntary labour service'. By the time the Nazis came to power in January 1933, as Birgit Wulff demonstrates in Chapter 11, a whole range of job-creation schemes was in existence, including massive road-building, agricultural improvement and housing-construction