

“Freedom of Occupation”: Excerpt from the *Staats-Lexikon*: “Trade and Manufacturing” (1845–48)

Abstract

As this excerpt from [Carl von Rotteck](#) and Carl Welcker’s *Staats-Lexikon* (1845–48) demonstrates, even liberals who opposed guilds and favored occupational freedom worried that a free labor market might lead to the dominance of large capitalists over small businesses. The author advocates cooperatives, voluntary associations, and education as correctives rather than government intervention.

Source

B) Occupational freedom. In contrast to compulsory guild membership, occupational freedom consists in not binding the practice of a trade to a specific time and manner of learning, to a period of travel as a journeyman, to a test of knowledge and skill involving the production of a craft masterpiece, or to the number of those already practicing the trade. Freedom is the natural condition, it is the right that requires no particular proof; restricting freedom, on the other hand, has to be proven necessary in order to maintain the rights of third parties or for the greater public good. But freedom is far different from anarchy; it is necessarily limited in the interest of the whole through law. Thus, in a condition of freedom, even the occupational trades have their laws in a constitution of occupational freedom, a law on practicing trades, within which they can operate and provide training. The transition from compulsion to freedom is often no less painful for the habits and interests that have developed under the former than the transition from freedom to compulsion is for the opposing interests. The serf who must henceforth support himself by his own hard work resists the removal of the yoke under which his lord and master, although permitted to beat him, was also required to feed him; a free man would rather die than submit to such a yoke. The guild spirit fears ruin and death from starvation when the barriers are open to competitive rivalry from hard work and skill; where occupational freedom has existed long enough for the fleshpots of Egypt to have vanished from the memory of the current generation, [there] one does not grasp how the practice of an occupation might count as a prerogative that the members of a corporate body claim exclusively for themselves. When the guilds arose and formed, they had to give themselves the power to protect person and property, fend off violence, promote their interests; they also needed to establish instruction and preparations for practicing a trade. The authority of the state focused its resources and its efficacy almost exclusively on war. The beneficial exchange of corporate privilege and compulsion for civic equality of rights and freedom presupposes that the whole [of society] has proceeded toward laws and institutions that secure the right of the individual and afford him the opportunity to train himself to become a useful member of society, in accordance with his own talents and capabilities. – After the abolition of compulsory guild membership, the state’s regulations remain, whereby the dangers that can arise among some occupational trades through ineptitude or negligence with regard to the health, life, and property of citizens are meant to be prevented; likewise with concern for the regular operation of those trades that supply society with indispensable goods, especially foodstuffs. Furthermore, everyone will be required to specify which occupation, one or several, he wants to pursue, and the means to this end is a trade license (patent) that is obtained for a year or longer. The fee that is instituted for the patent simultaneously serves as a trade tax, yet not exclusively, since it would be unjust to tax the smaller tradesmen as much as the bigger ones. Therefore, the assessments for a trade license should not only differ according to the number of souls residing in the respective cities, so that an additional increment should also be paid when there is a move from one of the smaller cities to one of the larger ones, but the estimate should also be appraised moderately out of consideration for the

