

# The End of Middle Class Politics?



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By

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## INTRODUCTION

References to the middle classes or the middle class are frequent, particularly during pre-election campaigns all over the world. The debate often takes place in apocalyptic terms: the middle class is under threat and its demise is imminent. The economic crisis of 2008 signified the end or the limits of a middle-class life in the Western world. Either as a victim of the financial sector or as a holder of assets and goods which are based on entitlements that are no longer sustainable, the middle class is at the heart of electoral politics.

As pointed out recently, the middle class now connotes not aspiration but uncertainty and distress since it is identified with a way of life which is not sustainable. Probably as a result of this, in the early days of the campaign the contenders for the nomination of the Democrats and the Republicans for the presidential elections of 2016 did not exclusively refer to a middle class with which fifty-one percent of Americans still identify, compared to sixty percent during 2000–8. They frequently appealed instead to “hard working men and women,” “working families,” or “people working full time.”<sup>1</sup> However, as the campaign gathered pace, references to the middle class became more frequent and the public debate was articulated in terms of inequality and crisis. The content of the debate however revealed a change dictated by a profoundly altered economic and social reality. Since the early 2000s it has been realized that the tenets of middle-class life have been eroded. The middle class was never a homogeneous entity, being linked to different skills, expertise, occupations, and statuses. There were nonetheless features shared by the various groups which were part of it: an income that afforded housing and consumer durables, education, health, and a comfortable life in general. Furthermore, standards and expertise related to the professions and various categories of intellectuals and experts accorded prestige, satisfaction, and autonomy. This basis of middle-class existence was undermined by the advent of neoliberalism, and the liberalization of the markets and the professions. Institutional guarantees were lifted, protection was dismantled, and insecurity was generated among formerly affluent and satisfied groups. As the skills and the work on offer are commodified and no longer connected to non-material values or the notion of public interest,

the existence of a middle class which is distinct from the rich and the labour or popular classes is in question. In this sense, what is in question is not just a form of politics related to the middle class but the relevance of the concept as such. It is not a novelty that the middle class is at the centre of the political debate and that this debate takes place at times of crisis. What made this presidential campaign distinct is the fact that the public debate was framed in existential terms. Statistics show that inequality increases, as does social polarization. It is also realized that as a result of the crisis of 2007–8 wealth has become further concentrated in the upper one percent of the population. What is prevalent in the debate is an understanding that the basis of a middle-class life is disappearing. Globalization and automation are factors which prevent the creation of well-paid jobs associated with middle-class living standards.<sup>2</sup>

Attempting to figure out the factors that would influence societal developments until 2030, the US National Intelligence Board identified as crucial the so-called “individual empowerment.” This is a concept directly connected to purchasing power or, more accurately, the power to consume, which is associated with middle-class status.<sup>3</sup> It is certain that the most rapid growth of the middle class will take place in Asia, the most impressively developing area of the world.<sup>4</sup>

A report originating from the European Institute of Security Studies had argued along similar lines, stating that the growth of the middle class would have a major impact on global political and social developments. The size of the middle class was calculated to rise from 1.8 billion in 2009 to 3.2 billion in 2020 and 4.9 by 2030. Eighty-five percent of this growth is to take place in Asia.<sup>5</sup>

The trends are not promising for the middle classes of the Western world.<sup>6</sup>

The pressure upon them has been evident since the late 1990s. Median household income has declined and social mobility in the United States is lower than in the other developed Western countries. This situation was reflected in the cumulative fiscal deficit of 8.5 trillion dollars for the thirty years from 1982 to 2012, a manifestation of low household savings and fiscal deficits.<sup>7</sup>

The US National Intelligence Board report sees growing inequalities both within and between countries. Among the latter, with the European Union being an example, there are winners and losers. An EU setting of turbulence with unemployed youth in revolt and a generational war unfolding since social security systems finance the elderly at the expense of the young is not precluded.<sup>8</sup>



Crucial aspects of the politics of the middle classes which are the concern of this book are the problems arising from the pressures exerted upon the Western societies by the globalization of markets. In a context of dislocation, the middle classes are coming under stress, and nationalistic and xenophobic agendas are resonating for groups affected by economic insecurity.<sup>9</sup> The crisis of 2008 and the stagnation or weak recovery that followed will tend to push more people to the category of the “new poor” in America and Europe, and therefore shrink the middle classes and question the ability of the Western capitalist model to sustain welfare and mass prosperity. In the United States, a rise of those living in poverty was recorded from 43.6 million in 2009 to 46.2 million in 2010. Social security systems, functioning on the “pay as you go” model, are under stress, and the pattern of low growth with high unemployment rates, if it persists, will lead to an extensive “déclassé” middle class with significant political ramifications.<sup>10</sup>

The purpose of this book is to review middle-class politics since the last quarter of the nineteenth century in the most important countries of the Western world: the United States, the United Kingdom, France, Germany, and Italy. The phenomenon has been transnational, but aspects of it have diverged along national lines.

