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## 14 The rise of the modern state: IV. The expansion of civilian scope

Chapter 11 identifies two sea changes in the development of the state. The first, lasting through the eighteenth century to 1815, saw great expansion in the state's size, due almost entirely to its geopolitical militarism. Earlier chapters show this greatly politicized social life intensifying the development of classes and nations. The second sea change is the concern of this chapter. Beginning about 1870, it greatly expanded not only size but civilian scope within the state as well. While retaining (a reduced) militarism plus traditional judicial and charitable functions, states acquired three new civilian functions, around which, as Chapter 13 shows, bureaucratization also centered:

1. All states massively extended infrastructures of material and symbolic communication: roads, canals, railways, postal service, telegraphy, and mass education.
2. Some states went into direct ownership of material infrastructures and productive industries.
3. Just before the end of the period, states began to extend their charity into more general welfare programs, embryonic forms of Marshall's "social citizenship."

Thus states increasingly penetrated social life. Despite a reduction in fiscal pain, civil society was further politicized. People could not return to their normal historical practice of ignoring the state. Class-national caging continued, if more quietly, with less world-historical drama. Social life was becoming more "naturalized," and states were becoming more "powerful" – but in what sense? Were autonomous states "intervening" more despotically in civil society, aided by greater infrastructural powers, as envisaged by elitist-managerialist state theory? Or was state growth merely a functional and infrastructural response to industrial capitalism? This might increase not state but civil society's collective powers (as in pluralist theory), or it might subordinate the state to the distributive power of the capitalist class (as in class theory). Or were these enlarged, more diverse states now more polymorphous, crystallizing in plural forms between which "ultimate" choices were not made? And if they became more polymorphous, did they also become less coherent?

### Infrastructural growth, party democracy, and the nation

State infrastructures grew least in party-democratic regimes. These rarely nationalized economic resources, deferred more conspicuously to the needs of capital, and at first moved more slowly toward social citizenship. The three party democracies obviously differed – with the United States having easily the weakest, most federally divided government and France the most active state – but they did share many characteristics. I discuss these matters first for Britain. I argue that the British state became more polymorphous, crystallizing as militarist, as capitalist, as moral ideological, as federal national, and as more thoroughly party democratic. In this chapter, I discuss only some of the domestic repercussions of geopolitical militarism. Were there clear-cut relations, perhaps of “ultimate primacy,” among these crystallizations? Chapter 3 argues that state crystallizations rarely confront one another in dialectical, head-on conflict, forcing direct political choice or compromise among them. Was this so in Victorian Britain and in other countries of the period?

The Victorian state certainly was capitalist. Almost all Victorians expected it to be. Even laissez-faire advocates had not doubted the need for state regulation. Adam Smith wanted the state to provide public goods that private actors had no personal interest in funding – external defense, internal security, national education, and a road network. Add railways, and this is what nineteenth-century states largely did. Smith rightly saw this less as state intervention than as civil society (by which he really meant market capitalism) coordinating itself. In the early nineteenth century in Britain, as in most other countries, activism by autonomous state elites was actually declining, as the court and royal licensing and patronage networks decayed. Then, after 1830, a kind of collective “party,” rather than elitist, state activism began to grow, much of it concerned with assisting and regulating the development of industrial capitalism. Legislation became less ad hoc and more programmatic, continuing across parliamentary sessions, relying on public (not private) acts of Parliament initiated by cabinet ministers. Parliament also now routinely used select committees and royal commissions to investigate social conditions and recommend legislation. Other party democracies set up similar planning agencies. After midcentury, their administrative infrastructures also began to grow, though again mostly coordinating rather than intervening in civil society.

But civil society and state action involved more than capitalism. Moral-religious debates resonated strongly in Victorian politics (Marsh 1979; Weeks 1981: 81; Cronin 1988). Weeks and Foucault (for France)

argue that this indicates “coercion” by dominant classes over a broader span of social life, a somewhat economic reductionist view of the moral-ideological crystallization. But as industrialization and state scope both increased, so moral rhetoric became more complex and more disputed. Many Victorians distinguished between commercial matters, on which the state should merely assist capitalist self-regulation, and social questions, which were legitimate matters of state intervention, even coercion. Thus declaimed Lord Macaulay, in defending the Ten Hours Bill in Parliament:

I am as firmly attached as any Gentlemen in this House to the principle of free trade properly stated . . . that it is not desirable that the state should interfere with the contracts of persons of ripe age and sound mind, touching matters purely commercial. I am not aware of any exception to that principle, but . . . the principle of the non-interference is one that cannot be applied without great restriction where the public health or the public morality are concerned. [Taylor 1972: 44]

In reality, though, as other contributors to the debate have observed, there was no simple division of labor between capitalism and “public health and morality.” They interpenetrated one another. Victorian moralizing fused ideological currents with varying degrees of affinity to capitalism – moral Protestantism, Enlightenment, and utilitarian theories of progress, notions of individual and social “improvement,” an imperial sense that Britain had global moral responsibilities, and regime fear of the “dangerous classes” below. Unless the lower classes were in actual revolt (as in Chartism or in 1848), regimes rarely focused on their political class interests. The lower classes were considered “dangerous” in a much broader sense than mere economic threat. Social-policy debates were pervaded by broad metaphors linking personal and class interest with health and morality, as in Lord Macaulay’s speech. Social problems created “degradations” and “diseases” that spread “corruptions” and “infections.” Industrialism and urbanization had greatly increased social density, so that lower-class immorality might infect all classes, as their germs certainly did. The 1851 census revealed few workers or their families attended church or chapel, which genuinely shocked the regime. It was both the duty and the interest of the governing class to guide the lower classes toward health, purity, morality, and religion.

Indeed, classical political economy and the public health movement, culminating in germ theory, actually shared the same metatheory: Invisible forces diffused through the unintended effects of countless social interactions, benign, chaotic, and malign alike. The state should assist benignity, preferably with relatively inconspicuous

infrastructures – perhaps best typified by the introduction of underground glazed earthenware pipes channeling water and sewerage under the towns. The pipes represented a genuine increase in human collective powers, slashing mortality rates from the 1870s, and they were hailed as such. Policies gradually emerged for public health, street lighting, sewerage, minimum housing standards, rudimentary health care, a police force, the supervision of prisons and Poor Laws, the regulation of work hours and employment conditions, and primary and some secondary education for most children. Efficient communications, good public health, and mass literacy were believed to be functional for capitalism, national power, and human development in general. As Chapter 11 shows, even fiscal resistance to state broadening lessened as economic growth outstripped state expansion. Thus state civilian scope grew somewhat consensually among those who could organize effectively, that is, among dominant classes, regions, ethnic groups, and churches. As Grew (1984) notes, massive infrastructural growth was compatible with an emerging ideology of “state neutrality” and preservation of freedom, as most defined new “fields of play” in which civil-society actors could be expected to act without further state intervention.

