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## PLANNING AND THE ‘TECHNO-CORPORATIST BARGAIN’ IN WESTERN EUROPE AND THE UNITED STATES, 1914–44

### DIFFUSION AND CONFUSION OF ECONOMIC MODELS

The traffic of political and economic ideas between Europe and the United States in the aftermath of World War I is no longer a *terra incognita* for historians. In the wake of Charles Maier’s groundbreaking work on the transformation of bourgeois Europe,<sup>1</sup> numerous studies have contributed to sharpening the picture of *stabilization* which affected most stages of Western European political development after 1918 by stressing the role of the United States in this (mostly invisible) process.<sup>2</sup> These accounts suggest – and there is ample evidence to back this – that the American impact on Europe dates back to way before 1945, albeit in a less formal way. On the other hand, notwithstanding their indisputable merits, they all share the same *caveat*: Most of them tend to present this impact as a one-way street, namely as U.S. influence on Europe, without paying notice to the reverse direction. Of course, this monolithic bias has not gone unnoticed, as it triggered a debate on the definition and relevance of the Americanization process in Europe. As a result, the concept of Americanization began to be associated with ideas such as cross-fertilization, hybridization and appropri-

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<sup>1</sup> CHARLES S. MAIER, *Recasting Bourgeois Europe. Stabilization in France, Germany, and Italy in the Decade after World War I*, Princeton 1975 (1988<sup>2</sup>); CHARLES S. MAIER, *The Two Postwar Eras and the Conditions for Stability in 20<sup>th</sup>-Century Western Europe*, in: *American Historical Review* 86 (1981), p. 327–352.

<sup>2</sup> MARVIN LEFFLER, *The Elusive Quest. America’s Pursuit of European Stability and French Security*, Chapel Hill 1979; FRANK COSTIGLIOLA, *Awkward Dominion. American Political, Economic, and Cultural Relations with Europe, 1919–1933*, Ithaca 1988; WERNER LINK, *Die amerikanische Stabilisierungspolitik in Deutschland, 1921–1932*, Düsseldorf 1970; PATRICK COHRS, *The Unfinished Peace after World War I. America, Britain and the Stabilisation of Europe, 1919–1932*, Cambridge, MA 2005.

ation – notions that have largely replaced the older emission-reception model and other interpretative models tainted with Manichean attributes.<sup>3</sup> Refreshing as it may sound, this reformulation is nothing new. Antonio Gramsci already took up the issue in his twenty-second *Prison Notebook* entitled ‘Americanism and Fordism’. Drawing on current observations, he comes to the conclusion that ‘Americanization’ is (a) a mirror-effect phenomenon which reveals a lot about the contemporary political situations in some European countries (i.e. in the mid 1930s); (b) a philosophy that cannot as such be summed up in a single formula; it rather encompasses different modes of action; and (c) a process resting on specific political and economic preconditions, the most important ones being the ‘demographic structure’ of the economic forces and the role of the state in fostering the appropriate organization to maintain an efficient and performing liberal economy.<sup>4</sup> To a certain extent, Gramsci’s multidimensional approach in his analysis of the concept ‘Americanization’ has found a faithful and unexpected heir in the methodological mechanisms at work in the recent trends of transnational history. Both approaches converge in their ambition to bring out the dialectic dimension of the circulation of ideas by stressing the roles of actors, networks and points of intersection.

However, besides the benefits to be obtained from the transnational interpretation of the process of Americanization, undoubtedly there is more at stake than the mere focus on transatlantic dialectic ought to suggest *prima facie*. The point I intend to address is that a shared political-economic ideological matrix lies behind the Gramscian concept (and flagship) of ‘Americanization’, which I would call the techno-corporatist bargain. Especially effective during the interwar period in industrially-based and technology-oriented countries, it combined the attributes of social engineering derived from the application of technology to the social sciences, the denunciation of nineteenth-century laissez-faire economic liberalism and the contestation of the parliamentary regime as the backbone of liberal democracies. On a positive note, this techno-corporatist bargain aimed to provide an alternative to capitalism, socialism and fascism, or, more aptly phrased, it was an attempt determined to transcend them on an overarching basis. Planning, in this understanding, was at the core of this nonpartisan

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<sup>3</sup> For instance ROBERT BOYER, *Hybridization and Models of Production. Geography, History, and Theory*, in: *Between Imitation and Innovation. The Transfer and Hybridization of Production Models in the International Automobile Industry*, ed. by ROBERT BOYER et al., Oxford 1998, p. 23-56; VICTORIA DE GRAZIA, *Irresistible Empire. America’s Advance through 20<sup>th</sup>-Century Europe*, Cambridge, MA 2005.

<sup>4</sup> ANTONIO GRAMSCI, *Americanism and Fordism*, in: ANTONIO GRAMSCI, *Selections from the Prison Notebooks*, ed. by QUINTIN HOARE, GEOFFREY NOWELL-SMITH, New York 1971, p. 277-318.

political-economic ideology. The plan embodied the indisputable objective instrument which reconciled the elites and the masses and bridged the present with the future.<sup>5</sup>

In the ambitious framework I have just sketched, I will mainly focus on the renewed role of the state (i.e. the executive branch) and its alliance with, and reliance on, non-state actors in shaping this original expertise-based system. Of course, the historical conditions of this model differed from country to country and this national variation explains the various courses of their development. But behind the vast array of national/local differences lay a series of similarities, which should be taken into account in a study devoted to historical comparison. I have placed a special emphasis, as the reader will notice, on two national case-studies – the United States and Belgium. Despite the obvious limitations this focus implies, the social and ideological transformations that occurred in these two countries also concern the older and newer democracies of Europe after 1918. As such, they were part of a broader process of convergence of European societies in the twentieth century.

