Friedrich Naumann, *New German Economic Policy* (1906)

Abstract

Friedrich Naumann (1860–1919) was a Protestant theologian and politician who sought to reconcile Christian values and an industrial economy with liberal democracy. He sympathized with unions and workers' movements. In his work *Neudeutsche Wirtschaftspolitik*, he coined the term "industrial parliamentarianism," which meant letting labor unions develop peacefully within the context of parliamentary democracy. He went on to help form the Progressive Party [*Fortschrittliche Volkspartei*] in 1910 and the German Democratic Party [*Deutsche Demokratische Partei*] in 1918, two of the leading liberal parties.

Source

The concept of organization as it pertains to the management of large numbers of people permeates all social relationships. People are proud to work in large firms and to be involved in far-reaching relationships. Frequently, this pride is mixed with a painful look back at past times, when the individual himself counted for something. But what's the use of this? Even the man in the country is beginning to become organized. Everyone feels that he must conduct his business collectively, that an economic death sentence has been delivered to those who isolate themselves.

This change in our current circumstances is one of the most interesting of developments. It comes as a surprise to all of us, since the watchword of the intellectual movement that preceded the present era was the independence of the individual. The philosophers, in particular Kant and Fichte, elevated the ego to supreme status; the poets, above all Schiller, celebrated it; the whole movement of middle-class liberalism echoed and re-echoed the phrase: the individual is the master of his own fate! The old syndicates and guilds were fractured to allow the individual to be free, and the only demand placed on the government was that it should protect private property and allow the individual to move and act as he or she wishes. This proclamation of the victory of individualism was heard and affirmed with a great deal of genuine idealism. And yet today we hear everywhere of very different impulses. All segments of the population are approaching the government with demands. Those of the socialists and the land reformers, which are leading to public control of production, and of the housing and mortgage sectors, find eager ears. The government and the syndicates are becoming economic factors, the necessity of which is no longer questioned. The growth of the masses has caused this effect.

In other words, however, this means: the control of the economy is no longer in the hands of the producers and manufacturers, and is now being transferred in part to the syndicates, and in part to the government. The number of economic leaders and managers is becoming smaller and smaller. Management itself is often just an illusion. Despite the appearance of freedom, an independent merchant is forced to do exactly what his sales agency dictates. He pays the rent that is typical for his location, he carries the wares that have been standardized by the manufacturers' syndicates or by his retailers' organization, and his degree of independence gradually approaches that of an employee of a co-operative business. The livestock breeder has to offer marketable products and finds their prices in the newspaper. Spreading through the society is a feeling of belonging to some darkly perceived totality that surrounds us all. It is not as though certain particularly talented individuals would not be able to withdraw from the constraints of this collectivity; for the average person, however, the conditions of existence are fixed. He can strive to improve them as a member of his group, but not as an individual person. For this reason he pays the dues to the organization representing his group.

Source: Friedrich Naumann, *Neudeutsche Wirtschaftspolitik* (1906), in *Werke*, published by the Friedrich Naumann Foundation, vol. 3: *Schriften zur Wirtschafts- und Sozialpolitik*, edited by Theodor Schieder. Cologne/Opladen, 1966, p. 104f.; reprinted in Gerhard A. Ritter and Jürgen Kocka, eds., *Deutsche Sozialgeschichte 1870–1914. Dokumente und Skizzen*. Munich: C.H. Beck, 1982, pp. 32–33.

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