Nonetheless, capitalism and morality might conflict and then set limits on each other, not fixed but fluctuating according to complex political processes. As the century neared its end, militarism started to influence social interactions. British imperial power was seen to depend more on “national efficiency,” central to which were (barely) healthy mothers and children and a basic level of education for the nation. Indeed, in the notion of national efficiency capitalist and military rivalry tended to fuse, especially as Germany became perceived as the main rival Power. If reforms were demanded in the language of head-on class conflict, as in Chartism, they were forcibly repressed; then the capitalist state did assert itself. If reforms were presented merely as a rational mutual interest compromise to class conflict, they also normally failed to convert ruling old regime liberalism. The trick was to present reforms as ameliorating class conflict *and* having moral and national objectives. Then immoral or unpatriotic capitalists and taxpayers might be denounced, creating splits in the ruling regime. At the same time as Chartism, the Factory Acts movement denounced exploitation of the health and morals of working children and women – and so of family life – and was broadly successful. (See Chapter 15.) Most legislation mixed motives of social control, charity, and a recognition that increased social density made some state services functional for all. Social life was now inescapably collective. The national cage was tightening its bars yet, paradoxically, increasing

genuine freedoms; for the pipes were dramatically lengthening the life span of fetuses, infants, and mothers.

Few thought yet in terms of Marshall’s “social citizenship” – guaranteeing active citizen participation in the social and economic life of the nation beyond being barely healthy, then literate. No program redistributed much, as (until 1910) there was no progressive taxation to pay for it. But it was a conscious legislative reform program, fought over by enthusiasts, opponents, and compromisers, gradually making converts within state and party elites. By the 1860s, reform bills were being initiated by ministers rather than by private members. Liberal capitalism, influenced by Christian and secular morality and then by nationalism and by competitive parties responding to electoral pressure, could generate social reform – provided reform was not in the name of class, aimed squarely against capitalism.

Nor could capitalism or moral reform or militarism aim squarely against the further state crystallization, a moderately centralized yet still “federal” nation. In the terms of Table 3.3, Britain was in reality (if not in its constitution) still rather “federal,” with considerable powers lodged in local government. True, Victorian acts, committees, and commissions also generated “technocrat-bureaucrats,” conscious elite “incrementalists” seeking to extend the role of central government (Lubenow 1971). As long as they kept their heads down and attacked particular social ills with ad hoc remedies amid a smoke screen of moral and national rhetoric, reforms came. But if they advocated state intervention as a general principle of social amelioration, they fell afoul of the local party notables controlling the electoral process and Parliament.

When the national issue broke out in head-on confrontation, centralizers usually lost. The most they could do was pragmatically create state infrastructures staffed by local notables. On royal commissions technocrats were balanced by aristocrats, and centralizing recommendations were watered down in parliamentary legislation and then again when implemented. When the greatest Victorian technocrat, Edwin Chadwick, openly advocated central state intervention in municipal health, he was swiftly discredited, and his career of public service ended. From Poor Law reform, through factory acts to public health and education, social reform was proclaimed nationally by government and Parliament but implemented by local notables of boroughs, counties, parishes, and others of the 25,000 local instruments of mid-nineteenth century local government (Sutherland 1972; Mac-Donagh 1977; Digby 1982). Administration remained federal, though the British “constitution” was supposedly dominated by the doctrine of (centralized) parliamentary sovereignty. British administrations – state

elites and parties, central and local – were still coordinating and disputing the moral and material anxieties of the ruling class-nation, not intervening as an autonomous central state in civil society.

At midcentury, three state crystallizations – as capitalist, as moral ideological, and as a federal nation-state – were setting broad limits for one another and for potential state autonomy as the scope of domestic civil policy broadened. Then, from the 1880s on, federalism weakened under the impact of growing national identities (discussed later), of imperial militarism, and of the fifth state crystallization, party democracy. Britain was not, of course, a full-fledged electoral democracy, even for men, but its franchise after 1832 was broad enough to gradually force party notables in some areas beyond mere segmental patron-client organization into programmatic competition with each other. This accelerated in 1867 and 1884 as the two parties extended the franchise to outbid each other. Now came more continuous and mass religious, regional, and class pressures. The Conservatives became Anglican and English, the Liberals partially Nonconformist and Celtic. Petite bourgeoisie and skilled workers became enfranchised, and the professional and careerist middle class politically influential. Some Liberal and Conservative party leaders switched sides over the national issue, and the ideological battle evened up. Moderate party and elite centralizers now commanded the rhetoric of “modernity,” and local notables commanded those of “freedom.” By 1900, partly centralized parties with national platforms and propaganda were appealing to a mass electorate sometimes over the heads of local notables, reducing their autonomy and moderating their preference for federalism.

The largest domestic responsibility of government was now education, geared (as Chapter 16 shows) to the middle class, the majority voters. An emerging “ideological citizenship” carried messages as diverse as its middle-class constituency: loyalty to capitalism, national efficiency, Anglicanism or Nonconformism, “social purity,” temperance, and charity, even feminism. All this helped shift liberalism and the Liberal party toward more welfarism; it shifted Nonconformists from federalism toward state activism (provided education could be protected against Anglicanism); and it cemented the union of Scotland, Wales, and Ulster with England (largely through the medium of religion-party alliances). Education also locally politicized many workers, though their national politics centered on franchise reform and trade union rights. Most pressure for public welfare came from the Liberal middle class and moralists (Cronin 1988). Eventually, however, middle- and working-class political pressures joined to generate the policies of the last prewar Liberal government.

As Chapter 17 shows, active state intervention in industrial relations also began in the 1890s – in response to class pressures from below, but effective when able to find common pragmatic and moral ground to transcend the “selfish” interests of employers and unions. Moral pressures supplemented the few coercive powers contained by labor legislation. This was paralleled by more intervention, usually through fiscal incentives, in education, as inadequacies were revealed in the policy of plugging gaps between privately run schools. Public medical services crept surreptitiously through the Poor Laws to provide what was in effect a minimal state-funded health service of last resort. Local government reform provided more uniform services, especially in public health, guaranteed nationally, though decisions as to the exact level of services remained local, as did their administration. All this indicated a little more national centralization, limited party-democratic “interventions” in capitalism – often through moral persuasion, fiscal inducements, or covert technocracy, but sometimes through direct legislative coercion – and a limited state autonomy that had not derived from head-on challenges to capitalism or federalism, and not from direct class struggle, but rather from the unintended consequences of party politics in which moralism and nationalism entwined with mass regional, religious, and class crystallizations. As these had not challenged capitalism or federalism head-on, autonomous statism (of the kind envisaged by elite theory) had barely appeared. For the technocratic-bureaucratic interventionist state to emerge presupposed greater working-class pressure and mass-mobilization warfare, both lying beyond 1914. Prewar “statism” was predominantly moral and middle class. It was an implicit compromise between a federal and a centralized nation-state, mildly modifying the state’s capitalist crystallization.

France and the United States moved along parallel tracks, France having stronger centralizers. Their most important state crystallizations were fairly similar to British ones, except that, from the 1870s on, American geopolitical militarism was far less pronounced. At the end of the nineteenth century the parties of centralizing Republicans eventually secured control of the French state against clerical, aristocratic, and finance capital resistance. As in earlier republics they designed a more centralized and somewhat more interventionist state than in Britain or the United States. But its major interventions were not directed against capitalism or class. Rather, the centralized nation-state fought principally on moral-ideological terrain – against the power of the Catholic church in education, family law, and social welfare, together with a Republican crusade against old regime control of the armed forces (focusing on the Dreyfus case). Capitalism continued

to dominate political economy. Again we see a dual result, the triumph in political economy of the capitalist state, mediated by the party-democratic transformation of a second state crystallization, the moral ideological, from Catholicism into a secular, centralized welfarist morality, and by a late attempt to transform state militarism.