## 1. The Techno-Corporatist Bargain: Scope and Limits of a Notion

From the turn of the nineteenth to the twentieth century onwards, U.S. reformists of the Progressive Era and the heterogeneous protagonists of the '*nébuleuse réformatrice*'<sup>6</sup> in European countries sought to build consensus, transcend class struggle and engineer social peace in the industrial capitalist order.<sup>7</sup> The reforms they initiated and tried to implement, in other words, aimed at the preservation of industrial peace and social order in the context of a triple crisis – that of liberalism, democracy and capitalism. Although the gap might have been wide between their aspirations and achievements, the means they employed to reach the ends they envisioned are of striking actuality. As Maier has put it, the corporatist shift

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<sup>5</sup> DIRK VON LAAK, *Planung. Geschichte und Gegenwart des Vorgriffs auf die Zukunft*, in: *Geschichte und Gesellschaft* 34/3 (2008), p. 305-326, p. 307.

<sup>6</sup> I am borrowing this phrase from *Laboratoires du nouveau siècle. La nébuleuse réformatrice et ses réseaux en France, 1880–1914*, ed. by CHRISTIAN TOPALOV, Paris 1999.

<sup>7</sup> DANIEL RODGERS, *Atlantic Crossings. Social Politics in a Progressive Age*, Cambridge, MA 1998. Whereas hitherto the focus had been on the 'two postwar eras', Rodgers's narrative allots the early twentieth century a central position in the shaping of common social preoccupations in Europe and the United States.

‘involved the displacement of power from elected representatives or a career bureaucracy to the major organized forces of [...] society or economy, sometimes bargaining directly among themselves, sometimes exerting influence through a weakened parliament, and occasionally seeking advantages through new executive authority. In each case corporatism meant the growth of private power and the twilight of sovereignty’.<sup>8</sup>

In the theoretical framework of a corporatist regime, therefore, interest groups played the role equivalent to that of the mass public electorate in a liberal democracy composed of atomized individuals. This system of cooperative competition attracted actors from both the Left and the Right, though for different reasons. By urging labour representatives to join the bargaining in order to secure social harmony, it provided guarantees for workers of all sectors of the economy and full recognition of labour intermediaries. By involving labour leaders in the decision-making process, employers and entrepreneurs were able to escape from the old (i.e. Marxist) demarcation lines between labour and capital, let alone between social classes. Clashes were to be avoided in the name of stability. But the implicit motto behind it was efficiency, and its secular arm was science or scientific organization: ‘Stability was increasingly defined in terms of efficiency, of greater control, of greater centralization, of closer cooperation between businessmen and a rationalizing government.’<sup>9</sup>

Efficiency, however, differs in many ways from politics, even from stabilization politics. Hence the stabilization-corporatist matrix paved the way for a new political rationale, which entailed the ‘urgent need’ for social and economic knowledge. Surely, the bureaucratic environment which emerged from World War I was more complex and needed coordination. But what was ‘demanded’ from science was more than mere facts or data competence – it was scientific legitimacy. In that sense also, the corporatist system (even in its liberal variant) relied strongly on expert

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<sup>8</sup> MAIER, *Recasting Bourgeois Europe*, p. 9. Maier goes as far as to use the notion ‘corporatism’ ‘as a provisional description of social bargaining under fascism and democratic conditions alike.’ (p. 9, n. 5). Since the focus here is on the interplay between two democratic countries, I will stick to the ‘corporate-liberal’ terminology. For more precision, see ELLIS W. HAWLEY, *The Discovery and Study of a ‘Corporate Liberalism’*, in: *Business History Review* 52 (1978), p. 309-320, as well as the other articles in this special issue; MARTIN SKLAR, *The Corporate Reconstruction of American Capitalism, 1880-1916*, New York 1988, p. 4-5, n. 1, p. 394, n. 32. For a critical appraisal of the term, see COLIN GORDON, *New Deals. Business, Labor, and Politics in America, 1920-1935*, Cambridge, MA 1994, p. 30-32.

<sup>9</sup> DAVID EAKINS, *The Origins of Corporate Liberal Policy Research, 1916-1922. The Political-Economic Expert and the Decline of Public Debate*, in: *Building the Organizational Society. Essays on Associational Activities in Modern America*, ed. by JERRY ISRAEL, New York 1972, p. 163-179, p. 179.

knowledge. In a pioneering work, Guy Alchon has coined the term 'technocratic bargain', which refers to the institutionalization of useful 'expert-like' social and economic knowledge in the traffic of ideas between state and non-state actors (including civil servants), industrialists and financiers, philanthropists and academics.<sup>10</sup> The outcome of this, among other things, was the dissolution of the chain of responsibility, if not the total loss of accountability in the democratic system.

National governments were certainly part of this process. Eager to break with the parliamentary system from which they originated – and which endured strong criticism after the war – public elites did not hesitate to delegate and diffuse power to undisputable intermediaries. They relied on two types of channels in this context: a flexible system of informal, interpersonal and episodic consultation on the one hand and, on the other, an official (or semi-official) network of bureaucratic agencies, advising boards or investigations committees, some of which were eventually institutionalized. Both were strongly penetrated by academic experts. The search for objective fact-finders became the ultimate weapon to reach consensual decisions among opposed partners. In their quest for neutrality, scientists were to be involved in the endeavour to apply the unquestionable methodology of science to political-economic issues. Nevertheless, the case for an overwhelmingly demand-based scheme should not be overstated; the supply-side theory needs to be fully explored as well. Correspondingly, one is struck by the sudden blooming of public, semi-public or private 'expert-like' institutions in the field of public administration. It has frequently been emphasized that this trend went hand in hand with the matured professionalization of social science in Western Europe and the United States.<sup>11</sup>

## 2. The Experience of World War I

'The real turning point in my thinking – and I believe in the thinking of American businessmen generally – was World War I,' wrote the influential

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<sup>10</sup> GUY ALCHON, *The Invisible Hand of Planning. Capitalism, Social Science, and the State in the 1920s*, Princeton 1985, p. 5-6.

