

Why the Early German Socialists Opposed the World's First Modern Welfare State

Otto von Bismarck built the world's first welfare state, but his intent was to kill the rising workers' movement. It's a reminder that socialists don't just want to use the welfare state to keep starvation at bay — we want to build the foundation for working-class emancipation.



A statue of former prime minister of Prussia Otto von Bismarck in Berlin in 2010. Thomas Quine / flickr

In 1871, a fishmonger from the seaside German town of Stralsund renamed his pickled product “Bismarck herrings” after the autocratic chancellor of the day, Otto von Bismarck. Presciently fitting, the name summed up the pioneering social welfare legislation that Bismarck would push the following decade: like herring, the major staple of the German poor, the chancellor’s programs might have kept starvation at bay, but they fostered mere survival rather than empowerment for the country’s vast working class.

Bismarck’s hand was forced by a rising [German Social Democratic Party](#) (SPD), the largest mass socialist party on the continent. Acting less out of

benevolence than calculated malevolence, he constructed the [world's first modern welfare state](#) in a bid to steal the thunder from the workers' movement. The goal was to pair the iron fist of repression (mass bans on the party, violent crackdowns on strikers, severe limits on voting rights) with the allure of ameliorating reform (accident, old age, and health insurance). This was to be the first of many “white revolutions,” a model of top-down Caesaristic paternalism soon copied throughout the world.

But the SPD didn't bite. Voting time and again against Bismarck's welfare legislation, the SPD provided an early reminder that socialists must not be tempted to [surrender the vision of a free and democratic society](#) — and that [bread is no trade for freedom](#).

Bismarck's Tainted Welfare State

A titanic figure of the late 1800s, [Otto von Bismarck](#) served as chancellor of the German Empire from 1871 to 1890. Bismarck upset the balance of power in Europe and overrode the legitimacy of the post-Napoleonic settlement — not in service of revolution, as many had feared, but rather on behalf of a particular class: the neo-feudal aristocratic landholding elite known as the Junkers. Living in tasteless interiors without libraries, full of pretensions toward the life of the hunter in nature, Bismarck was physically uncomfortable around business types; anyone progressive politically was labeled a “tailor.” In some ways, he was the ideological cousin of the antebellum South's planter aristocracy. Above all, he was intent on keeping the new mass politics at bay.

Providing a model for today's illiberal strongmen like Viktor Orbán, Bismarck deftly manipulated the country's multiparty government, squelching civil liberties and popular rule in a strategy of domestic divide-and-conquer that famously targeted Catholics ([Kulturkampf](#)) as well as workers. His contempt for democracy was on full display in what must be considered his most famous sound bite:

The position of Prussia in Germany will not be determined by its liberalism, but by its power . . . Not through speeches and majority decisions will the great questions of the day be decided — that was the great mistake of 1848 and 1849 — but by iron and blood.

Bismarck harbored nothing but vitriol for the rising socialist movement, the chief partisans of democratic reform. The German SPD was the oldest and most successful socialist party in Europe. Buttressed by a burgeoning trade union movement, the SPD had constructed a vibrant, bottom-up politics that staunchly opposed Bismarck's militarism and autocracy. But by the 1880s, they amounted to a persecuted minority. Their meetings had been ruthlessly driven

underground, many of their leaders had been forced into exile, and their affiliated trade unions had been prohibited. Yet still they grew.



Press coverage of a 1928 anti-Bismarck rally organized by the German Social Democratic Party.

Having already tried unmitigated repression, Bismarck thought he could devise a more supple strategy of staving off worker self-determination. In the 1880s, he set about building a rudimentary welfare state. The outstanding components of his legislative program were the Health Insurance Bill of 1883, the Accident Insurance Bill of 1884, and the Old Age and Disability Insurance Bill of 1889.

Bismarck's welfare reforms were undoubtedly pioneering. While workers' movements had begun to offer insurance plans to laborers to lessen the blow of industrial capitalism, nowhere had the state stepped in to offer relief. In no way, however, did these measures conflict with Bismarck's allegiance to reaction and the Junker class. As SPD theoretician [Karl Kautsky](#) put it, Bismarck's reforms were a ploy to strengthen the power of the monarchy by giving the people "bread for freedom."