The United States was the homeland of capitalist liberalism, of party democracy, and of confederalism, with the weakest state in the Western world. The Civil War abruptly reversed this. The North, and especially the South, went much farther toward state intervention than any other nineteenth-century state did. The Confederacy interfered substantially and despotically with free labor and private property rights and rode roughshod over local and state governments and customs – an ironic performance from a regime fighting for states' rights. The Union, far larger and richer in its resource base, relied more on market incentives for the supply of manufactured goods. But this "Yankee Leviathan" was especially interventionist in creating the first national credit system and a finance capital class independent of Britain (Bensel 1990: chapter 3). After the war, the massive state administrations were quickly dismantled, but the victorious Union remained cohesive, sponsoring national economic development and directly ruling the entire South during Reconstruction. As Bensel observes, during the Civil War it had become a one-party state in which Republican party notables drawn from northern finance, industry, and free soil agriculture staffed the state themselves. Yet again we see that states effectively combining despotic and infrastructural powers depend not on autonomous elites but on elites institutionalized in a civil society party.

But this "strong state" alliance proved fragile. Most locally rooted conservative Republicans lost interest in Reconstruction and became prepared to deal with southern Democrats. Party factionalism resurfaced. To retain the presidency, conservative Republicans were forced to make an electoral deal restoring autonomy to the southern states in 1877. Government returned to its antebellum form: one of "courts and parties," small and predominantly confederal, controlled by locally rooted party factions, its law courts dominated by laissez-faire and localism, its most cohesive, purposive party faction (southern Democrats) resolutely opposing central state powers (Keller 1977; Skowronek 1982: 30; Bensel 1990: chapter 7).

American capitalism now developed as northern, its South a backwater, its institutionalized racism giving quite distinct hues to local capitalism, yet with entrenched blocking powers against the federal state. From the 1880s on, this northern capitalism also experienced tension with a middle class-centered religious moralism. But it also

contained an internal tension: Its liberal individualism was stronger, yet its corporations grew bigger than in other countries. As corporations entwined with party factionalism and sought local and state government franchises, the stench of "corporate corruption" rose. Hence reformers, like their polar opposites, southern Democrats, sought to reduce, not expand, the infrastructures of government (Orloff 1988). Yet Washington differed from the other four (five, if we count Budapest) capitals in not being a major modernizing city. A small, preindustrial southern city, Washington was not easily controllable by the modern corporation. Therefore, some corporations favored "modernizing" reforms, starting at the federal level. The Progressive movement carried these somewhat contradictory currents, plus middle-class vested interest in education, sectarian religious welfarism, middle-class feminism, and the interests of skilled, unionized labor. All (except for feminists) were entrenched in the two parties. The complexity of these power relations, expressed differently at different levels of government, all the time forced to make deals at the federal level with alien southern Democrats, make it hard to sum up the Progressives (for specialist historians as well as this inexperienced outsider). But the entwined entrenched powers of capitalist liberalism and southern states' rights allowed fewer central state moral restraints on capitalism (and on racist capitalism) once corporations were minimally regulated than in other countries.

In all three party democracies the capitalist crystallization continued to thrive. State intervention remained limited and often helpful to capitalism (with the exception of the American South). As yet little redistribution was occurring. In these arenas elite theory does not apply, pluralism is limited by the commanding power of capital over labor – and class theory does apply. But to focus on the limitations of state intervention would be to underestimate emerging crystallizations as nation-states. The British and French – even the puny confederal American – states were radical departures from history. The expansion of nineteenth-century state infrastructures did not greatly shift the balance of distributive power between state and civil society or among the classes of civil society. If that was the whole story, the capitalist crystallization would be ultimately primary. But these states *also* changed collective power relations, that is, the very identity of civil society and so of capitalism itself. Each infrastructure tended to increase the cohesion and boundedness of the territories and subjects of existing states as against the two historic alternative interaction networks, local-regional communities and the transnational arena.

Although capitalism also broke down local particularism into broader universalism, its classic ideologists (and opponents) expected this

would be mostly transnational. Yet, without many intending it, “nationally” regulated railways, roads, public utilities, public health, police forces, courts and prisons, and above all, education and discursive literacy in the dominant language of the state provided centralized-territorial infrastructures for the further flowering of the nation-state. Because all of these infrastructures were deliberately held back by local notables in the South, the American nation remained distinctively *northern*. Across almost all the Western world capitalism and civil society were unintentionally steered away from transnational, toward national, power organization.

Such national infrastructural expansion occurred in all countries, not just party democracies. In only twenty-five years, between 1882 and 1907, the number of letters posted per person rose between two- and fourfold in the five countries. By 1907, the average French person was posting 34 letters or cards per year; the Austrian, 46; the German, 69; the Briton, 88; and the American, 89 (*Annuaire Statistique de la France* 1913: 205). Almost all these extensive networks of intimate and business communication were confined within single state territories. Mass schooling grew to astonishingly near-uniform levels throughout the West. The proportion of children aged five to fourteen in school ranged between 74 percent (in the Austrian *Reichshalf*) and 88 percent (France) among the five countries (Mitchell 1975: 29–54, 750–9; although the Hungarian *Reichshalf* lagged at 54 percent). There began the marked decline in regional disparities that has continued through the twentieth century. Variations in regional wage levels were either static or growing in the early phase of industrialization and then began to decline from about 1880 in all five countries. Regional variations in the assessed values of houses showed similar movement (Good 1984: 245–50; Soderberg 1985: tables 1 and 2). Not just the printed word but the reproduced photograph added to national integration. The monarch’s or president’s photograph on the wall symbolized the integration of local administrative offices into the national state; and newspapers and magazines reproduced national ceremonial scenes of coronations, military reviews, and openings of parliaments.

Demographic statistics – female fertility, illegitimacy rates, and age of marriage – might seem unconnected to the national state. After all, they indicate intimate behavior of which the major explicit regulators were transnational churches and local folk practices rather than states. Yet Watkins (1991) shows that in almost all European countries variations between the demographic statistics of regions were declining between the 1870s and the 1960s, as each nation-state acquired its own distinct, standardized national demographic profile. She presents no data on how far naturalization had proceeded by World War I (or by

any other intermediate date); yet, in the long run, sex became national.

This should cause no surprise, in view of the discussion in Chapter 7. I there describe the mobilizing power of classes and nations as deriving from their ability to link extensive organization to the intensive organization provided by intimate family and local community. By the end of the nineteenth century this had become evident to national policymakers. British reformers began to nurture the intensive sphere as essential to the formation of national citizens. They influenced legislation regarding family arrangements, parental responsibilities, sexual morality, “health” as both physical and moral, “good motherhood,” and “healthy” (in physical and moral senses) homes, neighborhoods, and schools. Eugenics was the ideology that most closely linked family breeding to the nation. Politicians and popular writers of the 1900s often expressed it in strikingly imperialistic language:

I know Empire cannot be built on rickety and flat-chested citizens. And because I know that it is “not out of the knitted gun or the smoothed rifle, but out of the mouths of babes and sucklings that the strength is ordained which shall still the Enemy and the Avenger. . . .”

The history of nations is determined not on the battlefield but in the nursery, and the battalions which give lasting victory are the battalions of babies. [Davin 1978: 17, 29]

There were also softer, more permissive versions of eugenics. Edwardian Britain saw a move to reverse Victorian sexual prudery, encouraging girls’ developing sexuality into marital, procreative love (Bland 1982). And British, French, German, and American feminists of the period employed a kind of “maternalist nationalist” rhetoric to seek welfare gains (Koven and Michel 1990; doubtless Austrian ones did too). Families and neighborhoods across all classes, not just male political citizens, were entering the nation as a bonded community of interaction and sentiment.