<sup>11</sup> MARY O. FURNER, *Advocacy and Objectivity. A Crisis in the Professionalization of American Social Science, 1865-1905*, Lexington 1975; THOMAS L. HASKELL, *The Emergence of Professional Social Science. The American Social Science Association and the Nineteenth-Century Crisis of Authority*, Urbana 1977; *Social Sciences and Modern States. National Experiences and Theoretical Crossroads*, ed. by PETER WAGNER et al., Cambridge 1991.

entrepreneur Bernard Baruch in his recollections of the period.<sup>12</sup> Appointed chairman of President Woodrow Wilson's War Industries Board (WIB), Baruch embodied the new nexus between business, labour and governmental milieus. Earlier experiences had paved the way for the institutional machinery that was soon to blossom during the interwar period in the United States. As Eakins notes, 'the prewar years of the Progressive Era had witnessed a new sort of rationalizing intervention in the economy'.<sup>13</sup>

A similar trend can be observed on the European continent, where the war triggered new experiences in the public administration of business. In France, three ministers had been particularly active in the reorganization and shaping of a rationalized economic policy. Albert Thomas, socialist minister of armaments (until September 1917), who was to become the first director of the International Labour Office ILO (a position he held from 1920 to his death in 1932), was a strong advocate of the '*union sacrée*' between industrialists and trade union leaders. Etienne Clémentel, Clémenceau's wartime minister of commerce, tried to steer the state back into the direction of the economy after a period of self-regulation through the establishment of a Ministry of Industrial Reconstruction. But the orientation and leadership of this administration went to a third actor – Louis Loucheur, Thomas's successor as minister of armaments – who clearly favoured the traditional associations of heavy industry producers (especially the national steel cartel, the *Comité des Forges*). Between market competition and state intervention, these three men extensively exploited the rhetoric of rationalization. They shared some of these perspectives with German industrialist and politician Walther Rathenau, expressed in his work *Neue Wirtschaft*, which advocated a combination of industrial self-government, employee participation and effective state control (rather than the extensive nationalization hailed by Thomas), but without his mystical or metaphysical underpinnings.<sup>14</sup>

Whether in Europe or in the United States, two different paths of stabilization-oriented reforms played key roles. One consisted in tackling the business-inspired issue of administrative reorganization. This strategy was employed by the U.S. President's Commission on Economy and Effi-

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<sup>12</sup> BERNARD BARUCH, Baruch. My Own Story, New York 1958, p. 308. For a good biography, see JORDAN SCHWARZ, The Speculator. Bernard M. Baruch in Washington, 1917–1965, Chapel Hill 1981.

<sup>13</sup> EAKINS, The Origins, p. 169; ROBERT L. CHURCH, Economists as Experts. The Making of an Academic Profession in the United States, 1870–1920, in: The University in Society, vol. II, ed. by LAWRENCE STONE, Princeton 1974, p. 571–609.

<sup>14</sup> MAIER, Recasting Bourgeois Europe, p. 70–74; RICHARD F. KUISEL, Capitalism and the State in Modern France, New York 1981, p. 31–58.

ciency, whose findings on the federal budget system were largely ignored by Congress. Other commissions, also instituted during the Taft presidency, would be fairly successful in identifying the underlying reasons of the social turmoil brought about by the American industrial system's recent transformation (merger movements, structural reorganization, market preferences). Such ad hoc investigations, all tripartite in composition, were the U.S. Industrial Commission and the Commission on Industrial Relations. Although they ultimately offered different responses – and 'views' – to managing the economic transition, we should bear in mind that their legitimate representatives had deemed it appropriate to delegate to professional staffs the task to supply the executive branch with carefully researched recommendations (composed of previously unearthed data, hearings etc.).<sup>15</sup>

Beside matters of executive reorganization, business and labour issues constituted the second important path of reforms. Both questions were the key domains expert agencies and/or committees addressed. The war mobilization obviously enhanced this pattern of delegation to the producers of expert knowledge, especially in the sector of political-economic research. Due to the wide range of its competence and the high rank of its members, the WIB was foremost among the numerous governmental boards created during the war in producing convincing economic inquiry. Moreover, its participants, whether academics, civil servants, private researchers or employers, would be closely associated with the postwar establishment of one or more of the various platforms which constituted the new institutional base preceding the advent of the U.S. managerial state.<sup>16</sup> Due to their upper-class backgrounds and their highly visible professional settings, they formed a more or less homogeneous group of planners – in fact the first generation of modern U.S. planners.<sup>17</sup>

The formal outlook of Belgium's wartime intellectual mobilization was quite dissimilar from its American counterpart because of the occupation

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<sup>15</sup> MARY O. FURNER, *Knowing Capitalism. Public Investigation and the Labour Question in the Long Progressive Era*, in: *The State and Economic Knowledge. The American and British Experiences*, ed. by MARY O. FURNER/ BARRY SUPPLE, Cambridge 1990, p. 241-286, p. 268-286.

<sup>16</sup> On the WIB, see ROBERT D. CUFF, *The War Industries Board*, Baltimore 1973; ROBERT D. CUFF, 'We Band of Brothers'. Woodrow Wilson's War Managers, in: *Canadian Review of American Studies* 5/2 (1974), p. 135-148; ELLIS W. HAWLEY, *Le nouveau corporatisme et les démocraties libérales. Le cas des Etats-Unis*, in: *Les soldats du travail. Guerre, fascisme et taylorisme*, ed. by LION MURARD/ PATRICK ZYLBERMAN, *Special Issue of Recherches* 32-33 (1978), p. 335-354.