Two reasons determine the choice. Firstly, these five countries were the most important of the Western world and, moreover, were the leaders of the world economy in the twentieth century. They remained so, with the addition of Japan after the 1960s, and although the rise of China and South Asia altered the balance of the world economy, these five countries, under stress but tied as they are in a transatlantic context, remain important in political and economic terms. Secondly, they set the stage for the most widespread affluence in modern history during the post-war period.

At the end of the nineteenth century the stage for mass politics was set as a universal franchise, or successive extensions of the voting right tended in this direction. The process of amalgamation between the aristocracy and financial and industrial interests was almost completed and the middle class was becoming a heterogeneous social space. It gathered small-size commercial and artisan interests, the self-employed, the free professions, the mid and lower ranks of the army, the bureaucracy, education, and services interwoven with the expansion of the nation state and the emergence of a tertiary sector in the economy.

Thus, the middle class was not a compact class in the sense that Marxism approached the working class. Nor was this middle class destined to rule after the predicted revolution had overthrown capitalism.

There was an ambiguity in its position which stemmed from the fact that capitalist development was not always friendly or compatible with its status and aspirations. Moreover, being a wide space extending from rather wealthy proprietors and capital holders to small businessmen, the self-employed, or salaried groups, the middle classes would frequently be divided into two blocs: an upper and a lower middle class. Therefore, the middle classes would form a variety of coalitions and alliances. Their political orientation and content depended on the economic and political circumstances, and the ideological setting and its legacies, institutional or social, that shaped a national political setting. There was not a predetermined path.

The middle class would be important in multiple ways during the next one hundred and fifty years or so. Its conception, values, orientation, and relative weight in politics were not unchangeable. There was no clearly defined border but various markers separating the middle class from the workers. The middle class connoted a degree of comfort in comparison to the working class. Private property and education were signposts of prosperity. Middle-class ranks were permeated by the aspiration for upward mobility. Politically, it could be expected that belonging to the middle class would commit someone to the preservation of the existing social order. Furthermore, the distress caused to the self-employed and small businesspeople, a result of the advent of the big corporation in the manufacturing or the retail trades, could be channelled to the far right with authoritarianism and anti-Semitism as the main attributes of this orientation. Signs of this tendency were appearing in continental Europe at the turn from the nineteenth century to the twentieth century.<sup>11</sup> On the other hand, alliances of the lower middle classes with the working class were not inconceivable as both could be opposed to big business and the political supremacy of a combination of the upper middle class and business interests. Overall, a persistent differentiation was discernible in American politics between the upper and lower middle classes, the former being oriented to the Republicans and the latter to the Democrats.<sup>12</sup>

At the turn of the nineteenth century to the twentieth century, the middle class was frequently portrayed as a bulwark against revolution and the advance of the proletariat. But this was not necessarily a successful electoral strategy since the middle class, especially after the introduction of the universal franchise, was, although numerous, not in a majority. The ruling elites had to address directly the proletariat and its needs if they wished to prevail in the elections. There were many ways to commit the labour class to capitalism or mobilize workers in favour of specific policies. One way was a seminal social policy of authoritarian inspiration.

This was initiated by the chancellor of the German Empire, Otto von Bismarck, in the 1880s. Nationalism was another and it had a certain appeal to the workers, as became apparent through their response to the call to arms in 1914.

But these were not the only available means to deal with the social question. The educated middle classes were very active in the politics of reform which unfolded in America from 1900 to 1920 with the Progressive movement, in France from 1880 to 1914 with the Radicals, and in Britain from 1906 to 1914 with the Liberal Party. At the root of the reformist movement was the assumption that individuals were affected by social conditions, that solidarity should be the guiding principle in public policymaking, and that the state was able to resolve social questions in a rational manner. The neutral state associated with the nineteenth century liberalism, confined to the preservation of public order and defence, was no longer acceptable, and the introduction of the income tax ushered in an era of state intervention. In this process of reform, the educated middle class would play a leading role, and its inclinations and values would leave their mark on the democratic state in the Western world.