Though I know of little research on this, nineteenth-century senses of personal identity must have greatly changed. As personal practice, both private and public, became nationally confined, local and transnational identities must have declined, largely unconsciously, with no great expressions of power conflict. Even most of those whose power derived from formally local or transnational organization – local notables, Catholic priests, Marxist militants – seem to have become more implicitly “national” in their sense of themselves. This clearly occurred among formerly notable political parties, and as I show in Chapter 21, it also undermined the transnational rhetoric of labor organization. The *national* organization of civil society, and of capitalism and its classes, greatly increased. The infrastructural state nourished the nation-state.

Of course, each country was unique. In Britain, state and a "ruling-class nation" had coincided for about a century before either industrialization or the extension of state functions. By 1800, this class-nation was homogeneous throughout England and, to a slightly lesser extent, Wales and Scotland. Its Protestant clients ruled Ireland. It spoke and wrote only in English; it produced, exchanged, and consumed in a capitalist market economy that was also for most practical purposes the territory of the British state and that for overseas trade relied heavily on its military arm; and it began to organize politically more at Westminster and Whitehall. In this context, industrialization and the rise of the bourgeoisie, followed by the growth of state infrastructural powers and the middle class, were two phases in the merging of state and nation. British social life became largely naturalized (in its distinctively dual British and English-Welsh-Scottish forms).

France and the United States differed somewhat. The French nation had been politicized earlier in the revolutionary and Napoleonic period among the urban bourgeoisie. The middle class thus had an earlier Republican nation to join (or to fight against) than in other countries. Eugen Weber (1976) shows that this bourgeois nation diffused into the provinces and peasantry only in the late nineteenth century, mainly carried by the material and symbolic infrastructures I identified – roads, rail, post, and education. Here, also, a mass citizen army (proportionately the largest in any country through much of the century) and the Republican political movement in a divided country also played a part. Indeed, Republican governments consciously extended national infrastructures to consolidate their own regime. Their opponents (especially the Catholic church) were decentralizers, more rooted in local communities. Thus a potent motive behind railway building was to bring scattered Republican strongholds into easier communication with each other and with the capital. The Republican nation-state triumphed from the 1880s.

The American dominant class also had a common language and culture, but state infrastructures outside the South assisted it in a distinctive task – the creation of a single English-speaking nation out of lower-class immigrants speaking many languages. Most educational institutions were run by the individual states, though based on a uniform model provided by national networks of professional educators. Relative American isolation from other advanced countries also facilitated a more self-contained national capitalism than in other countries, generating more national organization of markets and corporations. Federal government infrastructures may have been as much consequence as cause of a national civil society. (Skowronek

1982 suggests they were more consequence, but see later.) The American nation emerged more capitalist, less statist, than elsewhere.

But right across the Western world postal services, schools, and railways led to the nation and to nationally organized classes. A few state services – health regulations, police, courts, and prisons – also provided more substantive authoritative interventions. But most merely provided the "buried" facilities, like the glazed earthenware sewer pipes, by which diffuse intermingling of local-regional (or immigrant) diversities led toward nationally demarcated power networks. With few intending it, state infrastructures led toward nation-states.

A few states were not so favored. Linguistic and religious communities there crosscut states and ruling classes. Moreover, as the next section indicates, relative latecomers to industrialization experienced more uneven capitalist development. Parts of the economy might be more tightly integrated with a transnational than a national economy. Particularly diverse were the Russian, Austrian, and Ottoman empires. In the Austrian lands, state, industrialization, languages, and political citizenship struggles pulled in different territorial directions (as Chapter 10 shows). The monarchy desired industrialization, but this might increase either transnational or regional interdependencies more than those of its whole territories. It wished to promote literacy, but in what language if some carried dissident provincial-nationalism? If it conceded middle-class and worker demands for political participation, would this cement their loyalties to the existing state (as in nation-states) or to rival provincial states? Four mutually supportive forces were elsewhere creating nation-states – a state with stronger infrastructural coordination, the relatively even diffusion of capitalist industrialization, shared linguistic communities, and demands for political participation by mass, universal classes – but not in the Austrian, Ottoman, and Russian empires.

#### Late development and the military-industrial complex

The West was a single "multi-power-actor civilization," circulating cultural messages, goods, and services regulated by geopolitical rivalries, diplomacy, and war. Once industrialization was underway in some states, it was quickly diffused elsewhere. As it greatly boosted collective power, it was eagerly received and emulated elsewhere by most dominant power networks. This was conscious, aided by the communications networks of an emerging technocratic intelligentsia. In "latecomer" countries, intellectuals identified the strengths and weaknesses of early industrialization and urged state elites-parties to plan their own adap-



tations. It was an interactive process; for the challenges mounted by the latecomers forced early industrializers to adapt also. And, although the means were primarily economic (harnessing the enormous powers of industry), power actors and goals were varied. All four types of dominant power actor – ideological, economic, military, and political – collaborated in development strategies. Their collaborations usually, and unconsciously, tended to further the development of the centralized nation-state, although the United States and Austria lagged behind in this respect.

Development strategies have been treated, as usual, economically by most economic historians. Gerschenkron (1962, 1965) offered the classic theory of late development. He attributed successful industrialization in latecomer countries to (1) a sharper “spurt” in growth than had occurred in Britain, (2) greater stress on producers’ goods, (3) greater scale of industrial plant and enterprise, (4) greater pressure on mass consumption levels, (5) a lesser role for agriculture, (6) a more active role for large banks, and (7) a more active role for the state. Thus faster growth for latecomers was considerably aided by close coordination between an active state and authoritative industrial and financial corporations. State elites and parties reorganized state finances to pursue macroeconomic mildly inflationary credit policies. They sponsored credit banks to lend to industry and agriculture. They invited British skilled workmen and subsidized model workshops. They built or subsidized railways and other communications infrastructures. They especially expanded education. Finally, they encouraged mergers and cartels to found enterprises big enough to invest in science and machinery. It was primarily an alliance between state elites and capitalist parties in the common pursuit of profit (Senghaas 1985 has updated such late development theory).

With hindsight we can also perceive one precondition for success; relative economic evenness of state territories. If state-aided development was too lagged or uneven, then different economic sectors or regions might become more interdependent with the transnational economy than with a national economy. In this “enclave” path of development, increasingly prominent among twentieth-century developing countries, “comprador” classes may seek to keep their own state weak and ally with foreign capital, even with foreign states. Though transnational class alignments did not go this far in the nineteenth century, uneven development could destabilize a state, forcing elites-parties to concentrate on internal social tensions rather than on geo-economic development.

Among first-wave late developers, Prussia-Germany, Sweden, Japan, and Italy (but only in the north) possessed fairly evenly diffused, fairly

commercialized civil societies. German success depended on particular agrarian-industrial relations mediated by the state (see Chapter 9). No doubt, the Swedish, Japanese, and north Italian cases would be equally contingent. But after these Powers came a divide. Russia and Austria, larger, more diverse empires using the late development repertoire, achieved rapid development at the cost of destabilization. In Russia, there were spurts of state aid to industry in the 1870s, the 1890s, and after 1908, the first two led by foreign capital and the last more indigenous. Russian industrialization was fairly successful in this last phase (McKay 1970). But agriculture was more critical, because grain exports paid for imported capital and capital goods. Agrarian reform preoccupied the regime, but bogged it down in social turbulence. Austria found that state aid to economic development did not much increase the territorial cohesion of its lands. (See Chapter 10.) Late development strategies might lead to economic growth but also to disintegration. The German late development act proved hard to transport eastward.