<sup>17</sup> See PATRICK D. REAGAN, *Designing a New America. The Origins of New Deal Planning, 1890-1943*, Amherst 1999, p. 1-27.



regime the country had to endure for four years. However, the *zeitgeist* was comparable – the outbreak of the war had exposed major flaws in the social, economic and political configurations of the ‘old order’; the moment seemed right to foster alternative approaches.<sup>18</sup> Evidently, the committees that emerged in Belgium had to remain confidential and adapt to wartime conditions (shortages of technical facilities, transportation, correspondence etc.). Second, most of the actors who addressed these challenges were fairly new to the public arena; few of them had belonged to the prewar ruling elite. Finally, the situation of emergency dictated that efforts should concentrate first and foremost on the immediate postwar period. These three characteristics all came together in the Committee for the Recovery of National Industry (*Comité de relèvement de l'industrie nationale*), which stemmed from a series of study groups initiated and organized by Belgium's most important financial holding group, the Société Générale de Banque. As the latter became *de facto* responsible for the management of the country's financial interests during the government's exile in French Normandy, it enjoyed a relative margin of manoeuvre to set its own political agenda and organize its administration accordingly.

At the head of the Committee was the chairman of the Société Générale himself, Jean Jadot. Trained as an engineer at the (Catholic) University of Louvain, he could not be depicted as a ‘Progressive’ reformist. Yet, he was sufficiently aware of the magnitude of the crisis to call for a broadening of intellectual horizons and institutional networks.<sup>19</sup> Some members of the Committee belonged to the research staff of the Solvay Institute of Sociology. Created by the industrialist and philanthropist Ernest Solvay at the end of the nineteenth century, it was an independent research institute (although closely linked to the University of Brussels) dedicated to the advancement of the social sciences.<sup>20</sup> Even more influential than the Committee for the Recovery of National Industry was the National Committee for Food Relief (*Comité national de secours et d'alimentation*) set up at the initiative of Ernest Solvay, orchestrated by Dannie Heineman, chairman of the industrial holding Sofina, and headed by Emile Francqui, an unusual character,

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<sup>18</sup> The comparison with the French case is relevant in this respect. See GERD HARDACH, *Industrial Mobilization in 1914–1918. Production, Planning, and Ideology*, in: *The French Home Front, 1914–1918*, ed. by PATRICK FRIDENSON, Providence 1992, p. 57–88.

<sup>19</sup> According to a participant, Jadot touted for the reconstruction of the Belgian industry ‘interest groups and habits of discipline which were not incompatible with the [national] principles of freedom and independence’. (FERNAND VAN LANGENHOVE, *L'action du gouvernement belge en matière économique pendant la guerre*, Paris 1927, p. 119).

<sup>20</sup> JEAN-FRANÇOIS CROMBOIS, *L'univers de la sociologie en Belgique de 1900 à 1940*, Bruxelles 2002; KAAWILS, *La sociologie*, in: *Histoire des sciences en Belgique*, ed. by ROBERT HALLEUX et al., vol. 1, Bruxelles 2001, p. 305–322.



formally delegate of King Leopold II in the Congo and then active in the acquisition of Chinese railroad concessions.<sup>21</sup> At the outset, this National Committee intended to coordinate the supply of food relief during the wartime with its American counterpart, the Committee for Relief in Belgium, headed by Herbert Hoover. Soon enough, however, it turned into a 'second government', coping with public interests that went beyond its initial mission. This shift was partly due to Francqui's energetic administrative skills and his own aspirations for power, but partly also to the intrinsic quality and efficiency of his fellow members in the National Committee. With a handful of them, Francqui was to become an indispensable link in the Belgian financial-political cogwheel after the war, contributing decisively to the blurring of the boundary between the private and the public sphere.

### 3. The Hooverian Momentum

Hoover and Francqui were not unknown to each other. They had met in China at the beginning of the century, where they had been tough competitors. Both engaged in humanitarian action during the war, these two self-made men were also eager to demonstrate their organizational capabilities in the area of public issues, after having proven their skills in the private sector. Considering the autocratic tendencies of their respective personalities, they were occasionally at odds over strategic problems concerning the food supply.<sup>22</sup> Ultimately, however, their cooperation was a huge success in saving the Belgian population from starvation. Moreover, the financial surplus from the two Food Committees enabled lasting realizations in the field of science after the war: an academic club (University Foundation), an exchange programme for Belgian and American scholars (Belgian American Educational Foundation) and diverse endowments to universities. In handling the money involved in these projects, it must be emphasized, Hoover and Francqui deliberately circumvented the government.<sup>23</sup> For

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<sup>21</sup> Ernest Solvay et son temps, ed. by ANDRÉE DESPY-MEYER/ DIDIER DEVRIESE, Bruxelles 1997; LIANE RANIERI, Emile Francqui ou l'intelligence créatrice, 1863–1935, Paris 1985; LIANE RANIERI, Dannie Heineman. Un destin singulier, Bruxelles 2006, p. 181–205.

<sup>22</sup> GEORGE NASH, The Life of Herbert Hoover. The Humanitarian, 1914–1917, New York 1988, p. 26.

<sup>23</sup> KENNETH BERTRAMS, Beyond Academic Science. Hoover and Francqui's Legacy in Post-War Belgium, Proceedings of the Seminar Remembering Herbert Hoover and the Committee for Relief in Belgium, Louvain 2007, p. 38–47.

Francqui especially, it was a patriotic duty to avoid the intrusion of Belgium's traditional party politics into 'his' reorganization efforts.

Back in the United States, Hoover had made a great impression with his methods of executive decision making and voluntary cooperation.<sup>24</sup> For thirty years or more, historians have reappraised Hoover's activities as secretary of commerce (1921–28) and then president (1929–33) as laying the foundations of a 'new economic era' or an 'associative state', which, to some extent, paved the way for Roosevelt's highly praised New Deal. According to historian Ellis W. Hawley, this new social-economic 'associative order', coloured by Hoover's commitment to social engineering and his faith in a humanized scientific management, would function

'through promotional conferences, expert inquiries, and cooperating committees, not through public enterprise, legal coercion, or arbitrary controls; and like the private groupings to which it would be tied, it would be flexible, responsive, and productive, staffed by men of talent, vision, and expertise, and committed to nourishing individualism and local initiative rather than supplanting them'.<sup>25</sup>

In fact, even before Hoover was sworn into office in 1921, his new approach had been tested during the second Industrial Conference Wilson had set up in December 1919 after the failure of the first initiative, which had ended in a strong disagreement between the leaders of organized capital (Elbert Gary) and labour (Samuel Gompers). After all, the Labour Commission set up by the Peace Conference at Versailles, which Gompers also chaired, had already experienced the organization of a tripartite system. It managed to draft the constitution that was about to launch the International Labour Organization.