small business, and a proportional taxation can be additionally determined according to the scope of the business establishment, whereby the number of assistants [journeymen], the [size of the] premises, the working capital, etc., serve as criteria. There should no longer be any compulsory regulations regarding the manner and duration of preparation [for a trade]; this should be left up to an open agreement between the parents and guardians of the apprentice and the master craftsman, and no kind of certificate shall be demanded regarding the manner in which the trade was learned. There is just as little reason to have compulsory regulations for the additional training of journeymen, namely with respect to traveling [between the apprenticeship and becoming a master]; the need to attend to one's own advancement provides a strong incentive for acquiring knowledge and skills in the most appropriate manner. In contrast, those who want to obtain a patent can freely submit to an examination whose successful completion recommends them to the public; but an examination will be called for in those trades whose inept practice could easily cause great harm, e.g., among pharmacists, dyers, blacksmiths, building craftsmen, chimneysweeps and the like. – In most cases, the transition from one trade to another should be linked to no other requirement than obtaining a patent. In most countries where occupational freedom has more or less been implemented, the practice of some trades is made dependent upon a concession, i.e., upon approval from an office of the state, as with operating book printeries, bookstores, public houses and the like. – The concessionary system can only be defended for a few trades, and only when things proceed according to firm principles that rest on the true public interest. It becomes absolutely reprehensible and leads to abuses much more alarming than those of the guild system – not just in economic, but also in political and moral respects – when it is extended to a greater number of occupations and used by the police state as a means to give preference to favorites, to punish honest, independent men and to make them unhappy, together with their families. If we had to choose between retaining the guilds with their compulsion and an occupational code based on the concessionary system, we would safely give preference to the former as the lesser evil. In general, occupational freedom will prove its advantages only in those states where free state institutions exist, under which human activities can proceed unhindered and associations can go about promoting common interests. But where police power is accustomed to dominating and regulating everything, [there] it will be dangerous to give up authorized corporate bodies even if, in other respects, they are no longer achieving their good purpose, for otherwise the individual, bereft of his last protection, is abandoned to the mercy of the all-powerful police. In the transition from compulsory guild membership to occupational freedom, hard-earned rights should be respected, e.g., reimbursing the owners of salable master craftsman's rights, according to the just price in the closed occupation at the time of its abolition. Reimbursements like this should initially be taken from the guild's assets and, where this proves insufficient, from local governments, which will have to raise the funds either through a levy on all members or through contributions from the new people practicing the trade. Thus, e.g., in 1810 the city of Breslau redeemed the real [masters'] rights with a sum of 1,165,320 thalers. The debts of the guilds should also be cancelled and assumed by the state that is in charge of the [guilds'] abolition, as in 1822 in Nassau, where the sum amounted to 8836 fl. Additional transitional measures for assuaging intense anxieties might include initially not freeing all, but just a few guild trades, those about which there are the fewest concerns; and the other trades, those in which a great rush would have to be managed in the initial period, should be open at first to only a limited number of new applicants per year. In Paris, e.g., the number of butcher shops was limited, and the Chamber hearings of 1822 showed that it cost 100,000 francs or more to pay for a butcher's license. This monopoly demonstrably inflated meat prices almost twofold and, together with the octopi^[1], had the effect of reducing meat consumption by a third. In 1825 it was decided that from 1828 onward the number of butcher shops should be increased by up to 100 annually with new concessions. The conditions for granting these [concessions] were the ability to demonstrate proper knowledge of the trade and a security deposit of 3000 francs; whoever shuts down the business for three days in a row should be deprived of the concession for half a year. Occupational freedom is best suited to reestablishing the natural relationship of supply to demand destroyed by compulsory guilds. Competition expands where the opportunity for sales increases, or because products are perfected and prices become cheaper, and it can be extended even further through increased work