Why did state elites-parties adopt such late development strategies? Why should development be relatively statist? Centralized-territorial planning is not a necessary feature of development. Volume I analyzes two types of social development in agrarian societies, one the product of statist “empires of domination” and the other of decentralized “multi-power-actor civilizations.” Europe had been a striking example of the latter, reaching its apogee with the “hidden hand” of the Industrial Revolution. Empires of domination had derived mainly from military conquest and rule: Obviously, nineteenth-century Europe witnessed a more pacific form of statist economic development. I shall identify six causes, the first four being congruent with the economism of the late-development literature (I draw especially from Pollard 1981; cf. Kemp 1978), the fifth and sixth deriving from noneconomic state crystallizations.

1. *The desired development is known and can be authoritatively planned for.* In late-developing Europe and in relatively developed non-European states affected by European power, the future seemed clear. Amid competitive geopolitics, industrializing countries could mobilize much greater collective power; others had to respond or be dominated. “Mr. Science and Mr. Industry” – as Chinese writers put it – were seen by virtually all power actors as necessary to their power.

2. *Development resources benefit from authoritative, centralized-territorial organization.* Some industry clearly was better served by large-scale authoritative organization. Railways required enormous capital investment and boosted capital-intensive industries: iron, coal mining, and engineering. After 1880, the Second Industrial Revolution



boosted scale, especially in metal manufacturing, chemicals, and mining. Authoritative organization might be supplied by corporations, but the state might be appropriate for more territorially centered resources like tariffs, currencies, and major credit ventures. Railways and other material and symbolic communications had a territorial, often a "national," base. Here the logistics of competition were important. If states built a national railway network, domestic marketing was stimulated. In nineteenth-century countries industry fanned out along lines of communication from the crucial natural resource: coal. Iron, steel, and engineering located near coalfields could produce less efficiently than the British and still compete in the domestic market because of lower transport costs. So could handicrafts and agricultural producers. Late twentieth-century transport networks are global, but communications in the nineteenth century resembled those national spiderwebs noted in Chapter 9. Markets were integrated within state territories.

3. *Civil society actors are unable to organize such centralized-territorial resources.* This capacity has varied considerably by time and place; but through the long nineteenth century, the scale of state organization and planning vastly exceeded that of private economic institutions. Compared to states, capitalist enterprises remained tiny. About 1910, Krupp was the largest capitalist enterprise in Europe, with 64,000 employees and a turnover of almost 600 million marks (Feldenkirchen 1988: 144). Yet the Prussian-Hessian state railway employed 560,000 and spent 3 billion marks, and a single government department, the Prussian Ministry of Public Works, was actually the largest employer in the world, a little bigger than the armed forces of 680,000 men (Kunz 1990: 37). Other civil services and armed forces were comparably sized, and capitalist corporations were smaller: The largest French company, Schneider, employed only 20,000 (Daviet 1988: 70).

In every country, large corporations were isolated whales amid shoals of small enterprises. About 1910, only 5 percent of the French labor force, 8 percent of the German, and 15 percent of the American were in establishments of more than 1,000 persons. By the early 1960s, these figures had risen to 28 percent, 20 percent, and 30 percent (Pryor 1973: 153; Mayer 1981: 35–78; Trebilcock 1981: 69). Concentration ratios rose during the Second Industrial Revolution, but only to between half and a third of 1960s levels: About 1910, the hundred biggest companies in France contributed 12 percent of national manufacturing output, in Britain 15 percent, and in the United States 22 percent (Hannah 1975; Prais, 1981: 4, appendix E; Daviet 1988: 70–3). All these figures show that only in the United States, with the smallest state(s) and the most

corporations, was the state not the obvious agent for forward economic planning.

Banks, cartels, and trusts mobilized capital, but far less than state elites could. The British capitalist class basically had financed its own early industrial development, but in more backward or less centralized countries, private investors supplied such capital only if politically assisted. State elites protected producers with tariffs, arranged cartels of local investors and bankers, coordinated loans from bankers abroad, and used taxes to subsidize and guarantee interest rates. Planning for broad-scale economic development relied on the state.

4. *Development is favored by state elites and/or noneconomic power actors in civil society.*<sup>1</sup> An economic consensus appeared among most nineteenth-century dominant actors. Only the Catholic church for a time turned its back against state and "modernism." Midcentury industrial development was favored enthusiastically by most others. State infrastructures were accepted as technically useful for industry. We can add a Marxian to the neoclassical notion of interest: Old regimes and capitalist classes also looked to the state to defend their joint property rights against the propertyless. Richard Tilly (1966) argues that the regime-bourgeois solidarity forged in the 1848 revolution allowed them to expand jointly Prussian state infrastructures.

But even all four of these economic pressures combined did not positively *require* substantial state coordination of development. Oligarchies of financiers could have coordinated most tasks themselves with a little ad hoc regulatory help from the state. The late twentieth century has created a variety of planning agencies besides those of the singular nation-state – multinational corporations acting in concert, nongovernment organizations, the confederal EEC, and the like. Attempts at late development in the Third World today tend to swing in cycles between relatively statist and relatively market strategies. Economic relations and interests, though necessary, are an insufficient explanation of why nineteenth-century late development relied so much on the central state. I go on to identify two further influences.

5. *The militarist state crystallization favored statist economic development.* The expenditure figures in Chapter 11 showed that late nineteenth-century states began largely military and ended half military. Geopolitics and military pressures continued to boost scale and authoritative organization among late developers, and then they did so in all countries (Sen 1984). In all countries, even the United States,

<sup>1</sup> There may be cases where only state elites might favor this, yet be able to *compel* compliance from others – as the Bolsheviks did later. But no nineteenth-century state possessed such despotic powers.

the armed forces were by far the largest authoritative organization throughout the long nineteenth century. Peacetime armies were ten times – wartime armies, fifty times – the size of the largest private employer. In most major industries the largest customer was the state, buying armaments, uniforms, and fodder for soldiers and sailors, plus luxuries for officials, courts, and capital cities. The main products of most large enterprises were military goods. Previously military supplies had come from state-run dockyards and arsenals or from myriad artisanal workshops by way of autonomous subcontractors. Both practices had somewhat segregated state agencies from larger capitalistic enterprises, thus minimizing earlier statist economic development. But in the nineteenth century appeared the first integrated “military-industrial complex,” in the familiar modern sense, propelled forward in two phases.

Railways provided the first phase by enhancing military motives to intervene in economic development. After an initial period of suspicion, high commands saw that railways could revolutionize military logistics. Even British line planning had been influenced by navy pressure to ensure communications for ports and dockyards. Elsewhere, high command, state elite, and the capitalist class cooperated more closely in building a national railway network. The later the development, the more the military helped plan the route, alerted by wars in which railway mobilization tipped the outcome – toward France in its Italian campaign of 1859, toward the North in the American Civil War, and toward Prussia in 1866 and 1870. Henceforth new lines in France, Russia, Austria, or Germany needed military permission and participation. State supervision increased (Pearton 1984: 24).

