
REVIEW ARTICLES

Miracles and Mirages in the West German Economy: A Survey of the Literature of the 1980s

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"The table was spread. And here I found/ The good old German cooking./ Fair sauerkraut, hail! How good you smell — / You never were better-looking! ... A sensitive heart loves the fatherland / And nothing can ever chill it — / I also love a well-browned plate / Of eggs and herring fillet".

(Heinrich Heine, *Germany**).

"The history of the Federal Republic of Germany is first and foremost the history of its economy"¹; these opening words of the most important contribution to appear in recent decades on the post-war German economy may have a somewhat cynical ring about them to the foreign ear, as being all too obvious. The equation between the history of the economy and the history *tout court* of the new German nation should be linked to a widespread opinion: the West Germans appear after the disgrace of Nazism and the trauma of division to have devoted all their energy to their country's economic recovery, striving to repress their past in a "loss of history"² and to reconstruct their own

* Translation by H. DRAPER, in *The Complete Poems of Heinrich Heine*, Boston, Suhrkamp/Insel, 1982.

¹ W. ABELSHAUSER, "Wirtschaftsgeschichte der Bundesrepublik Deutschland 1945-1980", Frankfurt/M., Suhrkamp, 1983, in *Neue Historische Bibliothek*, H.-U. Wehler ed., p. 8.

² On the loss of history, cf. W. J. MOMMSEN, "Zum historischen Selbstverständnis der Deutschen", in *Interesse an der Geschichte*, ed. by F. Niess, Frankfurt, New York, Campus, 1989; W. SCHULZE, "Die Geschichtswissenschaft nach der "deutschen Katastrophe"", *ibid.*, p. 13 ff.; M. STÜRMEER, *Dissonanzen des Fortschritts. Essays über Geschichte und Politik in Deutschland*, Munich, Zurich, Piper, 1986, pp. 10 ff., p.201-209; F. STERN, *Dreams and Delusions. The Drama of German History*, London, Weidenfeld and Nicholson, 1988 (American original:1987), Introduction; K. SONTHEIMER, *Die verunsicherte Republik. Die Bundesrepublik nach 30 Jahren*, Munich, Piper, 1979, Introduction.

national identity through their country's economic primacy³. The task of verifying what seems to be a veritable *topos* by studying the collective psychology and the spirit of the times is the specialism of the scholars of *Geschichtskultur*, that is, the cultural elaboration of the historical past.

In any case, identity, the "need for identity", is a key issue in contemporary German historiography. It runs through the question of the *Sonderweg*, the specificity of the German path to modernisation⁴, through *Geschichtskultur*, through certain trends in methodological reflection⁵ that are tantamount to a historiographical *Sonderweg*, rather more tangible than the historical *Sonderweg*. The history of the post-war German economy has its own role in this context. And it is not just a question of the special nature of *Zeitgeschichte*, the history of the recent past, in which the distance between historiography, *Zeitgeist*, and *Geschichtskultur* narrows and, at an innocent glance, virtually disappears⁶.

The relationship between economy and collective identity has not really been examined in economic history; the rhetoric of identity is instead used to highlight different interpretations of the role of economic factors and different periodisations in the life of the Federal Republic.

The great turning point of 1945 did not create a new historiographical object out of nothing⁷, still less a new historiography⁸. In the interpretations of West German economic history the basic problem is that of continuity, both in the evolution of structures (see Part One) and in economic policy trends (see

³ Cf. W. ABELHAUSER, *Wirtschaftsgeschichte*: "The economy not only created the material basis for the development of stable forms of democracy within Germany and for the international emancipation of the successor State to the Third Reich, but was also the instrument for the national identification of West Germans, or at least for their sense of belonging to a state" (p. 8; see also p.85).

⁴ On the question of the *Sonderweg* see especially the excellent article by D. GROH, "Le Sonderweg de l'histoire allemande: mythe ou réalité?" in "Annales E.S.C.", 38, 1983, pp.1166-1187; J. KOCKA, "Deutsche Geschichte vor Hitler. Zur Diskussion über den 'deutschen Sonderweg'", in *Geschichte und Aufklärung*, Göttingen, Vandenhoeck & Ruprecht, 1989 (slightly abbreviated translation of an article that appeared in the "Journal of Contemporary History", 23, 1988, pp. 3-16); "Deutscher Sonderweg — Mythos oder Realität?", Munich, Vienna, Oldenburg, 1982. Cfr. also *The Social History of Politics. Critical Perspectives in West German Historical Writing since 1945*, ed. by G. Iggers, Leamington Spa, Berg, 1985, Introduction.

⁵ A very clear example is the *Historik* by J. RÜSEN (see the three volumes of the *Grundzüge einer Historik*, especially the first volume: *Historische Vernunft*, Göttingen, Vandenhoeck & Ruprecht, 1983).

⁶ On the nature of the *Zeitgeschichte* cf. R. KOSELLECK, *Vergangene Zukunft. Zur Semantik geschichtlicher Zeiten*, Frankfurt, Suhrkamp, 1979, p. 331 ff., passim.

⁷ Cf. J. KOCKA, "Zerstörung und Befreiung: Das Jahr 1945 als Wendepunkt deutscher Geschichte", in *Geschichte und Aufklärung* (also published in "Politik und Kultur", 13, 1986, H.5).

Part Two). Despite the apparent technicism of the analysis, which may borrow analytical tools from economics but certainly not the arrogance of objectivity, solving the problem of continuity comes down to developing paradigms of modernisation. For the history of the post-war German economy, the problem of modernisation, which is central to the very issue of the *Sonderweg*, becomes one of periodisation⁹; although the term "*Sonderweg*" is not mentioned here, we are faced with a particularly interesting version of the same set of problems.

Now that the country has become a mature industrial nation, and the Nazi period has been left behind, it becomes possible to reexamine the whole question of the *Sonderweg*. Despite an apparent separateness, due to the fact that until recently West Germany as an object of study had been the almost exclusive domain of political scientists and economists, it is above all in the work of the last ten years, in line with the broader tradition of contemporary German *Sozial- und Wirtschaftsgeschichte*, that its role of Supreme Court of Appeal for the different interpretations of the German way to modernisation has become apparent.

In interpreting the life of the Federal Republic, opinion is divided over how much of a break the *Wirtschaftswunder*, the economic miracle of the 1950s, was, and over its capacity to create a model of modernisation which differs radically from the old paths and may still be viable today. A small but significant indication of the political, ethical and emotional force of this debate is the way in which biographical facts are persistently used as a weapon of controversy. Those who exalt the years of the economic miracle as a rebirth, as a renewable gift of grace, as a clear-cut transition to proper modernisation, are likely to reproach the sceptical opponent with being too young to understand that period¹⁰. In fact many of the authors examined in this survey are little over forty years old, belonging to a generation which views the past from the unstable platform of the 1970s and 1980s' crisis and regards the economic miracle as a phase now over, as a compensatory object which is no longer available. The data for investigating the period, however, have become available only now that the thirty years of secrecy binding administrative documents have elapsed.