By the same token, the second conference's final report, largely influenced by Hoover himself, witnessed the ascendancy of corporate managerialism over industrial democracy,<sup>26</sup> although the latter would spread

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<sup>24</sup> ROBERT D. CUFF, Herbert Hoover, the Ideology of Voluntarism, and War Organization during the Great War, in: Herbert Hoover. The Great War and Its Aftermath, ed. by LAWRENCE E. GELFLAND, Iowa City 1979, p. 23–39.

<sup>25</sup> ELLIS W. HAWLEY, Herbert Hoover, the Commerce Secretariat, and the Vision of an 'Associative State', 1921–1928, in: *Journal of American History* 61/1 (1974), p. 116–140, p. 118–119. See also WILLIAM J. BARBER, *From New Era to New Deal. Herbert Hoover, the Economists, and American Economic Policy, 1921–1933*, Cambridge, MA 1985.

<sup>26</sup> Given the antecedent, President Wilson had preferred that 'there should be no recognition of distinctive groups [at the 2<sup>nd</sup> Industrial Conference], but that all of the new representatives should have concern that our industries may be conducted with such regard for justice and fair dealing that the workman will feel himself induced to put forth his best efforts, that the employer will have an encouraging profit, and that the public will not suffer at the hands of either class'. (New York Sun press clipping, 21 November 1919, in National

progressively through many of the largest American firms. According to the report, organized labour had to give way to shop councils for matters of collective bargaining, federal legislation in industrial relations was to be avoided and the promotion of private solutions to industrial disputes was the unique role assigned to the government. Overall, private arrangements outweighed the need for public policy.<sup>27</sup> This embryonic social design rested on a two-layer institutional setting: on the one hand, an antistatist corporatism relying on private-based initiatives which reflected Hoover's own antibureaucratic stance (embodied by semi-public agencies like the National Bureau of Economic Research, headed by Harvard's economic historian Edwin F. Gay and Columbia's economist Wesley Clair Mitchell) and, on the other hand, a positive statism more inclined to take advantage of the traditional nexus of interest-group politics (which the Bureau of Agricultural Economics represented as an ideal prototype).<sup>28</sup>

But could the 'associational' architecture of the state respond to the emerging postwar challenges, especially in the social-economic field? And did it produce a reference model for other industrial countries to emulate? It does not seem so at first sight, though the replication – to some extent – of the 'industrial democracy' systems in European plants (and in some European legislation) could be seen as a true social innovation of the decade. Daniel Rodgers harshly notes that Hoover's Commerce Department was 'a virtual factory of public policy innovation' which produced 'social politics of a highly attenuated sort'. Drawing a comparison with contemporary European systems of social insurance, 'which were thickening and deepening in the 1920s toward more systematic and broader coverage', he concludes that 'the one-by-one innovations of American welfare capitalists barely changed the overall odds in a wage earner's life'.<sup>29</sup> Weak as the American welfare schemes were in the 1920s (and still are, for that matter), Hoover's 'associational' pattern nonetheless prefigured many elements that would be recaptured by his successor and rival in the White House.

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Archives at College Park, MD, General Records of the Department of Labor [RG 174], Office of the Secretary William B. Wilson, General Subject Files, box 4, 13/178).

<sup>27</sup> CHARLES E. HARVEY, John D. Rockefeller, Jr., Herbert Hoover, and President Wilson's Industrial Conferences of 1919–1920, in: *Voluntarism, Planning, and the State. The American Planning Experience, 1914–1946*, ed. by JOHN E. BROWN/ PATRICK D. REAGAN, Westport 1988, p. 25–46, p. 37–38.

<sup>28</sup> ELLIS W. HAWLEY, *Economic Inquiry and the State in New Era America. Antistatist Corporatism and Positive Statism in Uneasy Coexistence*, in: *The State and Economic Knowledge*, p. 287–324, p. 308–310.

<sup>29</sup> RODGERS, *Atlantic Crossings*, p. 378.

#### 4. A New Blueprint for Industrial Relations?

Another critique is due to Rodgers's appraisal of Europe's social security environment after World War I: His assessment may be accurate for *some* countries, such as Germany, where a mandatory system of social insurance had been introduced by Bismarck in the late 1880s in order to counter the Left, but it proves misleading for the bulk of European countries, and especially for Belgium. Although universal suffrage was obtained shortly after the war, the Belgian systems of social insurance and labour rights overtly lagged behind in various aspects. Specific target legislations were adopted throughout the interwar period, but they were neither part of, nor did they sketch a global design of social policy. The state with its historically minimal role and scope in matters of social politics must be emphasized here. Nurtured by the Catholic ideology, it aimed to reconcile two opposing principles: the impossibility to deny the harsh social situation on the one hand, and the impossibility to organize a public system of mandatory social insurance that would have superseded (if not annihilated) the action of charity on the other. This unsuccessful method of social conciliation – coined as a system of freedom and subsidiarity – only began to dissolve after the war.<sup>30</sup>

Different initiatives based on the flexible model shaped by the National Committee for Food Relief began to flourish after the war. For instance, the government set up a Committee for the Study of the Economic Situation in August 1920 as a way to tackle the increasing price problems. Breaking away from the traditional format of nineteenth-century working groups exclusively composed of atomized labour and business individuals, this committee not only urged representatives from organized groups of employers and labour to join in, it also encompassed non-state actors working as experts. Considering the antecedents, these were no minor innovations. They meant that the adherence to an organized group constituted a *de facto* criterion of admission, although such groups were only in the process of being formally organized, let alone recognized. By the same token, resorting to a kind of social-economic knowledge as embodied by experts was strikingly premature in a context where science-based consultancy had not been considerably developed for public purposes. Despite the evidence that these meetings yielded few (if any) tangible outcomes, the committee lay