The central thesis of this book is that in the early 1900s the middle classes influenced with their values the politics and institutions in the Western world and laid the foundations and framework of the democratic polity of the twentieth century. Richard Hofstadter has shown that the professions, intellectuals, journalists, and the clergy, in reaction to the threat of their marginalization posed by the advance of the business elites, were instrumental in the undertaking of reforms during the progressive era in America.<sup>13</sup> However, the apprehension of their relative decline was not their sole motive. The middle classes of the early twentieth century held a deep-rooted belief in self-reliance, work, and self-discipline, and were simultaneously appalled by the social degradation generated by unhindered capitalism. This mind-set and these values also permeated the educated middle classes in Britain and continental Europe. Though not a force for revolutionary change, for the cause of political and social reform they provided remarkable thinkers, activists, and politicians. Social democracy and liberalism would be renewed by middle-class intellectuals of the calibre of Sydney and Beatrice Webb, Eduard Bernstein, Leonard Hobhouse, Herbert Croly, and Leon Bourgeois.

Middle-class protest was also present in the politics of this era. The movement of the Suffragettes sprang from educated and assertive middle-class women.

Conversely, under what circumstances would the middle classes revolt against a political system or question the tenets of the democratic system of government?

An early example of such tendencies was the lower middle-class protest at the end of the nineteenth century and in the early twentieth century. The process of the concentration of capital and the emergence of monopolies and cartels in commerce and manufacturing incited the protest of the *petite bourgeoisie*, who felt an existential threat. This protest was usually channelled in electoral politics. Anti-Semitism and authoritarianism were the corollaries in the articulation of policies of the protection of the national economy and the moral standards of a society which was supposedly threatened by secularism, liberalism, and the labour movement.

The disengagement of the *petite bourgeoisie* from parliamentary politics nonetheless had its limitations. The big enterprises left room for subcontracting to artisans, whereas small commerce retained a clientele at the level of the neighbourhood or small locality.<sup>14</sup>

The breaking point for the relationship between the middle classes and democracy came during the interwar economic crisis. Economic dislocation, ideological and political legacies burdened by authoritarianism, and the low legitimacy of representative institutions determined the slide to Fascism in Italy and Germany. In Germany, the authoritarian tradition of the imperial era and the nationalist inclinations of the middle classes beset the historical background. But it was the dislocation and insecurity generated by the relapse of Germany to the economic crisis in 1929–30 that led the middle classes to National Socialism, including the salaried, who lost their jobs or saw their income cut down substantially, and the non-salaried, self-employed, and small businesspeople. These groups were disturbed by the rising militancy of the German Communists and the inability of the Social Democrats to achieve recovery. Catholicism was the only ideological and political current that resisted the National Socialist tide as it preserved its appeal among the middle classes, but its numbers were not sufficient to overcome the Nazi headway. The enmity of the ruling classes towards the Weimar Republic, which was identified with socialism and the “laxity” of the lower classes, and the tendency of the conservative social elites to reverse the Weimar welfare policies constituted the backdrop of the policy of deflation and social dislocation that was the catalyst for the Nazi advance.

However, Fascism was not the only workable response to the interwar crisis. In the United States, the experiment of the New Deal presented a democratic response to the crash in both substance and form. It was a policy of comprehensive state intervention aiming at economic recovery. It

was the labour class that retained a central position in the New Deal coalition. The middle classes were not the primary actors but tolerated this new-found method of resolving economic and social problems for lack of an alternative. In Britain, a more orthodox economic policy was implemented with the main share of unemployment borne by unskilled labour. The middle class, the lower middle class, and skilled workers, being better paid, were much less affected by it. In France, austerity and economic stagnation led to the formation of an alliance of the working and the middle classes under the banner of the People's Front. Though turbulent and short-lived, the People's Front government buttressed a republican tradition that precluded the ascent of a rightist authoritarian regime during peacetime.