I neither claim nor aim to provide an exhaustive review of the literature, which is by now extensive and is steadily growing; I have given absolute priority to works in German over the numerous works in English which have appeared in the last few years and are intended for a wider public and a wider field of debate¹¹. The ever-growing availability of documentary material has greatly

⁸ Cf. W. SCIULZE, "Die Geschichtswissenschaft".

⁹ Cf. D. GROH, "Le Sonderweg".

¹⁰ Cf. for example E. Dürr's introduction to R. KLUMP, *Wirtschaftsgeschichte der Bundesrepublik Deutschland. Zur Kritik neuerer wirtschaftshistorischer Interpretation aus ordnungspolitischer Sicht*, Wiesbaden, Franz Steiner, 1985, p. 12.

¹¹ See in recent issues of this journal my reviews on two especially recent and important works: HANS-JOACHIM BRAUN, *The German Economy in the Twentieth Century*,

stimulated historiographical production over the last decade as far as quantity is concerned; the quality and the tone of debate have been heavily influenced by the work of Werner Abelshauser, who through his many essays (of which we shall consider only a few) has given us the first comprehensive interpretation of West Germany's economy, and has started a lasting dispute among historians. In the last analysis the debate on periodisation and on the features of modernisation involves a wider issue: the role of economic factors in history.

In other words, the debate on the post-war economy represents a singular and interesting sample of recent German historiography where the *Sonderweg* issue itself may be read in terms of the relationship between modernisation and economy, between economic and extra-economic factors (consider Gerschenkron's thesis, the debate on *Organisierter Kapitalismus*, the studies on the Prussian model of the State and its influence on the German nation). The binomial link between economy and national identity may take on depth as an enquiry into the role of the market economy in history by a lively and fertile *Zeitgeschichte* which is quick to metabolise recent events. The supporters of the economic miracle as a turning point overvalue the virtues of the market and argue for the primacy of economy in history, a primacy whose full implementation would provide a way out of the negative *Sonderweg* and open up a positive *Sonderweg* which may be able to give the German nation its identity. Yet this solution seems doubtful, especially in our times of recession and instability.

The event of German reunification, through which the country has overcome one of the tangible consequences of the Nazi period and the war, has made the period of reconstruction and recovery seem more remote. It raises new political and economic questions (see for example the reactions to unification throughout the world and the menacing overtones that the latest edition of the *Deutsche Frage* have taken on for the international press, bearing in mind the precedent of the *Historikerstreit* and its wide repercussions), even if some observers predict a repetition of the economic miracle for the new Germany after a new, and inevitable, period of sacrifices (which will certainly not be made any easier by the financial commitment in the Gulf War and in the restructuring of East German industry). As a matter of fact, the Lewisian situation of labour abundance which characterised the expansion phases of the German economy in the last century is, to some extent, returning (although now the quality of the human capital has to be verified). Nevertheless, although this may be a necessary condition, it is certainly not sufficient in itself. Meanwhile, the debate among economists and historians has already begun ¹².

London/New York, Routledge, 1990; A. KRAMER, *The West German Economy, 1945-1955*, New York, Oxford, Berg, 1991.

¹² See for example J. SIEBKE, *Die deutsch-deutsche Vereinigung: historischer Prozess und ausgewählte Probleme in ökonomischer Sicht*, Heidelberg, 1990.

1. Miracle and Cycle

To get a general picture of the major trends of the post-war German economy several good texts now exist which use a vast quantity of official data on trends in GNP, employment and the government budget. F.W. Henning's study on industrial Germany from the First World War to the present is a fundamental reference text, the third volume of a work on German economic and social history, of which the sixth and extended edition appeared in 1988; nearly seventy pages are concerned with West Germany (and twenty or so with East Germany) and the approach is extremely schematic¹³. The essay by Gerd Ambrosius on the German economic system in the second volume of the *History of the Federal Republic of Germany*, edited by W. Benz, is wider in scope¹⁴. Good collections of statistical data are also available¹⁵.

Among the monographs we cannot omit mention of the work by Altvater-Hoffman-Semmler which is a survey of events in the Federal Republic in the transition "from miracle to crisis" using a classical Marxist approach¹⁶, as well as the successful volume by Glastetter-Paulert-Spoerel on development in the Federal Republic, half-way between economic analysis and history, with a definite technical slant, which is well documented but short on overview¹⁷. Both are a clear product of the crisis, responding to the need to explain its causes after a long phase of growth which seemed to constitute a new and stable normality.

The first and only truly monographical study is Abelshäuser's *Economic History of the Federal Republic of Germany, 1945-1980*, which appeared in 1983 in the "New Historical Library" edited by H.U. Wehler, a recently created but very prestigious series directed by one of the most original German socio-economic historians¹⁸. The work is divided into two sections: the first deals with the

¹³ F.W. HENNING, *Das industrialisierte Deutschland 1914 bis 1986*, Paderborn, Schöningh, 1988 (1974).

¹⁴ G. AMBROSIOUS, "Das Wirtschaftssystem", in *Die Geschichte der Bundesrepublik Deutschland. Wirtschaft*, ed. W. Benz, Frankfurt/M., Fischer Taschenbuch Verlag, 1989 (2).

¹⁵ Among more recent works see K. THALHEIM, *Die wirtschaftliche Entwicklung der beiden Staaten in Deutschland. Tatsachen und Zahlen*, Opladen, Leske & Budrich, 1988 (revised and extended third edition); and the data on Germany in the imposing work by P. FLORA, F. KRAUS, W. PFENNING, *State, Economy and Society in Western Europe, 1815-1975. A Data Handbook in Two Volumes*, Frankfurt, Campus, London, Macmillan, Chicago, St. James, 1983 and 1987. A wide range of data can also be found in W. GLASTETTER et al., *Die wirtschaftliche Entwicklung in der Bundesrepublik Deutschland 1950-1980. Befunde, Aspekte, Hintergründe*, Frankfurt, New York, Campus, 1983 (1977).

¹⁶ E. ALTIVATER, J. HOFFMANN, W. SEMMLER, *Vom Wirtschaftswunder zur Wirtschaftskrise. Ökonomie und Politik in der Bundesrepublik*, Berlin, Olle & Wolter, 1979.

¹⁷ W. GLASTETTER, R. PAULERT, W. SPOEREL, *Die wirtschaftliche Entwicklung*.

¹⁸ W. ABELSHAUSER, *Wirtschaftsgeschichte*.

reconstruction phase, the second analyses the contents and characteristics of the evolution of the West German economy and attempts to identify the continuities and the breaks with the preceding period as far as structures, economic policy, social configuration and international trade are concerned. Abelshausen's work is notable not only for its scope but also for its polemical nature (which has provoked lively discussion), the originality in the interpretation of available data, the attention paid to the links between economic and social phenomena and the sensitivity to the holistic suggestions of Wehler's *Gesellschaftsgeschichte*.

At an overall glance, there appear to be few discrepancies in the description of the macroeconomic dynamics which pivot on the succession of two phases, economic miracle and crisis. The history of the German post-war economy can be summarised, or rather can be measured through the trend in the growth rate of gross national product; in all the aforementioned texts the tables on the fluctuations in GNP are presented and discussed in the same ritual way¹⁹. The figures point to conventional dates for marking the end of the "economic miracle": 1967, when a negative growth rate was recorded for the first time, or 1973, the end of full employment and the beginning of a marked upward trend in unemployment.

