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The making of the German post-war economy : political communication and public reception of the social market economy after World War Two, Christian L. Glossner [review]

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Review for JCES

Christian L. Glossner, *The Making of the German Post-War Economy. Political Communication and Public Reception of the Social Market Economy after World War Two*, London/ New York (I.B. Tauris Publishers), 2010; ISBN 978 1 84885 264 8; xxvi + 289pp. Hardback, £59.50

Jeremy Leaman

Some publishers of academic books have a lot to answer for. This book by Christian Glossner is a case in point. The first and simple reason for saying this is that the quality of the written English is so deficient that one can only conclude that no-one at I.B. Tauris actually read the manuscript and that the copy-editing was virtually non-existent. External examiners of doctoral theses by non-native writers of English might turn a generous blind eye to stylistic stodginess, grammatical and syntactical glitches and even the odd mistake in translations from German, but this volume is being marketed at £59.50 and, for this, the reader deserves better. It is pointless providing a list of the infelicities of the narrative – they are simply too numerous – but one must ask how an editor could read sentences like ‘Erhard aimed to win the public media as multiplicator over to his economic conception’ or ‘the CDU ... disposed of greater political influence in the economic and political reorganisation of Germany’ without raising an eyebrow. The book is thus not a joy to read and frequently just confusing to anyone who doesn’t happen to read German and who would not know that the CDU had ‘at its disposal’ greater political influence than is often assumed – the very opposite of the sense conveyed in the sentence above.

So, the publisher is clearly at fault, but so is the author in assuming that even a half-way decent manuscript does not require a benevolent stylistic edit by a native-speaker before it is submitted. To this might be added the culpability of the supervisor of what looks fairly obviously like a doctoral thesis. Of the 289 pages of the book, 138 involve appendices, with the narrative confined to just 151 pages. The appendices provide ample proof of Glossner’s extraordinarily diligent assembling of primary and secondary sources. What he makes of these sources – and here we come to the substantive part of the review – is another matter, however, as the narrative seems to be neither coherent nor persuasive.

The enterprise is certainly worthwhile. The politico-economic history of west Germany between capitulation in May 1945 and the formation of the first Adenauer administration in the autumn of 1949 is still rich in research potential. The ambition to illuminate the emergence of the ‘social market’ idea and its mediation to the west German electorate is sound. The genesis of ‘the social market economy’ (SME) as the all-conquering slogan of post-war German liberalism is, however, fairly well-trodden territory, involving not just partisan hagiographies and self-referential accounts by key actors like Erhard and Müller-Armack, but also scholarly monographs by economic sociologists like Dieter Haselbach or political historians like Anthony Nicholls. Despite tapping some quite interesting new archival material relating to the Erwin von Beckerath group of neo-liberal economists, Glossner’s exposition of the origins of the SME is surprisingly superficial. At no stage is the reader introduced to the key constitutive elements of Eucken’s voluminous writings on ordo-liberalism, nor to a detailed comparison of this supposedly foundational system of thought with other liberal thinkers, like Müller-Armack, Röpke, Böhm, Erhard or even Hayek. The same applies to the adoption of the ‘social market’ idea

into the electoral programmes of the CDU. The Düsseldorfer Leitsätze (Düsseldorf Principles) – arguably the most explicit political exposition of the ‘social market economy’ and the CDU’s electoral manifesto in 1949 – are not analysed in any depth, nor is the central duality of free market and monopoly control. Monopoly control, which is a key element of Eucken’s programme and which was trumpeted in the Düsseldorf Principles and at the hustings in 1949 is not even in the index. And yet it is precisely this feature of (state) monopoly control that distinguishes the new ‘social market’ concept from laissez-faire capitalism or Germany’s own pernicious form of monopoly capitalism. Glossner arguably misses the key dilemma facing the advocates of market economics in Germany after WWII, namely that Germany’s culturally deep-rooted system of corporatist, cartelised, monopolised, authoritarian capitalism had to be transformed a) to meet the demands of victorious powers, b) to placate the concerns of ordinary working people and c) to maintain the loyalty and confidence of Germany’s business elites. Advocating the maintenance of German monopoly capitalism was not an option. Glossner also misses the fundamental tension between those, like Eucken and Böhm, who actually believed in the feasibility of anti-monopolism, and those within the CDU that used it as a rhetorical fig-leaf to win over a sceptical electorate. He does include an interesting quotation from Konrad Adenauer on the electoral transmission of economic ideas, which could have been used to illuminate the CDU’s intentions, but Glossner leaves it hanging in the air: ‘(o)ne must speak simply to the public, not too much, with a few thoughts and large ideas simply represented’ (Adenauer in the summer of 1949). The proximity of Adenauer’s view of the public to those expounded in the sixth chapter of *Mein Kampf* – on the need to ‘avoid excessively high intellectual demands’ in the use of propaganda – might have been worth pursuing, particularly in view of the fact that the CDU’s manifesto pledge to introduce rigorous ‘monopoly control’ was never fulfilled.

Even when a competition law was introduced in 1958 under the banner of ‘the Basic Law of the social market economy’ (sic), Franz Böhm and many, many others were bitterly disappointed about its toothlessness, while the Federation of German Industry was triumphant.¹ If a book purports to examine the ‘political communication and public reception of the social market economy’, it should at least consider the possibility that the CDU-leadership was guilty of a degree of cynical opportunism when beating the drum for the ‘social market’ and de-monopolisation, when it subsequently presided over the reversal of the Allies’ de-cartelisation measures and the restoration of powerful industrial oligopolies.

The failure to distinguish between rhetoric and intention, between theory and practice thus undermines the value of Glossner’s book and reduces it to a collection of anecdotally interesting but ultimately incoherent details. Equally, the failure to locate the academic and political debate about Germany’s economic future in the dramatic and changing climate of Allied dissent and the emergence of the Cold War blocs is very odd. Membership of the western bloc, which became increasingly inevitable after March 1947, the failure of the Moscow Conference and the proclamation of the ‘Truman Doctrine’, had an undoubted galvanizing effect on the political strategy of west German bourgeois parties. The latter were not operating in a vacuum but within the confines of an Occupation Statute that dictated the decentralised shape of the Basic Law, was increasingly hostile to public ownership in Germany and would have scotched any attempt on the part of the new German state to pursue an anti-capitalist

¹ See Huffs Schmid, Jörg, *Die Politik des Kapitals*, Frankfurt 1969

agenda – as advanced in the CDU Ahlen Programme of 1947, for example. Adenauer and the CDU read the signs intelligently and adjusted their preferences to suit the requirements of the emerging new world order and of the United States as bloc leader. The CDU-leaders, as well as their academic advisors, were not sovereign agents but politically hobbled subordinates, trapped in the social and economic mess of defeat and incipient territorial dismemberment. It is legitimate to lionize them as shrewd pragmatists but not as masters of their own destiny. All too frequently, there is an uneasy feeling of this book seeking merely to mythologize the architects of ‘Germany’s distinguished Third Way’ (xxv) rather than to account for their actions with a nuanced political and economic history. In conclusion, there are better accounts of the ‘social market economy’, better political histories and better economic histories of the time, than that provided by this book.

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