The post-Second World War political and economic order was based on a concept of mass affluence and the expansion of the middle class. The experience of Fascism in the interwar years and the overriding concern of countering the Soviet Union and the Communist Parties which represented an alternative economic, political, and social model were factors militating for the adoption of this strategy. The post-war middle classes would not necessarily be defined by occupation and social status but by the holding of assets and the ability to consume. With the coming of the 1960s and the emergence of the affluent society, class allegiances weakened and the new intermediate groups became the actors of the politics of expectations related to ever-improving living standards.

It was this tide of rising expectations that marked the success of the Social Democrats in Germany, the Labour Party in Britain, and the Socialists in France. After Social Democracy's peak, a reverse trend of neoliberalism or neo-conservatism emerged in Britain and America. It appeared assertive and articulate in the era marked by the oil crises of 1973 and 1979, the decline of traditional manufacturing industries, and the social conflicts which fuelled inflation. It criticized the role of the state in the economy, the dependency on welfare provisions, the stifling of entrepreneurial activity by taxation, and the trade unions as guardians of special interests in the private and the public sectors. The neoliberal agenda was not particularly middle class but it profoundly altered the mind-set of the middle classes by projecting a mentality of risk and a set of values that emphasized the pursuit of profit and the accumulation of wealth. Simultaneously, the liberalization of the financial sector and globalization would create an environment which, though not conducive to the continuation of the middle-class way of life, encouraged consumption through credit.

The second thesis of this book is that the middle classes are unable to participate effectively in the politics marked by the first crisis of the twenty-first century, not only because of the weakening of their economic position but also due to the eroded appeal of their values. Their prestige and status have declined, their insecurity has increased, and their values and consequently their political ideas are permeated by the preponderance of the criterion of profitability.<sup>15</sup> They have thus been alienated by the notions of public interest and solidarity and the belief that societies can define and resolve their problems rationally. All this has amounted to the loss of hegemony in the realm of ideas.

The New Democrats in America, New Labour in Britain, and the SPD as the New Centre in Germany tried to respond to globalization. Their policy promoted the liberalization of the labour market, emphasized the need for balanced budgets, and simultaneously attempted to retain the semblance of a traditional Social Democratic welfare policy. Thus, a good share of public revenue was devoted to education and healthcare with the aim to support the lower and middle classes and simultaneously improve competitiveness in a globalized economy.

Their formula did not prevent the relative shrinking of the middle class as inequality increased. A chunk of the middle classes went upwards, but a greater one went downwards. Moreover, what the state cut in provisions was supplanted by private borrowing, which became a standard way of acquiring goods and assets. Thus, the crash of 2008 threatened a vast heterogeneous middle class, mostly defined by income and consumption, which was already under strain because of its inability to soundly finance its way of life.

### **What makes the middle classes?**

A way of defining the middle class is to adopt the European Union's measurement of inequality by comparing the income of the top twenty percent to that of the bottom twenty percent. The remaining sixty percent is the middle.<sup>16</sup> This segment does not constitute a homogeneous middle class socially or politically, and is a somewhat arbitrarily drawn statistical category. However, research has shown that it is not totally devoid of meaning. In 1986, the middle sixty percent had an income ranging from 62 to 158 percent of the UK median, whereas in 2004 the corresponding indicator ranged from 61 to 164 percent. Although this indicated a trend towards inequality it also meant a rather stable income distribution and marked the boundaries of the middle classes upwards and downwards. The marker downwards is the barrier from poverty. The middle class starts

where poverty ends. By the EU measurement, the boundary is set at sixty percent of the median income. Separating the middle class from the upper class is more arbitrary. The criterion becomes strictly quantitative, whereas distinguishing poverty from middle-class comfort is more qualitative and thus subjective. In the search for a suitable quantitative definition we may end up with various indicators: 125 percent, 150 percent, or 167 percent of the median income are barriers which accordingly differentiate the mass of the middle class from the upper classes. These are, nonetheless, not making us wiser with regards to the political implications for the middle class.<sup>17</sup> Another indicator which could serve as a marker of the middle class from those below it is constituted by the property assets that can sustain a middle-class family or individual before crossing the poverty line in the case of an economic crisis that affects its main source of income. The criteria are not clear in this regard as well. Assets should be sufficient to sustain a household for a three to six-month period. In the latter case, the mass of the middle class is considerably reduced to a third, or even less, of the population. More importantly, this criterion of vulnerability of the middle classes signifies variations from country to country depending on the financial or real-estate backing of the middle-class status. Thus, Americans or Germans appear to be more vulnerable to crises than Italians who possess real estate of high value.<sup>18</sup>