After the period immediately following the war, which were years of political uncertainty and variability when the phase of reconstruction got painstakingly under way, came the big leap of the 1950s and 1960s. Capital stock increased rapidly and, despite the damage of the war, by the second half of the 1940s had already surpassed the 1930s' level²⁰. After the ephemeral return to the land in the war years, the primary sector lost weight as far as share in GNP and number of employed were concerned, while productivity increased. In short, modernisation was rapidly taking place and Germany was fast becoming an industrial nation²¹. The returns on capital were extremely high, beginning to fall when labour-saving investments were needed as a result of the thinning out of labour supplies. The "human capital" represented by the work-force — the abundance of skilled labour, a factor in which migration from Eastern Europe played a significant role — was certainly one of the most important preconditions of the German economic miracle²².

After the dramatic fall in the number of unemployed in the 1950s, the 1960s stood out as years of full employment. In the post-war period, if we leave aside the effect of the rise in employment the proportion of real wages in the national product did not fluctuate significantly, while the mass and level of wages rose in absolute terms. Similarly, although per capita incomes rose significantly, there

¹⁹ The table is set out in Ambrosius on p. 15, in Abelshausen on p. 105 and in Henning on p. 231.

²⁰ G. AMBROSIOUS, "Das Wirtschaftssystem", p. 23.

²¹ W. ABELSHAUSER, *Wirtschaftsgeschichte*, p. 119 ff.

²² G. AMBROSIOUS, "Das Wirtschaftssystem", p. 26 ff.

were no signs of a process of levelling as far as the distribution of wealth was concerned, nor of the creation of a society dominated by a middle class (*nivellierte Mittelstandsgesellschaft*) nor of the popular capitalism (*Volkskapitalismus*) so much propagandised by the Christian-Liberal governments²³. Even the privatisations carried out in the aftermath of the war — as has very frequently been the case in history — had no real redistributive effect²⁴.

The big change lies rather in the absolute values of growth and in full employment. Overall, the post-war period may be characterised as a phase of sharp improvement in living standards and raising of the threshold of prosperity. These processes are analysed in a detailed article by T. Pierenkemper²⁵ and a well-documented study edited by Wiegand and Zapf²⁶. In the post-war period Germany became an affluent society for the first time in history, owing to the substantial rise in wages and to the shortening of the working week, despite the great uncertainties about the unemployment rate.

It was the rising unemployment of the mid-1970s onwards that provided the most tangible sign of the recession and produced the most socially damaging effects. Factors which had once stimulated growth were now responsible for the crisis. We have already referred to the depletion of labour reserves. At the same time, the demand for consumer goods which had stimulated industrial expansion slackened and became vulnerable to foreign competition. International factors (currency instability, the oil crisis) now acted as agents of recession. The system proved insufficiently flexible to react positively to the changed stimuli²⁷, and the country's transformation into a tertiary society turned out to be difficult and painful²⁸.

The classic periodisation of the Federal Republic's economic history, or of its history *tout court*, turns around the macroscopic and painful fact of the crisis. This divided the period into two, caused a change in *Stimmung* and tore apart the new national identity that had been so painstakingly regained during the years of the economic miracle when the wounds suffered in the nation's psyche were — miraculously — healed. Yet understanding the crisis presupposes a deep understanding of the economic miracle, which was, in the first place, a German phenomenon. This is shown by the history of the very term *Wirtschaftswunder*, a typically alliterative formula of German coinage. In viewing the economic miracle as a clear turning point and a repeatable event, historians are in effect giving renewed force to the idea, no longer fashionable since the fall

²³ W. ABELHAUSER, *Wirtschaftsgeschichte*, p. 132 ff.

²⁴ *Ibid.*, p. 142; G. AMBROSIUS, "Das Wirtschaftssystem", p. 17 ff.

²⁵ T. PIERENKEMPER, "The Standard of Living and Employment in Germany, 1850-1980: An Overview", in *The Journal of European Economic History*, 1987, n. 1, pp. 51-73.

²⁶ E. WIEGAND, W. ZAPF, eds., *Wandel der Lebensbedingungen in Deutschland: Wohlfahrtsentwicklung seit der Industrialisierung*, Frankfurt, New York, Campus, 1982.

²⁷ G. AMBROSIUS, "Das Wirtschaftssystem", p. 35 ff.

²⁸ W. ABELHAUSER, *Wirtschaftsgeschichte*, p. 128 ff.

of Nazism, of a positive specificity of Germany, of a *Sonderweg* that is at last suitable as a model and the basis for a new identity. What needs to be discussed, therefore, are firstly the continuities and the breaks in the wider historical context, and secondly and related to this, the link between the economic variable and the other variables along a more or less special evolutionary path that is the basis for a new identity.

In the form of a debate on cycle and conjuncture, the issue of the economic miracle widens into a broader discussion about the wider use of these categories²⁹. An important contribution on methodology is the study by K. Borchardt, summarised in an article of 1985 on "Conjunctures in theory and conjunctures in history: choosing theories in a situation of uncertainty as to their validity"³⁰. Borchardt observes that the theoretical poverty of economic history is often condemned, while the real problem lies not in the lack of theory but rather in the too many theories and in the resulting second-rate eclecticism. Distinguishing between three different paradigms for conjuncture (ontological, causal, methodological), Borchardt shows how an apparently neutral description of the conjuncture is in fact often greatly influenced by interpretative and even ideological considerations (which is, after all, an old Schumpeterian position).

Borchardt is also the author of an essay on the economy in the volume *A Social History of the Federal Republic*, edited by W. Conze and R. Lepsius. Here his basic aim is to retrieve the great continuities of German history, which have been partly overshadowed by the country's often dramatic political upheavals³¹. Borchardt reviews the different theses and interpretations about the position of the post-war period in the history of the contemporary German economy, drawing a picture of a change which was unusual both for its rapidity (a characteristic not exclusively German in the years of the economic miracle) and for the way it reflected long-term structural tendencies. Indeed, the interwar period is the real exception — in terms of a slowing down of growth, and in terms of economic policy — rather than the economic miracle, which had its origin in the very special conditions of the reconstruction years.

It is Abelshausen who fully develops the problem of continuity and breaks,

²⁹ Cf. R. H. TILLY, *Renaissance der Konjunkturgeschichte?*, in "Geschichte und Gesellschaft", 1980, 2. On conjuncture and cycle in contemporary Germany's economic history see also the collected essays in the third part of K. BORCHARDT'S volume *Wachstum, Krisen, Handlungsspielräume der Wirtschaftspolitik. Studien zur Wirtschaftsgeschichte des 19. und 20. Jahrhunderts*, Göttingen, Vandenhoeck & Ruprecht, 1982 (a collection of essays written in the 1960s and 1970s). For further bibliographical references see H.-J. BRAUN, *The German Economy*, cap. 9 and notes.