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<sup>30</sup> For a good overall description, see BEN SERGE CHLEPNER, *Cent ans d'histoire sociale en Belgique*, Bruxelles 1956. More recent but more specific are GUY VANTHEMSCHE, *Les paradoxes de l'Etat. L'Etat face à l'économie de marché, 19<sup>ème</sup>–20<sup>ème</sup> siècles*, Bruxelles 1997 and GUY VANTHEMSCHE, *Le chômage en Belgique de 1929 à 1940. Son histoire, son actualité*, Bruxelles 1994.

the ideological foundations of original future legislative proposals (such as the linkage between the increase of labour productivity in exchange for the uniform introduction and enforcement of the eight-hour workday, which was eventually legally implemented in June 1921),<sup>31</sup> and it heralded the sociological patterns of corporatism for other official meetings.

Among the plausible explanations for this formal legacy, the interpersonal dimension plays a rather important role. A significant number of the committee members had taken part, in one way or another, either in one of the various wartime confidential gatherings (Committee for the Recovery of National Industry, National Committee for Food Relief) or in the sessions of the International Labour Conference in Washington, D.C. in October 1919 (and the later meetings of the ILO in Geneva). Moreover, a connection with the social-engineering approach of industrial relations as promoted by Hoover might have been established through the presence of the engineer Albert Van Hecke, who had toured U.S. factories between April and May 1918 with the Belgian Mission in the United States on Industrial Management. The Belgian government in exile had launched this study group in order to investigate 'the movement of opinion, which is known in Europe under the name of "Taylorism" and in the U.S.A. under that of "scientific management"', and to judge whether the implementation of such mechanisms would be appropriate in Belgian plants in order to facilitate a rapid recovery.<sup>32</sup>

Another member of this mission would attain fame in political circles – Hendrik De Man. A convinced socialist intellectual, De Man was then active in the training section of the Belgian socialist union. In a little book he wrote about his stay in the United States, he clearly makes the distinction between two sides of the same coin: the practice of 'Taylorism' on the one hand, which physically and psychologically undermines the worker, and that of social bargaining on the other, which paves the way for the spread of 'industrial democracy'. Against the 'backward quality of enterprise', which supposedly dominated Belgian industry, he staunchly supported the 'prompt and full adoption of the American principle: high wages and low costs'.<sup>33</sup> Likewise, he was not hostile towards the idea of increasing the levels of labour productivity if the measure was balanced by high salaries and/or a reduction in working hours. De Man's analysis of the labour conditions in the United States is typical of the proponents of a 'revisionist' socialism, which claims to interpret the worker's situation

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<sup>31</sup> CHLEPNER, *Cent ans*, p. 303-304, 316-319.

<sup>32</sup> Ministère de l'industrie, du travail et du ravitaillement, *Le travail industriel aux Etats-Unis. Rapports de la mission d'enquête*, vol. I, Bruxelles 1920, p. 5.

<sup>33</sup> HENRI DE MAN, *Au pays du taylorisme*, Bruxelles 1919, p. 98, 103.

without reference (and deference) to the traditional Marxist class-based ideology. This theoretical positioning would be confirmed and detailed in 1926 with the publication of *Zur Psychologie des Sozialismus* (translated into several languages), in which De Man reasserts the importance to infuse the foundations of socialist ideology with morality and spiritual order.<sup>34</sup>

Later, in the early 1930s, De Man formally began his political career as leader of the Belgian Socialist Party's campaign during the Great Depression. The measures he set forth to tackle mass unemployment and restore economic growth were catalogued in a *Labour Plan*, which benefited from extensive propaganda. Highly complex and ambivalent in its details, one of the political outcomes of the plan was that it epitomized the transition from socialization to nationalization. Resting on the fecund rhetoric of (municipal, urban, regional) planning, which united numerous experts during the interwar period (most notably through transnational platforms like the International Union of Local Authorities), De Man set the agenda of a technician-based economic policy, whose primary aim was to place a regulatory state at the head of social and economic organization. For this purpose, he launched diverse (and mostly unsuccessful) initiatives while he was minister.<sup>35</sup> Most important, however, is the undeniable fact that the state was assigned an essential role in De Man's macro-political script, even if bureaucratic centralism was to be avoided.

The leftist interpretation of Taylorism De Man had contrived was no exception at the time. Somehow it reconnected with Thorstein Veblen's plea against the 'price system', that is, the speculative ('unproductive') side of capitalism, which received some resonance through the short-lived experience of the group Technocracy Inc., created at the beginning of the 1930s. In this respect, the role model the engineer Taylor had depicted in his *Principles of Scientific Management* (1911) was about to become a fruitful legacy on an international scale. Herein lay one of the key components of the technocratic ideology. Lenin, for instance, had grasped quite accurately the political outcomes of an economic policy placed under the banner of technological innovation. 'No dark power,' he said in 1920, 'can

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<sup>34</sup> The best account centred on De Man remains MIEKE CLAEYS-VAN HAEGENDOREN, Hendrik De Man. Biografie, Antwerpen 1972. More controversial yet stimulating is ZEEV STERNHELL, Ni droite ni gauche. L'idéologie fasciste en France, Paris 1983 (Bruxelles 2000<sup>2</sup>), p. 249-275, 331-363.