Alternatively to the definition of the middle class on the basis of income, Max Weber's methodology defines class on the basis of employment. By this definition, the middle classes include non-manual employees, technicians, supervisors of manual workers, the self-employed, and small employers. Adding to them the salaried personnel in the services sector, which gathers professionals, administrative and managerial staff, and high-level technicians, the middle classes constitute more than half of the workforce. The two definitions of the middle class are overlapping but not identical. The intermediate social groups based on occupation are in the range of fifty to sixty percent of the population in France, Germany, Italy, and the United States.<sup>19</sup>

Overall, it would be an illusion to look for a tidy middle class. Peter Stearns, unsatisfied by the criteria of income and occupation, introduced the dimension of values. Values provided the middle classes with a sense of continuity as they evolved during the mid-nineteenth century from power seekers to defenders of the status quo. They also provided continuity during the transition of the middle class from an exclusive group of proprietors to an expanded one including professionals and

bureaucrats. In this context, the existence of a “bourgeois spirit” attached plasticity to the concept of the middle class.<sup>20</sup>

### **The middle classes in mass politics: the lower middle classes as a bone of contention**

The involvement of the middle classes in mass politics is marked by ambiguity. The middle classes would be found in alliance with or opposition to the upper classes. Moreover, they are too diverse to rise in power as a homogeneous social and political subject. As the nineteenth century was drawing to its close the middle classes tended to share the upper classes’ apprehension of the industrial labour class.<sup>21</sup>

Jürgen Kocka is interested in the developments in the European continent. His approach includes in the middle classes the bourgeoisie, comprising merchants, manufacturers, bankers, capitalists, entrepreneurs, managers, and rentiers. The middle classes were further extended to lawyers and doctors and to salaried categories like administrators in public and private bureaucracies, professors of universities and secondary schools, and intellectuals. But who were those who remained outside the middle-class area? Nobles, peasants, manual workers, and lower class people in general were left out, while categories like military officers or artists remained in an unspecified grey zone. The exact boundaries were not easy to delineate. Economic and social transformation during the second half of the nineteenth century pressed master artisans, retail merchants, and innkeepers to the lower ends of the social ladder. They became part of the so-called lower middle classes. They were not fully integrated in the middle class “proper,” as Kocka termed it, adopting a rather restricted definition of the middle classes, although he included in their ranks the salaried of the public and the private sector and the white-collar workers. Still, the social base of the middle class was narrow. Excluding the popular element from the middle class “proper,” the core concept covered no more than five percent of the population of Germany at the end of the nineteenth century. In Britain it was slightly more and in the eastern part of Europe less, reflecting the low degree of urbanization and industrialization.

Although the middle classes lacked homogeneity there was an element that gave them, if not a common purpose, then at least the sense of a common condition: this was their distance from the aristocracy and the monarchy, the division between the world of education, self-reliance, modernity, and secularization and the world of privilege and tradition.<sup>22</sup>



Nonetheless, during the second half of the nineteenth century, the boundaries between the aristocracy and the bourgeois elements of the middle classes tended to be blurred. The “openness” of the English aristocracy might have been exaggerated but intermarriage and cultural exchange enriched the aristocracy, which remained a central element in the British economy and politics. Kocka argues that this middle class, which included industrialists as a group distinct from the aristocracy, surpassed the old ruling class in wealth and political and cultural influence during the two decades before the outbreak of the First World War. Simultaneously, the boundaries between the middle class and the popular classes became more marked during the second part of the nineteenth century.<sup>23</sup>

In the course of the nineteenth century, the mixture of the aristocracy and the bourgeoisie was also evident in France. The aristocracy was almost amalgamated with the diverse stratum of the notables which ruled France during the Third Republic. As the First World War erupted in 1914, the old aristocratic ruling elite had declined to the benefit of the bourgeois middle class.<sup>24</sup>

Interconnecting with aristocracy was not the only way for upward mobility. The middle class was recruited from below through the medium of education, which provided intellectual capital or technical expertise. The rise through this path was not necessarily swift, and it might take two or three generations for the descendant of a worker to be absorbed by an expanding middle class. Integration through education or recruitment by the expanding state bureaucracy was remarkable in Germany through the nineteenth century.<sup>25</sup>

Michael Mann argues that the middle class was a necessary source of support for the regimes which relied on a narrow social base. The ruling elites numbered no more than a few thousand families. It was not the need for building alliances to counter the threat from below which prevailed in the thinking of the ruling classes, it was in fact the universal application of capitalist norms and the requirements of the modern state that compelled the ruling classes to look for administrative cadres. In this respect, the new middle class would play a critical role and remain loyal to capitalism in the long term.<sup>26</sup> Mann, in contrast to Marxist thinking, approaches the middle class as a formation and a historical category that deserves to be treated autonomously, not in relation to the historic antagonism between capital and labour. He argues that the contribution of the middle class in the development of the Western societies is as important as that of the labour class.