³⁰ KNUT BORCHARDT, "Konjunkturtheorie in der Konjunkturgeschichte: Entscheidung über Theorien unter Unsicherheit ihrer Gültigkeit", in *Vierteljahrschrift für Sozial und Wirtschaftsgeschichte*, 72, 1985, pp. 537-555.

³¹ K. BORCHARDT, "Die Bundesrepublik in der säkularen Trends der wirtschaftlichen Entwicklung", in *Sozialgeschichte der Bundesrepublik Deutschland. Beiträge zum Kontinuitätsproblem*, ed. by W. Conze, R. Lepsius, Stuttgart, Klett-Cotta, 1983.

of the role played by the post-war period in the German path to industrialisation and modernisation. Following on from Borchardt in the classification and evaluation of current paradigms, Abelshäuser then contrasts the "structural break" thesis (*Strukturbruchhypothese*), which stresses the importance of the Christian Democrat government's economic liberalism in the genesis of the economic miracle, with the long-wave thesis proposed by the advocates of continuity (*Lange-Wellen-Hypothese*). The latter treat the post-war period as part of a third Kondratieff cycle which has occurred since the middle of the nineteenth century (following on the railway Kondratieff, 1843-1897, and the neomercantilistic Kondratieff, 1897-1945). We are faced with two interpretative models, the first hinging on an extraeconomic variable, the second on the self-generation of movements of the economy, in such a way that pure description tends to take the place of analysis, with the result that the importance of the post-war period is lessened and left unexplained.

At the centre of Abelshäuser's hypothesis, which takes up the ideas put forward by the Hungarian Jánossy in the 1970s, is instead the process of reconstruction and the concept of "economic potential". The economic miracle can be explained by the very under-use of resources — of economic potential, that is — in the year zero of the Federal Republic: mobilisation, helped and accelerated by foreign aid, made it possible to exploit such resources much more fully, and human capital did the rest. In this model attention is once again paid to the role of labour reserves in German industrial growth, which in the big spurt phase of the nineteenth century occurred in Lewisian conditions³², and perhaps also to ideas deriving from organisation theory concerning the importance and the positive effect of traumatic events such as wars on the economic and social growth of nations. Abelshäuser stresses that full utilisation of development potential was reached in industry through a marked acceleration of labour transfer from the primary sector to the secondary sector, and that industry's predominance in the country's development definitively ended when the economic miracle ended, once the Federal Republic had become a mature industrial nation. The economic miracle is linked to the conditions of relative lag in development which led to dramatic industrial growth, while the stagnation of the 1970s was caused by the crisis of this model of growth and by the country's transformation into a tertiary society.

The 1950s — the starting conditions of the reconstruction period and their full exploitation — are therefore at the centre of Abelshäuser's scheme, and the *The Long 1950s* are in fact the subject of a recent work by the same author, intended for teaching purposes, which includes an anthology of documents and a bibliographical appendix³³. Compared to the 1983 book, the Korean crisis is

³² Cf. Ch. TILLY, *Vom Zollverein zum Industriestaat*, Munich, Deutscher Taschenbücher Verlag, 1990, p. 75.

³³ W. ABELSHAUSER, *Die Langen Fünfziger Jahre. Wirtschaft und Gesellschaft der Bundesrepublik Deutschland 1949-1966*, Düsseldorf, Schwann, 1987.

given much fuller treatment. Our knowledge of the reconstruction period is furthered, a large number of specific contributions having appeared over the last few years owing to the increasing availability of sources.

One area of study concerns the history of industry. Two ample works, one by Krumbein on the metallurgical industry and the other by Drexler on the textile industry, analyse the nature of business management organisation in the British-occupied zone³⁴. Other researches focus on single companies and analyse the problem of continuity in line with the ideas of American business history, which have become so fashionable of late, such as Stoke's book on the I.G. Farben case in the period of Allied control³⁵. In a work edited by Broszkat, Henke and Woller³⁶, the outline of a social history of the reconstruction is set out with special attention to business history and to *Unternehmensgeschichte*. In this context, the works by Volker Berghahn, especially the monograph on the relationship between entrepreneurs and politics in the Federal Republic, are noteworthy³⁷. We should also mention the work by Fuchs on the Chambers of Industry and Commerce³⁸.

An important set of contributions deals with major issues of economic policy in the reconstruction phase and is mostly concerned with revising Abelshauser's ideas. Ch. Buchheim led the field with numerous essays on the *Währungsreform* (currency reform) and on Germany's role in the early phases of international economic integration prior to the European Community³⁹. The two subjects are closely linked, since it was the *Währungsreform* which marked the transition to a market economy, an indispensable precondition for Germany to play a central role in the integration of the world economy in a liberal and non-discriminating way between 1945 and 1958, rather than passively accepting the rules of the game set by others. According to this interpretation, the *Währungsreform* takes on a central and almost symbolic value, emphasising the

³⁴ W. KRUMBEIN, *Wirtschaftssteuerung in Westdeutschland 1945 bis 1949. Organisationsformen und Steuerungsmethoden am Beispiel der Eisen- und Stahlindustrie in der britischen BI-Zone*, Stuttgart, Steiner, 1989; A. DREXLER, *Planwirtschaft in Westdeutschland 1945-1948; eine Fallstudie über die Textilbewirtschaftung in der britischen Bizone*, Stuttgart, Steiner, 1985.

³⁵ R.G. STOKES, *Divide and Prosper. The Heirs of I.G. FARBEN under Allied Authority, 1945-1951*, Berkeley, University of California Press, 1988.

³⁶ M. BROSKAT, K. D. HENKE, H. WOLLER, eds., *Von Stalingrad zur Währungsreform. Zur Sozialgeschichte des Umbruchs in Deutschland*, Munich, Oldenbourg, 1988.

³⁷ V. BERGHAHN, *Unternehmer und Politik in der Bundesrepublik*, Frankfurt/M., Suhrkamp, 1985.

³⁸ R. FUCHS, *Die bayerischen Industrie und Handelskammern im Wiederaufbau zwischen amerikanischen Demokratisierungswillen und eigene Selbstverwaltungstradition*, Munich, 1988.

³⁹ Ch. BUCHHEIM, *Die Wiedereingliederung Westdeutschlands in die Weltwirtschaft 1945-1958*, Munich, Oldenbourg, 1990; L. HERBST, W. BHRER, H. SOWADE, eds., *Vom Marshallplan zur EWG*, Munich, Oldenbourg, 1990.

fundamental importance of the transition to a free market sought after and brought about by the State, and its capacity to produce almost instantaneous growth. The Marshall Plan too is seen as a major factor, while in Abelshauser's interpretation it is less important.

Other studies develop single aspects of the reconstruction period, some close to Abelshasuer's paradigm. G. Ambrosius gives us a picture full of contrasts, focusing on the internal repercussions of integration with the international market, which is seen as being geared towards growth based on quasi-neomercantilistic principles, as well as on the perverse effects resulting from the behaviour of the monetary variable⁴⁰. G. Hardach reassesses the importance of the Marshall Plan in industrial reconstruction in a well-documented article⁴¹. As the factual base widens, further interpretations emerge; the argument over the effects of the *Währungsreform* is turning into an almost Byzantine dispute over the interpretation of the industrial production figures before and after the event, as is shown very clearly in a recent article by Ritschl, following Buchheim's approach⁴².