The second phase began with the arms race of the 1880s, developing what McNeill (1983: 279) calls “command technology.” It was preceded across midcentury by capitalists pioneering mass production of guns and bullets – Prussian breech-loading guns, French Minié elongated bullets, and American Colt and Springfield guns using interchangeable machine parts. Then French naval dockyards pioneered iron warships, and an arms race ensued. The scale of production escalated through mergers and cartels (with state encouragement). Manufacturers (as in the United States today) had single dominant customers for whom the product was a use not an exchange value. Military states *had* to have these products, at almost whatever cost. They “intervened,” though largely by inducement. States provided public credit for arms production on a scale at which the private capital market would have balked. Trebilcock (1973) believes that between 1890 and 1914 its scale rivaled that of earlier railway investment. Technological development was “commanded” forward by military

demand. From interchangeable machine parts through Bessemer’s transformation of iron into steel, to a whole range of light metal alloys, to turbines, diesels, and hydraulic machinery, most technological breakthroughs of the period were spun off this military-industrial complex. The manufacturers had assured customers, faced dynamic international competition, and were able to pump far more into research than other industries (Trebilcock 1969: 481; Pearton 1984: 77–86).

Looking at photographs of HMS *Dreadnought*, the 1906 apogee of the arms race, we find it difficult to appreciate that with its great, bulbous hull, its angular superstructure, and its innumerable protuberances, this ship once seemed as hi-tech and futuristic as a sleek F-17 fighter or a *Trident*-class submarine does today. But dreadnoughts were *the* symbol of the Second Industrial Revolution. They were built by the largest industrial enterprises of the age, used the most advanced technology, and produced the greatest concentration of firepower in history. Unlike their counterparts today, they also generated mass employment.

American military statist development first differed only in form, then it lagged. Federal and state governments were concerned more with expansion and integration of the continental Union than with military rivalry with the major Powers. But the results were not dissimilar for much of the century. Governments chartered and subsidized canals, then railroads, to penetrate the continent, lending the army as Indian killers and engineers. The Civil War suddenly produced a massive military-industrial complex and preserved the Union, integrating the continent and increasing industrial concentration. The massive war debt, funded by government bonds, expanded the stock market, which was also lending to the subsidized railroad companies. As Bense argues (1990), the state had effectively created an American finance capitalism.

The rise of the great American corporation is often explained in terms of a purely technological and capitalist logic (Chandler 1977; Tedlow 1988), but as Roy (1990: 30) observes, “The decisive actor creating corporations was the government.” Actually, he means governments, as the individual states did most of the regulation. Yet near century’s end, with the continent penetrated, and under little geopolitical pressure, the American economy did become less statist than those of other national countries. Its mass continental market generated the famous corporate innovations – the Model T Ford assembly line, the Sears Roebuck catalog, the light bulb – yet this was not a necessary feature of capitalist development per se. Germany, the other corporate pillar of the Second Industrial Revolution, had a substantially “commanded” economy.

6. *The monarchical state crystallization favored statist economic development.* Unlike most early industrializers, most late-developing states were monarchies centered on the old regime. Autonomous monarchical Powers were buttressed by old regime parties more particularistic than those of dominant classes. The monarchical-old regime alliance had its own private interests and goals, seeking fiscal resources bypassing representative assemblies. Chapters 8 and 11 show that such states used tariffs and revenue from state property to this end. State railways then gave a fiscal bonus, contributing half the revenue of the Prussian state. Other state infrastructures and nationalized industries were milked for revenue by all of them.

Thus there was a substantial military and a lesser monarchical boost to late development strategies; and then mixed military-capitalist motives spread to party democracies through geopolitical rivalry. Relations between the principal state crystallizations were thus largely consensual, reinforcing the fourth condition listed earlier. Increasingly the policies (though less the rhetoric) of state elites and parties, high commands, and capitalist classes presupposed that the desired goal of an industrial society (and in the United States also an integrated continental Union) would not be best encouraged if the transnational "invisible hand" of the market was let alone.

So, again, this was rarely a case of a state's intervening *against* civil society power actors. With their array of new powers, states might have become veritable Leviathans, as Giddens (1985) suggests. Logistic obstacles to territorial penetration were disappearing; state infrastructures sprawled evenly across civil society, reducing its historic privacy from the state; and some among dominant classes wished to give the political regime regulatory, even initiating, powers in the economy. But "intervention" in party democracies was largely coordination, persuasion, and inducement, not coercion. And though monarchies exploited fiscal opportunities to evade party democracy, they did not turn them against the capitalist class.

The idea rarely occurred to them. Monarchs, old regime parties, high commands, and bourgeois parties had different, sometimes competing, interests, but they were not in dialectical, head-on collision. Capitalists welcomed state credit, communications infrastructures, and protection. The arms race secured markets for their capital goods, and full employment created consumer goods markets. They recognized that high command and state elite interests were not theirs and niggled at both, but the overall trade-off was positive. Monarchical states claimed they built railways, established state industries, and licensed private industries in a neutral, technocratic spirit. A Prussian minister of commerce declared that "it did not matter who built railroads

so long as someone built them" (Henderson 1958: 187). Latecomer states assisted private capitalists to achieve economic development and militaries to secure and perhaps extend it. They could also quietly use the ensuing revenues to evade party democracy.

As capitalist, military, and monarchical goals and crystallizations were broadly compatible, no one chose among them. State crystallizations were *additive*, which we shall see turned out to be disastrous. State elites and parties rarely opposed capitalism. Indeed, they needed profitable industries for goods and tax revenues. They had also for centuries supported private property rights. When states did confront class issues head-on, they usually sided with the dominant classes, though this might be mitigated by their pursuit of morality and public order. We shall see later that state autonomy was greater in foreign than in domestic policy. In domestic policy it was exercised more over subordinate than dominant classes.

But states did not only prop up capitalist property. Half their resources were still devoted to military rivalry with other states. As military and capitalist crystallizations entwined, both states and capitalist class were given greater national organization and more territorial conceptions of interest. This was not intended by either side. As geopolitical rivalry reacted back on the political economy of early industrializers, *their* organization became more national, *their* conceptions of profit more territorial. That was the principal power autonomy of nineteenth-century states, not the intended strategy of a state elite but principally the unintended consequence of four entwined state crystallizations: the capitalist, the military, the party-democratic or monarchical, and the emerging nation-state.

#### Social citizenship, militarism, and monarchism

Table 11.5 notes three great extensions of state civilian scope. Having discussed infrastructural expansion and nationalization of resources, I move to the least of the three, welfare, and to the first stirrings of Marshall's "social citizenship." As Table 11.5 shows, party democracies were not the biggest welfare spenders. True, Britain and France were just beginning modern welfare schemes and Britain moved decisively to progressive taxation at the very end of the period. But as yet welfare expenditure was mainly German. The most famous item was Bismarck's social insurance scheme, though not until 1913 did its cost exceed locally administered social assistance and Poor Law schemes (Steinmetz 1990a, 1990b). Table 11.5 also ignores the substantial welfare benefits being paid by France and the United States out of military

expenditures. The earliest stirrings of the welfare state appear somewhat military and monarchical.

Regimes now had a broader "policing" problem. Capitalism and urbanization had weakened local-regional segmental controls over the lower classes. Propertyless laborers, subjected to capitalist markets, periodically were rendered destitute, migratory, and rebellious. Peasants were burdened by debts as commercialization swept the countryside. Because capitalism also conferred new powers of collective action on workers and peasants (see later chapters), more universal forms of social control were required, especially in the burgeoning towns.