One unifying element of this disparate class was its aspiration for upward mobility. Another unifying element was the pattern of middle-class consumption, which served as a model for the working class. In addition, middle-class income could generate a surplus which was transformed to capital to be invested in various activities, such as small business or pension funds and mortgages.<sup>27</sup>

The mission of the middle class was to support the survival of capitalism. Mann, moreover, pointed out that the middle class did not provide a system of values and a political project of its own. Capital holding was not however the sole source of social power in the West. Mann identified three sources of authority that correspond to the three categories comprising the middle class: property, organizational prowess, and skills. Thus, Mann dismisses the “productivist” approach, the preponderant element in defining a class is its relationship to the process of production.<sup>28</sup>

The first category of the middle classes is the petite bourgeoisie businessman who owns the means of production and his labour, but does not employ a dependent. Mann argues that although the development of big business in manufacturing and commerce pressed the lower middle class hard, the big corporation contributed to the survival of the independents. Parts of the chain of production were assigned to small-sized enterprises which retained their preponderance in construction, services, and the manufacturing of consumer goods. It is true nonetheless that the eruptions of “anti-modernism” coincided with crises that threatened the survival of the petite bourgeoisie, which otherwise would be inclined to left-of-centre political alignments.<sup>29</sup> Still, the lower middle class was rather bored and not in revolt, as Mann pointed out. He argued further that the political reactions of the lower middle classes were much less intense in the United States and Britain. The mobilization of the *mittelstand* in Germany mostly concerned political issues, while the economic demands were moderate and pragmatic. Mann also counters the argument that the small enterprises declined because of the higher efficiency of the big enterprises—the latter dominated the market because they could dictate the rules of the game.<sup>30</sup> Consequently, a part of the petite bourgeoisie in Germany and France would acknowledge that the prevailing of the big enterprise was irreversible and would accede to the SPD and SFIO respectively.<sup>31</sup>

The second category of the middle class is the “careerists,” who secured their living and social status through their entry and positioning in the growing bureaucracies which were interwoven with the expansion of the state and the economic growth of the second part of the nineteenth

century. Mann pointed out that both the public and the private sectors created office-centred jobs.<sup>32</sup>

The third category of the middle class was the professionals. As holders of university degrees verified by state-controlled procedures, the professionals benefitted from the need of the state, the capitalist enterprise and the bourgeoisie, and the middle classes themselves for standardized expert knowledge. Doctors, engineers, lawyers, and accountants were accredited by the state or state-authorized agencies and became undisputed holders of technical expertise who had the advantage of dealing with a wide and scattered clientele. During the 1900s, the pool of expert knowledge-holders was extended to teachers and social workers. It was the imperatives of education or unpaid apprenticeship which had to be financed that gave the middle and the upper classes an edge over the popular classes and enabled them to reproduce their privileged social status.<sup>33</sup>

Mann is interested in the way the middle class was related to nationalism. He dismissed the view that nationalist ideologies and political mobilization were particularly attractive for the middle and especially the lower middle classes. He thought that it was the pursuit of upward mobility, individual distinction in business, entry and promotion within a bureaucracy, and achievement in education that signified a predilection to conservatism. He did not, however, see the latter as identical to or as a necessary requirement for attachment to nationalism. In this connection, he thinks that Hobsbawm's research was driven by the interwar data, facts, and developments, and not those prior to the First World War.