<sup>35</sup> Among De Man's misconceived attempts was his establishment of the Office de redressement économique (OREC), designed to counter the deflationary measures usually taken by the traditional economists active in the Ministry of Finance. See GUY VAN-THEMSCHÉ, De mislukking van een vernieuwde economische politiek in België voor de Tweede Wereldoorlog. De OREC van 1935 tot 1938, in: Revue belge d'histoire contemporaine 13/2-3 (1982), p. 339-389.

withstand the union of the representatives of science, the proletariat and technique'.<sup>36</sup> American engineers, on the other hand, were eager to take action in that direction. Under the coordination of several state agencies, technical assistance was provided en masse from the United States to Soviet Russia from the mid 1920s onwards. While Soviet workers and technicians were trained in the U.S.A., Soviet engineers toured American plants.<sup>37</sup> Individual engineers like Charles Steinmetz, head of the Research & Development department at the General Electric Company, made no secret of his political commitment to the Soviet system and his desire to help the Soviet Union organize and develop along the lines of rationalization.<sup>38</sup>

## 5. The Planning Alternative

For potential technocrats inspired by social engineering, planning was the ultimate solution. However, due to the adaptable character of *plans*, the notion needs to be put cautiously in its proper context. For instance, it is necessary to historicize De Man's *Labour Plan*, just like it would appear relevant to appreciate the variable interpretations it elicited in French political milieus. Put briefly, the French version of De Man's '*planisme*' aroused the interest of and spanned from Marcel Déat's '*néo-socialisme*' (hostile to the traditional French Socialist Party and the Communists alike) to André Philip's reformist socialism (tainted with concerns for collective bargaining and trade union representation).<sup>39</sup> In Germany, the concepts of *Gemeinwirtschaft* and *organische Wirtschaft* were mainly associated with the right-wing side of the political spectrum. Although technocratic 'system builders' like Rathenau had paved the way for the reorganization of the German economy during World War I along the lines of *Rationalisierung*, from the 1920s onwards the notion of planning became more and more associated with political movements on the Right, like the so-called *Konservative Revolution*.<sup>40</sup>

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<sup>36</sup> Quoted in W. HARRY ARMYTAGE, *The Rise of the Technocrats. A Social History*, London 1965, p. 226.

<sup>37</sup> *Ibid.*, p. 224-225.

<sup>38</sup> RONALD R. KLINE, *Steinmetz. Engineer and Socialist*, Baltimore 1992, p. 27-49.

<sup>39</sup> FRANÇOIS DENORD, *Néo-libéralisme version française. Histoire d'une idéologie politique*, Paris 2007, p. 27-36.

<sup>40</sup> DIETER GOSEWINKEL, *Zwischen Diktatur und Demokratie. Wirtschaftliches Planungsdenken in Deutschland und Frankreich. Vom Ersten Weltkrieg bis zur Mitte der 1970er Jahre*, in: *Geschichte und Gesellschaft* 34/3 (2008), p. 327-359, p. 333-335; DIRK VON LAAK, *Zwischen 'organisch' und 'organisatorisch'. 'Planung' als politische Leitkate-*



We must bear in mind that planning was not the only alternative model to liberalism. Other ideological trends also offered a so-called ‘third way’ of consensus-building between the social classes. Since the early twentieth century, the corporatist mindset enjoyed considerable popularity among Catholic organizations of workers and employers. In Fascist Italy, the corporative economy was articulated in a series of *enti pubblici*, sectorial public administrations that enjoyed considerable autonomy in organizing production on the local and national level. To a large extent, the corporatist patterns in Italy have survived the death of fascism.<sup>41</sup> Moreover, the proximity between Italian intellectuals and technocrats and their counterparts in Soviet Russia persisted throughout the 1930s.<sup>42</sup> The reconciliation between the social classes in the name of social welfare and economic growth also formed the core of the *Quadragesimo Anno* encyclical issued by Pius XI on 15 May 1931. Throughout the 1930s, Catholic organizations sought to frame a corporatist-inspired legislation on industrial relations. These attempts culminated in the legalization of industrial cartels in the 1930s: in Japan in 1931, Italy 1932, U.S.A. and Germany 1933, Switzerland and Great Britain 1934, France, Belgium and the Netherlands 1935.<sup>43</sup>

In the United States, a new generation of planners, who drew on their experience from the wartime and Hoover’s associative state, served in Roosevelt’s various national planning agencies between 1933 and 1943. Whether academics (Charles E. Merriam, Wesley Clair Mitchell), corporate managers (Frederic A. Delano, Henry S. Dennison) or leaders of philanthropic foundations (Beardsley Ruml), they all formed a cohesive subgroup of action-oriented intellectuals within the larger influential cohort of ‘brain trusters’ or ‘New Dealers’. In their professional practice, they sought to mobilize their networks, to gain inspiration from foreign countries and to make the greatest possible use of social science research to advise policy makers in all branches of the federal government. ‘As part of this advisory planning process,’ historian Patrick D. Reagan notes, ‘the planners sought to promote education and cooperation among major organized groups such as the liberal element of the corporate sector of the

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gorie zwischen Weimar und Bonn, in: Griff nach dem Westen. Die ‘Westforschung’ der völkisch-nationalen Wissenschaften zum nordwesteuropäischen Raum (1919–1960), ed. by BURKHARD DIETZ/ HELMUT GRABEL/ ULRICH TIEDAU, Münster 2003, p. 69–90, p. 73–75.

<sup>41</sup> MARIUCCIA SALVATI, The Long History of Corporatism in Italy. A Question of Culture or Economics? in: Contemporary European History 15/2 (2006), p. 223–244.

<sup>42</sup> ALFREDO SALSANO, Ingegneri e politici dalla razionalizzazione alla ‘rivoluzione manageriale’, Torino 1987, p. 95–159.