and skill; it is more easily reduced where the tradesman is not confined to his craft but can easily shift to other kinds of business the moment his own no longer supports him. Anxiety about movement between occupations as a result of abolishing compulsory guilds is not justified to an extent greater than among the guilds themselves, where the existing number of master craftsmen, as experience shows, can likewise become too large as soon as individuals with a great deal of capital and lots of journeyman assistants exploit the trust they have won from consumers through their skill, or as soon as manufacturing has taken over trade goods previously produced as crafts and had them sold to the public. Indeed, statistics have shown that in countries with occupational freedom the number of those engaged in trade in most branches is not only not larger, but frequently smaller in relation to the total population than in those countries that are still clinging to guild institutions. These [countries] are also – as already mentioned above – by no means better suited (by virtue of their regulations on apprenticeships, journeymen's travels, and craft masterpieces) to guarantee capable training, and, therefore, fears that the occupational trades could fall into decline as a result of abolition [of compulsory guilds] are unfounded. [Jean-Antoine] Chaptal, a man with thorough knowledge of the subject, says that since the abolition of the guilds all of France's branches of industry have been making progress, and in free competition, in the necessity of job- and knowledge-based training, lies a stronger incentive to capable training than in the old [system of] dawdling along. Inventiveness is awoken by the general spirit of competition, whereas the guilds often lay obstacles in its path. [Jean-Baptiste] Say, for example, recounts that James Watt established a small workshop in 1756; the guilds raised objections and wanted to close the workshop, so the university intervened, appointed Watt as its engineer, and gave him a place for his work. [Aime] Argand, the inventor of the lamps named after him, had to struggle with the tinsmiths and locksmiths who claimed exclusive rights to the manufacture of lamps and sued the “bungler”^[2] in parliament. [François Richard] Lenoir, a famous manufacturer of mathematical and physical instruments, once made a small oven in order to cast metal for his models; the founders' guild destroyed the oven, and Lenoir had to turn to the king for permission to produce them again. Ultimately, the suppression of small entrepreneurs by big ones is not the result of abolishing compulsory guild membership, for complaints about this have not grown any less audible where guilds continue to exist alongside major industry. Technological progress and the application of large amounts of capital to manufacturing establishments is leading to changes in occupational relations that cannot be averted by guild institutions, provided that a country does not want to cut itself off from a new source of welfare and power, the products of which will then flow in from other countries and show up in trade. But occupational freedom certainly does facilitate the ways and means for small businesses to follow those changes and hold their own alongside them. Trades of a purely local nature, such as the building trades, butchering, baking, and painting have a field that manufacturing cannot take away from them. Other trades survive along with them because the manufacturer is not attuned to the taste and inclinations of the individual, does not perform the final steps necessary for the immediate use of his products, and is also incapable of repairs. Therefore, there will still always be – regardless of the factory manufacture of wood and metal products, watches, and the like – work for watchmakers, locksmiths, gunsmiths, and joiners. Finally, there are also crafts that, while having to cede a portion of their products to manufacturing, can use their greater skills to supply far better products that guarantee them ample compensation and secure their existence. – It was mentioned at the beginning that freedom is not equivalent to isolation. After the abolition of a caste-like type of association founded on compulsion, one that no longer fits into the organism of the modern state and no longer achieves the aims put forth at the time of its establishment and development, the need for cooperation, paired with insight and common spirit, will be in a position to found free occupational trade associations. Such an association can comprise several occupational trades that complement or relate to each other. It will contribute to establishments and institutions for good preparation and further training, in other words, to the introduction of trade schools, to the purchase of publications and models; it will supervise the treatment and instruction of apprentices, traveling journeymen, and members who are sick, poor, and unable to work; it will support their members' widows and orphans, represent their interests before local government and public authorities. At the same time, these kinds of associations would also include

elements leading toward further developments in labor relations, toward an organization of labor, as opposed to the disadvantages of the war of all against all and the overpowering competition of big capital against isolated small entrepreneurs. In a certain meeting place, all orders could be taken and finished goods exhibited for sale, which, as we already see, is starting to happen in the industrial halls of a number of cities; work could be distributed among the members of the association, and, with the cooperation of many, the advantages of the division of labor in a craftsman's business could be put to use more extensively than is currently the case, where every master craftsman and journeyman assistant quickly undertakes this job and then that one, loses time to changing chores and tools, and cannot achieve the same degree of perfection in all branches. Yet what now engages thinkers as a social problem will be made practical by force of circumstance.

NOTES

[1] State-imposed tax on foodstuffs – trans.

[2] Referring to a non-guild member – trans.

Source: Carl von Rotteck and Carl Welcker, eds., *Das Staats-Lexikon: Encyklopädie der sämtlichen Staatswissenschaften für alle Stände*, 2nd ed., rev. and enl. Altona: Verlag von Johann Friedrich Hammerich, 1845–48, vol. 5, pp. 747–50.

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