Regime provision of "good order" had long been dual, combining "policing" with "welfare." We saw in Chapter 12 that policing now became more varied, as paramilitary, then civilian police forces appeared. Welfare also became more diverse. Traditionally, local Poor Laws had predominated. But these became strained as industrialization, geographic mobility, and sectoral unemployment spread their cost more unevenly. In Britain and across Germany (and probably also in countries with poorer records) the Poor Laws became the largest civil expenditure during the first half of the nineteenth century. Relief was minimal, involving little sense that the poor had rights – and certainly not to social citizenship. The destitute, infirm, or elderly might not starve if they showed themselves "deserving," often by placing themselves in workhouses. But two other forms of welfare developed: self-insurance and selective state welfare. These implied not universal social citizenship but sectional and especially segmental welfare, seeking to build up loyalist networks among workers and peasants.

Self-insurance emerged from below, from friendly societies, the principal "protectionist" function of early trade unions. (See Chapters 15 and 17.) They flourished among relatively skilled workers and in secure trades, and so were approved of, and sometimes encouraged, by dominant classes as indicating thrift and respectability, removing artisans from the "dangerous classes" below. They probably encouraged sectionalism among lower classes, but they did not much involve the state until the very end of the period.

Before then, some states had already introduced segmental welfare schemes. Modern France and the United States were born amid armed revolutionary struggle and mass mobilization wars. Many adult males lost life or limb in defense of "their" states. Old ad hoc payments to mutilated ex-soldiers and to widows and orphans of the dead were institutionalized and extended. A French pension scheme for veterans and wounded was introduced by the revolutionaries and strengthened by Bonaparte. By 1813, it cost 13 percent of the entire military budget,

as more than 100,000 veterans received pensions. This percentage and number held until 1914 (Woloch 1979: 207–8).

The U.S. federal government paid disability and death benefits to veterans and dependents from the 1780s on, and by 1820, they exceeded all federal civil expenses. They rose to their peak during the second and third decades after each war, then declined. The Civil War extended them into a genuine old-age pension system. By 1900, half the elderly native-born white males received them. In the North and Midwest veterans constituted a vocal 12 percent to 15 percent of the electorate. Membership in their Grand Army of the Republic was 428,000 in 1890, more than half the membership of all labor unions. Military pensions again exceeded all federal civil expenses during 1892–1900, before declining. But from 1882 to 1916 they consumed between 22 percent and 43 percent of total federal expenses. Although the poorer Confederate state had given no pensions, most southern states (meagerly) granted them from the 1890s on. The United States had the first welfare state, a little-known fact, but it was confined to those who had demonstrated loyalty to their state. (This paragraph draws on the research of Orloff and Skocpol; see Orloff 1988.)

Indeed, the United States and France had a military tinge to citizenship. The French sometimes defined citizenship as *l'impôt du sang* – the blood tax of military service. The U.S. Constitution entrenches a citizen militia – in the clause often interpreted as guaranteeing the right to bear arms (including automatic weapons). These states were embedding themselves in citizen soldiers, rewarding past services and buying political support among the social groups from whom veterans were drawn. Nineteenth-century French bourgeois regimes tended to lack penetration among the peasant masses. A large, well-rewarded army established a loyal cell in every French village. By 1811, most departments had at least three pensioners per 1,000 population (Woloch 1979: 221–9). This may not seem many, but it was probably the most thorough penetration by the early nineteenth-century state into civil society. America differed. White adult male suffrage and the two-party system resulted in competition for farmer and worker votes. A Republican northern coalition between white workers and industrial capital emerged. The consent of northern workers to tariffs was bought partly by veterans' payments. These "social citizenships" were selective and segmental, not universal. Regimes obtained from peasants and workers not, as in agrarian societies, a particularistic loyalty to lineage and locality but an emerging loyalty to the universal nation-state.

Prussia-Germany and Austria did not follow France and the United States with these veterans' benefits. Yet their veterans, especially at the noncommissioned-officer level, were given preferential hiring rights

in civil state employment (as also occurred in France), as Chapter 13 explains. Moreover, this policy was coupled with a second: selective welfare programs first introduced by Bismarck.

Latecomers could glance abroad and anticipate dangers as well as benefits. Foreign visitors to Britain reported not only on advanced technology, economic dynamism, and Parliament but also on urban squalor, criminality, and class conflict. German intelligentsia, increasingly state-centered, were well informed about Chartism and drew lessons about what might happen if industrialization was left to the "invisible hand." They identified the "British disease," class conflict, which Bismarck believed had also fatally undermined the French armies of 1870. They studied the English Poor Laws, co-ops, and friendly societies, French national workshops, Belgian and French sickness and old-age pension insurance funds, and Belgian mutual assurance societies. Model insurance schemes circulated in Germany, liberal self-help models competing with a "social" or "patriarchal monarchy" model (Reulecke 1981). Dynastic monarchies had practiced particularistic welfare. Prussia in 1776 restricted miners' working hours to eight, guaranteed a fixed income, prohibited child and female labor, and instituted a benefit scheme, all as a by-product of granting miners exemption from military conscription. Austrian ministers under Maria Theresa and Joseph II had introduced various welfare measures, which were then curtailed by lack of funds.

But Germany was the first to transform particular into fairly general benefits. Bismarck's social insurance legislation absorbed 10 percent of Reich expenditures from its inception in 1885, 20 percent after ten years of operation, and 30 percent by 1910. Inasmuch as almost all the remaining Reich budget was going for military expenditure, we can perceive its importance. Aiding workers to protect themselves against destitution, and persuading employers to help them, became a fundamental regime goal. Other countries did not yet follow suit. Austria did in 1885-7, but its coverage remained minimal (Macartney 1971: 633; Flora and Alber 1981). Even the German legislation was not all that generous. It provided low accident and sickness payments, covered just over half of those in employment, and granted a barely adequate pension at the age of seventy (later sixty-six) - if the worker had worked 300 days a year for 48 years. Only the pension contained a state contribution, so the scheme was mostly compulsory self-insurance. It did not touch the more contentious issue of factory safety or works inspection, which could have prevented accidents and illness in the first place (Tampke 1981). This would have infringed property rights.

Bismarck was attempting segmental control over labor, hoping to seduce skilled, organized workers away from socialism. The social

insurance legislation was his carrot, the Anti-Socialist Laws his stick. He did not seek positive enthusiasm from workers, only that class struggle would not undermine the state and its armies. To relieve basic destitution among the more skilled industrial workers seemed adequate for this purpose.

But there was also a potentially more general cause: capitalist economic concentration. Bismarck's legislation extended policies already found in some large-scale heavy industry (Ullman 1981). Big industrialists were the main supporters of legislation introducing old-age and disability pensions and accident insurance (though they later opposed unemployment insurance), at first ranged against smaller employers. Indeed, shortage of funds forced Bismarck to adopt more of the self-insurance principle advocated by big employers than he had earlier intended. Thereafter the welfare schemes received considerable support from the newer, light manufacturing sector. Because their terms of eligibility embodied work incentives, they tended to "commodify" welfare along capitalist lines (Steinmetz 1990a, 1990b). Bismarck's legislation anticipated less the welfare state (as is often argued) than the late twentieth-century American or Japanese corporation: Workers benefiting from corporate internal labor markets became loyal to capitalism (and sometimes militarism), rejecting unions and socialism. It did seek to institutionalize class conflict, as Marshall argued, but by bypassing class with segmental organizations tying privileged workers to their employers and to the state.