<sup>43</sup> GUY VANTHEMSCHE, De Belgische overheid en de kartels tijdens het interbellum. Situering en analyse van de wetgeving op de verplichte kartelvorming, in: Revue belge de philologie et d’histoire 61/4 (1983), p. 851–894.

business community, organized labor, and all levels of government – corporatist members of the organizational society.<sup>44</sup>

As such, the planning activities undertaken during the New Deal era seemed to be distinctively 'American', as they resulted from a combination of business-government cooperation, countercyclical fiscal measures, public works regulations and executive branch reorganization. Yet, these statist- or antistatist-oriented experiments paralleled the planning efforts undertaken in many European countries to propose an alternative to the traditional liberal economy, which was considered responsible for the Great Depression.<sup>45</sup> There were striking similarities between both sides of the Atlantic in the ways national governments attempted (more or less successfully) to tackle the social and economic problems that arose from an excessive confidence in 1920s liberal capitalism. Expert advice, which had blossomed as private initiatives during the earlier decade, was now institutionalized in the public system. Rodgers argues (in a quite pleonastic manner) that between all the measures taken by the national governments to struggle against the crisis, 'the difference was in the mix of policy ingredients; the family resemblances were, from country to country, largely the same'.<sup>46</sup> The sociologist Karl Mannheim observed ironically that in a modern industrial society, 'there is no choice between planning and *laissez-faire*, but only between good planning and bad'.<sup>47</sup> Speaking before the American Association for the Advancement of Science, Roosevelt's Secretary of Agriculture Henry A. Wallace argued that 'if the planning of the engineer and of the scientist in their own field' could be followed by 'comparable planning in the social world', man would be 'freed from economic insecurity'.<sup>48</sup>

These convergent policy tendencies were no surprise to contemporary actors and spectators. After all, most of the New Deal experiments had been tested earlier, whether in Europe or in the United States. Still, some salient aspects of the post-crisis programmes were original. If the inspiration for social programmes supposedly stems mostly from European coun-

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<sup>44</sup> PATRICK D. REAGAN, Creating the Organizational Nexus for New Deal National Planning, in: Building the Organizational Society, p. 95.

<sup>45</sup> KENNETH BERTRAMS, Une inspiration tout en contrastes. Le New Deal et l'ancrage transnational des experts du planning, 1933-1943, in: Genèses 71 (2008), p. 64-83. See also MARIO TELO, Le New Deal européen. La pensée et la politique sociales-démocrates face à la crise des années trente, Bruxelles 1988. For the French case, see KUISEL, Capitalism, p. 93-127.

<sup>46</sup> RODGERS, Atlantic Crossings, p. 419.

<sup>47</sup> Quoted in MARK MAZOWER, Dark Continent. Europe's Twentieth Century, London 1999, p. 207.

<sup>48</sup> Quoted in ARMYTAGE, The Rise of the Technocrats, p. 249.

tries during the 1920s – a fact confirmed by the frequent reference to German, Scandinavian, Dutch or even French achievements in the literature drafted by U.S. progressives – the impressive packaging of Roosevelt's New Deal was such that the direction of traffic was now reversed, or at least more balanced. From social housing policies to welfare schemes, the Roosevelt administration showed its European counterparts that it could execute the designs that mouldered in the drawers of progressive lobbying agencies and expert bureaus. Alongside this practice-oriented surface, the spatial centre of the production of ideas had gradually shifted since the war. Neither strictly American nor rigorously European, it lay somewhere in the Atlantic Ocean. John Maynard Keynes, undoubtedly the guru of anti-classical economics from the mid 1930s onwards, was still in good company with his colleagues from U.S. universities who laid greater emphasis on the institutional dimension of economic reforms: Adolf A. Berle, Gardiner C. Means, John Maurice Clark, Rexford G. Tugwell and the above-mentioned Wesley C. Mitchell.<sup>49</sup>

## 6. Conclusion: From Cooperation between Classes to a Classless Society

After a 'first postwar era' centred around social peace, self-justification and the legitimization of liberal restoration, Maier describes the 'second postwar era' as focusing on industrial performance and an economy of abundance.<sup>50</sup> The analysis of this purported transition from the politics of stability to the politics of productivity is highly accurate and relevant. Yet, under the surface of outcomes and achievements, avowed goals and explicit ambitions, one is struck by the range of similar mechanisms that were employed to achieve these aims. Similarity, in this case, is only an offspring of continuity between the two sides of the 'second postwar fence'. Essential seeds of postwar labour collective bargaining contained a corporatist essence, the new regulatory 'mixed' state, which was supposed to come to terms with the social-liberal design of capitalism shaped at the Liberation, drew on prewar planning conceptions.

Conceived both as a political instrument and a rhetorical tool, planning has enabled us to draw comparisons between different political regimes, situated at both sides of the ideological spectrum. In a recent historical

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<sup>49</sup> WILLIAM J. BARBER, *Designs within Disorder*. Franklin D. Roosevelt, the Economists, and the Shaping of American Economic Policy, 1933-1945, Cambridge, MA 1996.

<sup>50</sup> MAIER, *The Two Postwar Eras*.

essay, Wolfgang Schivelbusch has suggested that Roosevelt's America, Mussolini's Italy and Hitler's Germany shared significant economic and political practices behind their systemic differences. With a dash of provocation, he goes as far as to encapsulate these regimes as 'three new deals' of the 1930s.<sup>51</sup> By and large, Schivelbusch's endeavour is strikingly reminiscent of a previous attempt by James Burnham in his book *The Managerial Revolution* (1941), which also included the communist experience in the comparison. For Burnham, a 'historical bond' united Stalinism (communism), Nazism (fascism), and New Dealism: '[A]gainst differing developmental backgrounds and at different stages of growth, they are all managerial ideologies. They all have the same historical direction: away from capitalist society and toward managerial society.'<sup>52</sup>

Both authors agree that class reconciliation was an essential part of the political strategies in the 1930s. Interestingly, however, Schivelbusch speculates that this could also be interpreted in terms of an ideological transfer: '[W]hile Fascist Europe took over the American creed of classlessness, New Deal America imported major elements of European economic and social order.'<sup>53</sup> Without doubt, this suggestion should be carefully researched in the future.

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<sup>51</sup> WOLFGANG SCHIVELBUSCH, *Three New Deals*, New York 2006.

<sup>52</sup> JAMES BURNHAM, *The Managerial Revolution*, New York 1941, p. 186.

<sup>53</sup> SCHIVELBUSCH, *Three New Deals*, p. 188.