Taking an overall view, Abelshauser's scheme tends to consider the inter-war period and above all Nazism as a break in long-term dynamics (in this connection the reference to Kondratieff cycles might reacquire meaning); the economic miracle would then be mainly a phase of recovery. The post-war period was, in economic terms, a period of accelerated modernisation, and in more general terms a period of normalisation and westernisation (in habits — consider the Americanisation of consumption, signs of which were already visible, though less widespread, in the 1920s — and in the whole-hearted option for democracy). On the other hand he highlights the major structural breaks, and the very special periodisation of the industrialisation of Germany, which was to become a fully mature industrial nation only in the post-war period, turning immediately afterwards into a tertiary society.

Here there is no inevitable repetition of cyclical oscillations (a neutral succession of Kondratieffs) or conjunctural oscillations, nor transition from prosperity without conjuncture, thanks to the neo-liberal economics of the centrist governments, back to the old conjuncture⁴³. The major structural break instead took place not in what was basically an acceleration of the 1950s but

⁴⁰ G. AMBROSIOUS, "Europäische Integration und wirtschaftliche Entwicklung der Bundesrepublik Deutschland", in *Wirtschaftliche und politische Integration in Europa im 19. und 20. Jahrhundert*, ed. by H. Berding, Göttingen, Vandenhoeck & Ruprecht, 1984.

⁴¹ G. HARDACH, "The Marshall Plan in Germany, 1948-1952", in *The Journal of European Economic History*, 1987, n. 3, pp. 433-486.

⁴² A. RITSCHL, "Die Währungsreform von 1948 und der Wiederaufstieg der westdeutschen Industrie. Zu den Thesen von Mathias Manz und Werner Abelhauser über die Produktionswirkungen der Währungsreform", in *Vierteljahrsschrift für Zeitgeschichte*, 1985.

⁴³ W. ABELHAUSER, *Wirtschaftsgeschichte*, p. 116 ff.

rather in the period of recession. This means recognising and taming the spectre of crisis but it also takes away excitement from the economic miracle as well as importance from the neo-*laissez-faire* economic policy of those years, which for some was finally capable of creating a positive *Sonderweg*.

Abelshausen's ideas spread rapidly and have sometimes provoked sharp reactions; general criticisms have been added to the more specific ones like Buchheim's. The lowest common denominator of the criticism is the attention to the major structural breaks which deprives the postwar years of their tragic glamour. The most debated issue is Abelshausen's picture of the dramatic years of reconstruction: the crucial period of 1945-48 is examined by Klemm and Trittel⁴⁴, who question the retrospective subsumption of everything under the all-embracing label of the economic miracle. This is a criticism which can easily be circumvented if the area of contention is simply the choice of perspective. From the point of view of contemporaries, all the ways were open, even the darkest — but from a medium-term standpoint the conditions of the economic miracle already existed or were then being created. To give importance to such a subjective issue as the state of mind of contemporaries is quite legitimate, but it requires different treatment from Abelshausen's analysis.

R. Klump's criticism, in his controversial revision of the Borchardt-Abelshausen thesis, is more broadly based⁴⁵. Klump also defends the lost dramatisation of the reconstruction years, not from the collective point of view but from the standpoint of the principal political figures. There is no great analytical or documentary novelty in Klump's book, which mainly seems to argue in favour of the centrality of political action, in this case neo-liberalism: the endogenisation of the political sector in economic analysis is to be avoided (*Endogenisierung des politischen Sektors in die ökonomische Analyse*)⁴⁶. The role of the *Soziale Marktwirtschaft*, of the *laissez-faire* oriented social market economy promoted by the Christian-Democrat government, is stressed and its revival is thought possible and desirable. Under attack is Abelshausen's *Wachstumspessimismus*: the lack of confidence in the free market's capacity to make the interests of the individual coincide with those of the community, that is, to generate economic growth and at the same time well-being for all and social peace — which in Klump's view did take place in the not unrepeatable years of the economic miracle — is seen as the ultimate form of pessimism, of *Kulturpessimismus*.

Klump's position revolves around the paradigm of modernisation in its simplest and most reassuring form: the ideology of the free market as a source of progress. By a twist of logic, this view is rendered consistent with the primacy of

⁴⁴ B. KLEMM, G.T. TRITTEL, "Vor dem "Wirtschaftswunder: Durchbruch zum Wachstum oder Lähmungskrise?", in *Vierteljahreshefte für Zeitgeschichte*, 35, 1987, H. 4, pp. 571-624.

⁴⁵ R. KLUMP, *Wirtschaftsgeschichte*.

⁴⁶ *Ibid.*, p. 105.

politics in the economic and social development of the Federal Republic through the exaltation of the state's role as watchman of the market, embodied in the Christian-Liberal governments. Abelshauser's version of the process of modernisation is both more coherent and more sophisticated. Compared to the classic British path, the German case has a marked specificity in both characteristics and timing: emerging from the 1950s and 1960s, a period of accelerated growth which cannot be interpreted as a variable dependent solely on political choices, Germany finds itself rapidly transforming into a tertiary society. In such a situation the role of the state needs to be incisive and go beyond mere deregulation; normalisation will be a process of trial and error.

2. State manoeuvring and the mirage of the market

The role of the state is the key issue in the different interpretations of both the economic miracle and the dynamics of the economy in the post-war period. This is in keeping with the predominant theories — and the main issues — in contemporary Germany's economic and social history, such as the Gerschenkronian recognition of the centrality of the state in the paths taken by the latecomer countries to industrialisation⁴⁷, the series of studies on *organisierter Kapitalismus*, which in recent years seems to have lost imperus⁴⁸, and the analyses of the role of bureaucracy in the organisation of the state and in the make-up of German society. There is no question that the period of Allied occupation and the period of reconstruction with the success of liberal ideas make a clean break with Nazi corporatism. But does this allow us to speak of a triumph of the free market — of a departure from the same secular trend of *organisierter Kapitalismus*? With the economic miracle which opens the new cycle after the neomercantilistic Kondratieff of the interwar period, it would seem at first sight that there was a triumph of the market and a victory of liberalism or rather neo-liberalism, propagated by the Christian-Liberal government and summed up in the keyword *Soziale Marktwirtschaft*, that is social market economy⁴⁹. But is that really so? In other words, the question

⁴⁷ See among the most recent publications, R. TULLY, "German Industrialisation and Gerschenkronian Backwardness", in *Rivista di storia economica*, new series, 1989, n. 2.

⁴⁸ For a good survey see H.J. PUHLE, "Historische Konzepte des entwickelten Industriekapitalismus. "Organisierter Kapitalismus" und Korporatismus", in *Geschichte und Gesellschaft*, 1984, H. 2, pp. 165-184. The whole issue, edited by Puhle, is dedicated to "Capitalism, Corporatism, Keynesianism".