Social Democratic members of parliament criticized the legislation from the start, seeing through the initiatives as the worst kind of paternalistic authoritarianism. "The shoddy goods emerging from Bismarck's social reform factory," one leader remarked, "cannot possibly appear to be a genuine social reform to a social-democratic representative." (While the party was banned from 1878 to 1890, SPD politicians were still allowed to stand for election.) Perceptive critics realized that the complex divisions embedded in Bismarck's plans widened the schisms within the popular classes, exerting new forms of discipline while reducing workers' ability to challenge the control of big capital. It was only after a miners' strike in 1889 that the government conceded a small and largely symbolic role for workers in the programs' administration.

Bismarck's reforms weren't shifting power and resources toward the masses — they were shoring up the authoritarian status quo.

Grievous lines in the sand were drawn between the poor, industrial workers, and agricultural workers. Rural laborers, small farmers, and self-employed craftspeople were entirely excluded. Accident insurance was limited to low-wage industrial workers. The "old age" bill — which Bismarck, for political reasons, wanted to extend only to city dwellers — did not cover widows or children. Hundreds of thousands continued to live in dire conditions, in "rent barracks." And the shoddy programs still required significant worker contributions. The pension reform was financed by a tax directly on workers and carried the punishingly high qualification age of seventy — this in an era where worker life expectancy barely reached fifty.

At the same time, these provisions disunified the working and lower classes, burying them in a byzantine system of classification and hierarchy where workers' political and social rights continued to be violently suppressed. In addition to a well-ordered system of police surveillance, repression, and censorship, Prussia maintained a suffrage system that divided voters into three classes based on their tax bracket. The obviously unequal arrangement — early socialist leader [Wilhelm Liebknecht](#) referred to the Reichstag as the "fig leaf of absolutism" — created a situation where 4 percent of the first class held as many voters as the third class, who made up 82 percent of the eligible voting

population. There was another anti-democratic check on workers' power: the upper chamber, the Reichsrat, could block any constitutional changes passed by the directly elected representatives of the Reichstag. The [Second Reich](#), Marx declared, was a "police-guarded military despotism, embellished with parliamentary forms."

The party didn't sit idly by and whimper from the sidelines. In the parliamentary debate for each welfare bill, party representatives submitted amendments to expand the measures and remove any exclusionary provisions. When each amendment went down in defeat, they duly voted against Bismarck's subterfuge.

At a party congress held in secret in Copenhagen in 1883, the party formulated an official response. Adopted unanimously, it declared that the party gave no credence to "honorable intentions of the government" nor in the "ability of ruling classes" to carry out reforms. They stated their conviction — which Bismarck had openly confirmed — that "the so-called social reforms will only be used as a tactical means to divert the worker from the correct path." Genuine progress — political and economic democracy — would only come when workers' rights were extended and socialists were able to gain political power.

A Socialist Welfare State

If Bismarck had hoped to clip the wings of social democracy, he was to be sorely disappointed. While workers didn't refuse the benefits, their representatives did not vote for them either. They would not allow themselves to be bribed into changing their colors. Nor did Bismarck accomplish his political goal: his insurance programs failed to slow the growth of either the SPD or the trade unions. The party continued to gain electoral strength, and they continued to denounce his signature legislation. For decades after, well into the post-World War I Weimar Republic, the Social Democrats would steadfastly refuse to acknowledge any positive aspects of Bismarck's legacy. Instead, they held rallies commemorating the 1878 law of prohibition and trumpeted the slogan "Bismarck is dead but social democracy is alive."

The SPD's example had an impact on other European countries: when the Scandinavian socialist parties [stepped forward to introduce](#) their own national insurance systems, the model was not Bismarck's, but rather social democracy itself. Entitlement was based on citizenship and not one's relationship to the labor market. Universality [built solidarity](#) and strengthened the workers' movement — propelling progress and carrying the class struggle forward instead of breaking it. For socialists, the point of a welfare state is not merely to

provide benefits but to build the foundation for emancipation and self-determination.

In Germany, in the end, it was not workers who traded in their political power — which they hardly possessed — but crucially the middle class, who were kept weak and dependent, with long-term, disastrous effects. On that note, there is probably no one who could improve upon Max Weber's summation of the Bismarckian legacy of an illiberal pseudo-democracy:

He left a nation totally without political education . . . accustomed to expect that the great man at the top would provide their politics for them . . . Germany had grown accustomed to submit patiently and fatalistically to whatever was decided for it.