Thus these early French, American, and German schemes for the relief of poverty embodied two principles, one a military citizen right deriving from the nation, the other a self-insurance encouraged by both monarchism and corporate capitalism. Neither was a right enjoyed by all citizens (still less by all adults). Rights were granted selectively, only to those providing key military or economic power resources to capital and regime. The intention, and sometimes the effect, was to redirect class consciousness into nationalism or sectionalism segmentally.

Yet both schemes radically extended state activities, reaching out far beyond local segmental power networks. They were also extendable - by the party democracies. Just before World War I, many British Liberals, American Democrats, and French Radicals began to link welfare to progressive taxes. Only the Liberal party, prodded by an inventive and persuasive politician, legislated before 1914. Lloyd George brought union and private insurance company schemes into a more comprehensive, government-regulated system. Its benefits still were not a universal citizen's right, because they were restricted to men in formal, stable employment, but they were too general for any segmental divide-and-rule strategy, although they were intended to undercut the

Labour party. More important, they were coupled with a progressive income tax. The poverty of some should be systematically relieved from the wealth of others: the first state recognition of social citizenship. The modern state was just beginning its third sea change.

Three main conditions underlay these varied schemes – the development of extensive and political lower classes, mass mobilization warfare, and corporate capitalism. If these persisted, then perhaps these segmental social-military and class-sectionalist rights might transform into universal social citizenship. All three conditions did persist. Indeed, in Europe in the two world wars, mass-mobilization war actually became total war, involving all citizens. Only in the United States did segmental rights significantly withstand the third sea change in the life of the state, the coming of social citizenship. But that occurred more recently, after the period discussed here.

#### Conclusion to Chapters 11–14

These four chapters have documented two modernizing sea changes in the life of Western states. Throughout the eighteenth century, these states had become much larger. Surprisingly, they were at their greatest size relative to their civil societies about 1800, after which they declined. But their scope remained traditional, narrow, and predominantly military. States were little more than revenue collectors and recruiting sergeants, although they were now biting deep and painfully into social life, thus politicizing it. In the second transformation, from the late nineteenth century on, they grew not in (relative) size but in scope. Their civilian functions were broad and still broadening. Much more of social life was now politicized, though with far less pain and intensity than in the late eighteenth century. By 1914, they were dual military-civil states. Both sea changes impacted considerably on the relations between states and civil societies. States became more representative and more bureaucratized, as state elites and parties sought to coordinate their expanded functions. And civil societies were becoming “naturalized” into nation-states, caged by state sovereignty and boundaries.

The second sea change, the expansion of state civilian functions, did not enlarge either the autonomous or the despotic power of state elites, as stressed by elite theory. Quite the reverse. States were dual, central place and territorial radii, elites and parties. As more of social life became politicized, parties strengthened more than did elites. Class reductionist theories of the “capitalist state” become plausible if we confine our gaze to its domestic civil activities vis-à-vis those of the dominant class. Within these blinkers Marx had a point when he

described the British nineteenth-century state as a bourgeois “mutual insurance pact” or as an “executive committee for managing the common affairs of the bourgeoisie” – although he somewhat underestimated the constraints on capitalism that moral-ideological and party-democratic crystallizations might bring. These led states to many “interventions” against capitalist freedoms, though more usually through persuasion, inducement, and covert action than through openly hostile legislation. Overall, these states had crystallized more overtly as capitalist states than as anything else. Domestically, the state was in this respect less an actor, more a place in the arena of power. Its singular purpose conferred a degree of cohesion upon state institutions.

Much the same could be said of the American and French states, although the United States dispersed elites and parties amid various sites of government – and the South remained exceptional – whereas France centralized them even more in the capital. Of course, in the semiauthoritarian monarchies of Prussia and Austria, and even more in autocratic Russia, monarchical elites-parties possessed more power autonomy (though rarely elite cohesion). But overall, for particular historical reasons, the state – the one that mattered most in this period, the state of the Western Europeans and North Americans – was predominantly reducible in terms of open power struggles over domestic policy to the dominant capitalist class of civil society. It had not always been so. But a reductionist, economic theory resonates strongly in domestic politics during the nineteenth century.

Such reductionism, however, would seriously neglect two further state crystallizations that, when combined, revolutionized capitalism and indeed social life around the globe. First, the growth in state infrastructural powers was not merely neutral. It reinforced the politicization and naturalization of social life prodded forward in earlier centuries. This was not through direct head-on struggles, like those ascribed by Marx to classes. Again, unconsciously, without anyone intending it, power networks were redirected toward the terrain of the state’s territories, caging, naturalizing social life, even in its more intimate sphere, and subtly territorializing social conceptions of identity and interest. The modern state crystallized increasingly as the *nation-state*. This then entwined with long-lived political struggles over how centralized and national or decentralized and federal the state should become, producing interstitial forms of national centralization (although here the United States lagged and Austria deviated toward confederalism). Class reductionism would also neglect the third, *military*, crystallization of modern states. This was now not dominating states as formerly, but had become more autonomous within the state, more capable of insulated infrastructural control over “its” armed forces,

and potentially extremely dangerous (as Chapter 12 suggests and Chapter 21 proves).

Throughout the nineteenth century, these two further crystallizations were, somewhat unevenly, retracking capitalism and social life into more national and more territorial forms – as capitalism was also retracking them. These three crystallizations – as capitalist, as nation-state, and as military – seem to have operated at a higher level of general causality over the period than others. Yet the three never met in head-on collision, from whose results we might “ultimately” rank them, or in systematic compromise, to which we might apply pluralist theory. Most states *appeared* to be relatively harmonious, their parties and elites sharing a broad consensus about the purposes of government – in Britain from midcentury, in France, Germany, and the United States from two or three decades later, in Austria not at all. Yet this was a casual, unconsidered, untested consensus. Crystallizations were “additive,” added to each other without serious consideration of any ultimate contradictions among them – especially, as we glimpsed in Chapters 9 and 10, in semiauthoritarian monarchies. Party-democratic or monarchical crystallizations added more particular and variable influences through the period, as we shall see especially in later chapters, but because no state was yet fully representative, pluralist theory has only a limited explanatory role.

As states became more polymorphous, their seeming cohesion was potentially delusive. In earlier times, many states had been genuinely cohesive because they were controlled by small elites and their rather particular parties – princes, merchant oligarchies, priests, or warrior bands. They had enjoyed considerable autonomy in the political sphere they controlled, yet they had caged little of social life outside. We have seen autonomy decline but caging increase. States had become the elite center and the party radii through which much of civil society became organized. But as states did so, they lost their earlier, particularistic coherence.

It is a basic tenet of my work that societies are not systems. There is no ultimately determining structure to human existence – at least none that social actors or sociological observers, situated in its midst, can discern. What we call societies are only loose aggregates of diverse, overlapping, intersecting power networks. States had now moved half-way to representing and bureaucratically organizing that diversity – but without systematically confronting, ranking, and compromising the ensuing polymorphous crystallizations. The danger of this for human existence was that these states were now mobilizing terrifying collective powers over which their – or, indeed, any collective – sovereign control was highly imperfect. Chapter 21 will show that in July 1914 the casual

additive polymorphism of European states began to overwhelm the entire multi-power-actor civilization.

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