⁴⁹ There is a wealth of literature on the *soziale Marktwirtschaft*: among the most recent see the two volumes edited by A. PEACOCK and H. WILLGERODT, the first a collection of writings from the neoliberal school, the second a collection of research contributions: *Germany's Social Market Economy: Origins and Evolution*, London, Macmillan, 1989; *German Neo-Liberals and the Social Market Economy*, London, Macmillan, 1989. See too the colourless synthesis by J. LEAMANN, *The Political Economy of West Germany: 1945-85*.

often provokingly raised, "what is social in the *soziale Marktwirtschaft*?", could also be put in these terms: "what place has the market in the *soziale Marktwirtschaft*?"

According to Lieberman, the author of a meaty article on the ideological foundations of Western European economic planning⁵⁰, a careful analysis of the facts shows that there was a strong tendency among European governments towards planning in the first fifteen years after the war; the difference in ideologies contrasts with a substantial similarity in economic policies with a dirigiste approach. The emergence of a class of high-level technocrats who believed in the existence of "scientific" solutions to any social and economic problem, the readiness of the right-wing groups to accept public investments and the alliance between the managerial elite and the ruling class led to an economic policy of dirigisme in disguise, under the German Christian-Liberal regime too. Once again, the *Wirtschaftswunder* loses some of its glamour.

A robust monograph with a politological slant is the one edited by Grosser⁵¹, "*The State in the West German Economy*", which is a detailed analysis of the country's economic policy in its various aspects. The breadth of the description is related to the raising of a problematic question: how much confidence should be placed in the market economy, worn down by the crisis, and what kind of combination between state and free competition is best for the future of Germany? For a historiographical view, however, we must resort to general works on economic affairs, or to the relevant sections of books on a specific subject (the state as entrepreneur, the *Wirtschaftsordnung*, welfare) which cover a lengthy period.

In 1988, in the *New Historical Library* edited by Wehler⁵², Jaeger published a history of the German *Wirtschaftsordnung* (economic order) from late mercantilism to the present day. The term, itself born of neoliberal ideology, has now become a substantially neutral one in scientific language. The supporters of the *Durchbruchhypothese* profess the optimistic religion of the free market and emphasise the roles of the State in guaranteeing competition, in regulating and in sustaining the market. The centrality of the state is preserved and sanctified

An Introduction, London, Macmillan, 1988. See also as documents of neo-liberal thought, *Kontinuität und Wandel in vier Jahrzehnten deutscher Wirtschaftspolitik. Ein Symposium der Ludwig-Erhard-Stiftung*, Stuttgart, New York, Fischer, 1986; and the less recent: A. Müller-Armack, *Genealogien der Sozialen Marktwirtschaft. Frühschriften und weiterführende Konzepte*, Bern, Stuttgart, Haupt, 1974; K. H. HERCHENRÖDER, ed., *Soziale Marktwirtschaft. Leistung und Herausforderung*, Stuttgart, Holtzbrinck, 1973.

⁵⁰ S. LIEBERMANN, "The Ideological Foundations of Western European Economic Planning", in *The Journal of European Economic History*, vol. 10 (1981), n. 2, pp. 343-372.

⁵¹ D. GROSSER, ed., *Der Staat in der Wirtschaft der Bundesrepublik*, Opladen, Leske und Budrich, 1985.

⁵² H. JAEGER, *Geschichte der Wirtschaftsordnung in Deutschland*, Frankfurt/M., Suhrkamp, 1988.

using the concept — also specifically German — of *Wirtschaftsordnung*. Elaborated by Eucken, among the great founding-fathers of neo-liberalism, this concept denotes the combination of political and juridical conditions within which and through which an economic system is created and preserved. The problems with the theory and with the relationship between theory and practice are manifest.

Jaeger's original synthesis tries to consider both aspects of the problem, firstly the aims and the ideological aspect and secondly the political realities, reflected in the tension between the normative value and the analytical value of the concept of *Wirtschaftsordnung*. A long chapter deals with the postwar years; the idea at the basis of *soziale Marktwirtschaft*, that a certain type of state and free competition, political freedom and economic freedom are indissolubly linked⁵³, may be taken as meaning either total confidence in the virtues of the market which must be saved from any interference, or else the need to mitigate politically the effects of the market.

Langewiesche's monograph on German liberalism from *Vormärz* to the post-war years also helps us to put in a broad perspective the vicissitudes of the relationship between state and economy in the post-war years⁵⁴. Summarizing, *laissez-faire* ideology, which did so much to shape the legal and institutional system and German civil life in the nineteenth century (although admittedly the liberal party was very weak)⁵⁵, masked increased state intervention in the economy during the times when the conservatives were in power. Although the Keynesian gospel was proclaimed in Germany only in the 1960s, as in, say, the USA, the preceding decade saw the triumph not of deregulation but of a certain right-wing implicit Keynesianism⁵⁶ — the advent of a Welfare State *malgré soi* (consider too the influence of the Beveridge Plan from Britain on the reconstruction of the German social security system after the war)⁵⁷.

Another very interesting synthesis is by Ambrosius, who examines the state's function as an entrepreneur from 1871 to the present day⁵⁸. Ambrosius's basic argument appears to be that ideologies matter little in the context of the unquestionable growth of the state's importance in economic affairs. The

⁵³ See for example Erhard's words: "Only a blind man could fail to see the intimate relationship there is between personal freedom, economic freedom and political freedom" (in *Kontinuität*, p. 4).

⁵⁴ D. LANGEWIESCHE, *Liberalismus in Deutschland*, Frankfurt/M., Suhrkamp, 1988.

⁵⁵ Cf. the entry "Liberalismus" in *Geschichtliche Grundbegriffe*, ed. by O. BRUNNER, W. CONZE, R. KOSELLACK, vol. III, Stuttgart, Klett-Cotta, 1982.

⁵⁶ S. POLLARD, "Keynesianismus und Wirtschaftspolitik seit der Grossen Depression", in *Geschichte und Gesellschaft*, 1984, n. 2, p. 202 ff.

⁵⁷ H. G. HOCKERTS, "German Post-War Policies against the Background of the Beveridge Plan", in W. J. Mommsen, ed., in collaboration with W. Mock, *The Emergence of the Welfare State in Britain and Germany*, London, Croom Helm, 1981.

⁵⁸ G. AMBROSIOUS, *Der Staat als Unternehmer*, Göttingen, Vandenhoeck & Ruprecht, 1984.

postwar years do not belie this tendency, but rather take it to extremes: both in theory and in practice, government intervention is no longer seen as an external factor in, if not indeed as foreign to, the real economy, but instead as a constituent part of it. The importance of government intervention is emphasised above all at a central level, in the fields of redistribution of resources and of welfare and in the infrastructure and research sectors. Any form of rationalisation involving high social costs becomes steadily less feasible.

If we look at the facts, the economic policy of the Liberal-Christian governments in terms of international commercial relations and monetary policy (the currency reform of 1948) was *laissez-faire*. By contrast, internal policy, above all, amounted to masked dirigisme. In any case, despite the *Wirtschaftsordnung's* ideology and aims, many factors, such as the tendency towards company mergers and the increase in social expenditure and the state's share of GNP, show that the *Wirtschaftsordnung* in the years after World War II was not a pure free-market system. Indeed, the very expression "*soziale Marktwirtschaft*", almost a contradiction in terms, underlies the reality of a mixed economy and a non-neutral legal and institutional organisation, or *Wirtschaftsordnung*. It is on this basis that themes like state intervention "in compliance with the market" (*marktkonform*) — correcting the market's shortcomings using means that respect the market — acquire meaning, giving a purely rhetorical value to the free-market slogans⁵⁹.

The currency reform itself penalised savers and favoured those who owned the means of production. With the 1952 investment aid law, resources were concentrated on several key points: iron and steel, railways and energy. The 1952 law against restraints on competition came late, after economic restructuring had already taken place, and was ineffective, totally incapable of opposing the process of industrial concentration which was under way. The attempts to promote workers' investment (*Vermögensbildung in Arbeitnehmerhand*) through privatisation of a few public enterprises to benefit the small share-holder were ineffective.

This does not mean that there was no break when the Grand Coalition, which included the Socialists, replaced the Christian-Liberal government and when Keynesian policies replaced indirect intervention (legislative means and warnings to social partners). Basically, the real discriminating feature of Christian-Liberal economic policy was the preference for using juridico-institutional means rather than direct intervention.

The recession laid bare the weaknesses of this model. Both the economy and politics were synchronised: after the period of the Grand Coalition when the Social Democrats were part of the government (1966-69) for the first time since Weimar, the Brandt era rang the changes. Keynesian theory became a feature of economic policy. Neoliberal ideology itself was revised from within and the paradoxes in neo-liberal thought emphasised: according to

⁵⁹ Cf. G. AMBROSIUS, "Das Wirtschaftssystem", p. 45 ff.

Müller-Armack, who coined the idea of *soziale Marktwirtschaft*, the idea of competition as a central value had to be replaced by the idea of competition as a mere regulatory principle in economic life, and a less narrow budget policy was pursued⁶⁰.

On the other hand, the Left proposed overall control of the economy (*Globalsteuerung*) with open references to Keynes. On the whole, the coalition government in which Schiller was Finance Minister recognised as its aims stability, a high level of employment, a balance in foreign trade and constant and regular growth; the financial means to stimulate demand were to be found in the control and direction of credit flows to overcome cyclical factors, together with investments and sectoral and regional planning in the medium term.

The economic policy of the Socialist governments was focused on the supply side until the end of the Schmidt era in 1982, a period of substantial loss of faith in the self-healing virtues of the market and of increasing budgetary difficulties. There was more commitment to medium-term infrastructural investments and less to social expenditure for immediate, short-term ends. Both means and aims changed: from the mid-1970s, the epicentre of economic policy tended to shift from fighting recession to fighting inflation. These trends became more marked in the 1980s with the restoration of the Christian-Liberal regime and the international fad for monetarism and deregulation.

Western Germany's economic policy after World War II closely followed the demands and the provocations of the cycle, although in practice no political party questioned the principle of the free market tempered by the state, in a mixed system. Setting aside ideologies and rhetorical expedients, the basic tendencies were without a doubt development and consolidation of the social state. German economic affairs after World War II may also be seen as stages in the evolution of the welfare state; I purposely use the English term (the German *Wohlfahrtsstaat* emphasises the welfare aspect rather than the social aspect, and so puts it in a negative light). The German term in fact came into use in political language relatively late, mostly in left-wing jargon⁶¹.

In Benz's book the chapter on social policy by D. Zoellner is concise and well-written⁶². The period of reconstruction and the economic miracle is seen as a first phase. The institutional set-up left by Nazism was by and large used again, but within the framework of administrative decentralisation and with wider functions. The laws governing compensation for war damage were a lost opportunity for an efficient redistribution of wealth. The seemingly laissez-faire nature of the *soziale Marktwirtschaft* was confirmed: important steps were taken to narrow the differences between blue-collar and

⁶⁰ The change of direction within the conservative ranks is evident if the writings of this founding father of the *soziale Marktwirtschaft* from the 1940s and 1950s are compared with those from the 1960s and 1970s: A. MÜLLER-ARMACK, *Genealogien*.

⁶¹ Cf. D. ZOELLNER, "Sozialpolitik", in *Die Geschichte der Bundesrepublik...*, p.370.

⁶² *Ibid.*, pp. 362-392.

white-collar workers. Although the pension measures in the late 1950s abandoned any radical reform of the social security system, they did take the very important step of keeping pensions continually in line with salary rises, bringing Germany into line with European advances. In the 1960s and 1970s the social security and health services continued to expand through a series of partial measures (health insurance extended to all, invalidity provisions etc.), despite the attempts to reduce costs to the state (at times justified by the concepts of "personal responsibility" in health insurance and at others merely imposed by budget problems), while unemployment benefits increased and it was necessary to resort to such expedients as early retirement.

W. Hentschel has written a good survey of the evolution of the German welfare state after World War II in the latter chapters of his history of German social policy from 1880 to 1980⁶³. On a par with Zoellner for the quantity of information given, Hentschel's work is noteworthy for his bold singling out of the basic political and ideological variables which guided the evolution of the social security system. On the one hand "Parliament and government took seriously the social demand for the constitution of, and the conversion of the Federal Republic into, a welfare state"⁶⁴, and this was reflected in the marked tendency to increase the *Sozialbudget* in postwar years, to support a policy of equal treatment for blue and white-collar workers, family aid and better working conditions. However, the German system remained essentially a social security system with some elements of welfarism.

Numerous other studies deal with the genesis and evolution of the German welfare state in the European context. W. J. Mommsen edited an interesting collection of articles on the formation of the welfare state in Britain and Germany⁶⁵, although it is not very successful in comparing the two systems. The specialists in the history of the welfare state are P. Flora and his pupil J. Alber. Alber's book on the development of social security in Western Europe is a good example of comparative centemporary history⁶⁶. His monograph on Germany in the work on the welfare state in Western Europe since World War II, edited by P. Flora, adopts a comprehensive comparative approach to the historical precedents, the financial structure, the groups benefited, the results and the prospects of the Federal Republic's welfare state⁶⁷.

⁶³ V. HENTSCHEL, *Geschichte der deutschen Sozialpolitik 1880-1980*, Frankfurt/M., Suhrkamp, 1983.

⁶⁴ *Ibid.*, p. 176.

⁶⁵ W. J. MOMMSEN, ed., in collaboration with W. MOCK, *The Emergence of the Welfare State*.

⁶⁶ J. ALBER, *Vom Armenhaus zum Wohlfahrtsstaat. Analysen zur Entwicklung der Sozialversicherung in Westeuropa*, Frankfurt, New York, Campus Verlag, 1982.

⁶⁷ J. ALBER, "Germany", in *Growth to Limits. The Western European Welfare States since World War II*, ed. by P. Flora, vol II, Berlin, New York, de Gruyter, 1986, pp. 4-149.

For Alber too — who appears very close to Claus Offe in his interpretation of the German case — Federal Germany's welfare state is characterised by the emphasis it puts on reimbursement to the detriment of redistribution, and by the associated fragmentation of institutions and mechanisms⁶⁸. This "Liberal Welfare State" met with great consensus during the period of the economic miracle⁶⁹. The Federal Republic's welfare policy never abandoned the well-tested path — pursued since Bismarck's times — of an organic policy suited to an industrial nation. The Welfare State developed quantitatively, but with a rigid approach. This model was shattered principally by unemployment and the different demographic make-up of the population, both features of the 1970s and 1980s.

These interpretations of the history of the German welfare state since World War II are in accordance with the Borchardt-Abelhauser model which also stresses the great continuity of contemporary German history. Regarding the reconstruction as a phase of structural recovery, the Borchardt-Abelhauser model shifts the great break much closer to us (both chronologically and spiritually) to the crisis of the 1970s and 1980s when an industrial society which had quickly matured became a tertiary society, and the old model of a welfare state began to foreshadow a welfare society⁷⁰.

3. Conclusions

The market's autonomy, the market's self-regulation and self-healing are mirages, however particularly congenial to growth they may appear, as state and cycle seem to disappear before the miraculous endogenesis of economic development. The period of the economic miracle seems — like all miracles — unique, unrepeatable in terms of accelerated growth on an industrial basis, unrepeatable perhaps in terms of confidence in the virtues of the market. Was this a period of happy fusion between growth, social affluence and political freedom? The nostalgic supporters (among whom we find the neo-liberal wing of German historiography) of that myth of modernity which makes general interest coincide with individual interest and economic good with happiness, claim that it was. Or was it a compensation on a vast scale, derived from the inability to handle the trauma and guilt of Nazism like adults, an oral compensation through wealth and food⁷¹? Overconsumption was to lead to disgust, with notable consequences for the economy in terms of a slump in the demand for consumer goods — according to some, a sufficient condition for an

⁶⁸ *Ibid.*, p. 18.

⁶⁹ P. FLORA, ed., *Growth to Limits*, Introduction, p. XVI.

⁷⁰ J. ALBER, "Germany".

⁷¹ See A. MITSCHERLICH, *Auf dem Weg zur vaterlosen Gesellschaft. Ideen zur Sozialpsychologie*, München, Piper, 1970 (1963), p. 314 ff.

endogenously-caused recession⁷². In short, was the economic miracle a basis for identity and civil growth, or a refuge and a compensation mechanism?

The interpretation of the *Wirtschaftswunder* has swung very ambivalently between exalting affluence and growth and rejecting them (think of the protest movements and the threat of ecological disaster), between being attracted by food and oral compensation and rejecting them (motives found widely in German literature)⁷³. Perhaps we are dealing with just one more form of attraction towards and repulsion from progress, more than with a palingenetic refounding of collective identity.

Historiographically speaking, the debate on the *Wirtschaftswunder* lays bare the polemic over the role of the economy in German modernisation, in its peculiar path (*Sonderweg*), a polemic for which Abelshauser's paradigm has been the catalyst. Fundamentally, the history of the debate about the West German economy may be seen as the history of the progressive loss of confidence in the free market and its ability to be the basis of civil progress, of morality and of national identity. The *Sonderweg* issue turns into a question about the relationship between ethics and economics⁷⁴. If the relation between ethics and economics is positive, the *Wirtschaftswunder* produces a positive *Sonderweg*, while disturbances of the market produce a bad *Sonderweg*, and are the original sin of the German nation, a child of Prussian dirigisme brought up on the model of *Organisierter Kapitalismus*. But, as Dumke shows in a lucid article⁷⁵, in a comparative presentation the positive peculiarity of the German *Wirtschaftswunder* disappears in the great expansion of European reconstruction — and is increasingly less suitable for counterbalancing the negative peculiarity of Nazism and its horrors.

Examining the literature on the post-war economy, one sees that German *Zeitgeschichte* is very much alive: the style of a specialised economic history predominates, with a strong disciplinary bearing (as some deem economic

⁷² V. W. SCHÖLL, *Konsumentenverhalten in der Bundesrepublik 1958-1982. Eine empirische Untersuchung der Sättigungshypothese*, Frankfurt, Harri Deutsch-Thunn, 1985. On the endogenesis of the recession, see too D. IPSEN, *Die Stabilität des Wachstums. Theoretische Kontroversen und empirische Untersuchungen zur Destabilisierung der Nachkriegsentwicklung*, Frankfurt, New York, Campus, 1983.

⁷³ See A. WIERLACHER, *Vom Essen in der deutschen Literatur. Mahlzeiten in Erzähltexten von Goethe bis Grass*, Stuttgart, Kohlhammer, 1987 (on food as a recompense see p. 28 ff., as an object of compensation p. 227 and as mere means of subsistence p. 32 ff.).

⁷⁴ On the relationship between ethics and economics see numerous contributions in B. BIERVERT, K. HELD, J. WIELAND, eds., *Sozial-philosophische Grundlagen ökonomischen Handelns*, Frankfurt/M., Suhrkamp, 1990.

⁷⁵ R. H. DUMKE, "Reassessing the *Wirtschaftswunder*: reconstruction and postwar growth in West Germany in an international context", in *Oxford Bulletin of economics and statistics*, 1990, 2.

history should be, independent of social history⁷⁶), but very vulnerable as regards ideology. This is evident in the fact that there is a divergence of opinion either on very small questions of interpretation of statistical data or on big topics like that of periodisation; but not on intermediate issues. For instance, there is no question that currency reform was an important growth factor, although for some it was an obvious precondition, for others a cause. Similarly there seems no doubt about the fact that right after the war Germany had preserved a solid industrial framework and that industrial recovery was very much helped by the arrival of a qualified work-force from the East.

Faced with the simplifications of liberal optimism and of apocalyptic pessimism⁷⁷, historians who share the anti-ideological spirit of a would-be neo-Enlightenment historiography⁷⁸ have rejected the mythicism of the economic miracle and have insisted on the great continuities of German economic history and on the break which occurred in the 1970s, thus giving Germany a path of specific growth among modernisation processes which are all imperfect and all still open to judgement. In the phase of recession and need, human and environmental suffering take the foreground, and there is a need for an increasing use of resources to recognise and alleviate *soziales Elend* (poverty but also unhappiness), for a compassion which is not to be found among the great nor the small virtues of the economy.

⁷⁶ See J. VON KRUEDENER, "Die moderne deutsche Wirtschaftsgeschichte in den Gesamtdarstellungen seit 1945", in *Geschichte und Gesellschaft*, 1984, n. 10.

⁷⁷ A good example of the latter is H.D. ORTLIEB, *Die Zukunft unserer Vergangenheit. Zur Wirtschafts- und Gesellschaftspolitik der Jahre 1956-1984*, Hamburg, Weltarchiv, 1984.

⁷⁸ Two recent reflections on Enlightenment as a keynote in the renewal of German historiography since the 1970s are J. KOCKA, "Geschichte und Aufklärung", in *Geschichte und Aufklärung*; and the more critical H.U. WEHLER, "Geschichtswissenschaft: Aufklärung oder Sinnstiftung?", in *Interesse*.