Nor, Mann maintains, did nationalist politics follow the same pattern throughout the Western world. In the United States, the inclination to imperialism was confined to the political and intellectual elites. The same applies to Britain. A genuine nationalist movement was not to emerge until a few years before the outbreak of the First World War, and this was not a distinctly middle-class phenomenon. In Germany, the strategy adopted by the ruling class was to incorporate the middle groups in the state so that their differentiation from the labour class was secured. As Mann argues, the middle class should not be identified with extreme nationalism. Nationalist leagues were mostly comprised of public employees. This means that whereas the public employees constituted part of the middle class, it would be more accurate to define this sort of nationalism as of the state.<sup>34</sup>

Eric Hobsbawm's Marxist analysis is not centred on the middle classes, although it is relevant to them. The bourgeoisie, Hobsbawm argues, was identified with the upper strata of the middle classes: it

included businesspeople, the free professions, the high-rank public employees, and all those who “were above the zone where buying one thing meant forgoing others.” This comfort was associated with a house in the suburbs and a lifestyle oriented to privatism.<sup>35</sup>

The line separating the upper middle class, or the bourgeoisie, from the lower ends of this wide spectrum was a matter of controversy. The traditional petite bourgeoisie elements were easily distinguishable from the modest scale of their operations compared to the big business in manufacturing and commerce. The program of the French Radical Party took account of the dichotomy between the big and the small business. Problems of definition also arose after the rapid expansion of the bureaucratic employment in the public and private sectors. The new occupations were dependent on an employer but were not manually separating the salaried classes from the manual workers. A suitable criterion of inclusion in the middle classes could be “comfortable” living. In this context, the middle classes were the aggregate of well-off lawyers, doctors, managers, and those who, although they did not secure income comparable to theirs, were earning much more than a manual worker. Formal education played an increasingly crucial role for securing participation in the middle classes. Primary, secondary, and, to a lesser but consequential extent, university education expanded from the 1870s to the 1910s. The number of pupils and students increased two, three, four, or fivefold from country to country.<sup>36</sup>

These were not particularly controversial conclusions. But Hobsbawm, in contrast to Mann, links the issue of the political mobilization of the middle classes with the coming of mass politics and the mobilization of the labour class. From the 1870s onwards the right to vote was gradually extended to the totality of males. Thus, the last quarter of the nineteenth century marked the democratization of politics. Questions about the preservation of social order were inescapably posed.<sup>37</sup> Conservatives like Bismarck trusted their ability to manipulate the expanded electorate. The German chancellor was nevertheless careful to retain a class-based electoral system for Prussia, the kernel of the German Empire, while the powers of the Reichstag, the German federal parliament elected by universal franchise, were limited. In Britain, the right to vote was extended only gradually. However, the masses entered politics and, in contrast to the traditional carriers of political patronage at the local level, the newly formed mass bureaucratic parties mobilized voters and supporters horizontally and impersonally. Despite the disenfranchisement of a large part of the labour class, the proletariat was increasingly making its presence felt. In this connection, the Social Democratic Party of Germany

(SPD) became the model of the mass labour party which aspired to a social transformation in the interest of the proletarians. Besides the working class, numerous middle groups were looking to secure their “rightful” place. The old petite bourgeoisie of artisans and merchants was now accompanied by the new lower middle classes of non-manual and skilled workers. Hobsbawm rightly pointed out that this intermediate group, and especially the artisans and the merchants, was susceptible to chauvinism and sporadic outbursts of anti-Semitism, since pressures emanating from developments in the market seemed to threaten their existence.<sup>38</sup> The emerging lower middle-class groups of bureaucrats and teachers were also identified with nationalism.<sup>39</sup>

Electorally, the middle classes were not negligible, but they also did not provide the key to electoral domination. The ruling classes had necessarily to secure the support of a large chunk of the working class if they were not to be found in a permanent minority. The middle classes were useful as a part of a coalition, not independently. The cooptation of the reformist and more cooperative segments of the labour movement, as represented by the Socialist parties and groups, was the prevailing strategy of the ruling classes and their political leadership.<sup>40</sup> No politically meaningful effort could be undertaken to form blocs with the middle classes in the light of the numerical superiority of the labour class in comparison to the middle groups. The ruling elites, most successfully the conservatives and less so the liberals, and the states proved to be able to counter the potentially revolutionary tide addressing the proletariat directly. Nationalism was resonating not only with the lower middle classes but with the workers, and the latter responded to the call to arms in the fateful summer of 1914 in an atmosphere of nationalist exuberance.<sup>41</sup>

The emancipation of women was an almost exclusively middle-class affair and signifies the social and political impact of the middle classes and their values, despite the numerical superiority of the working class. Changes which made the march towards the emancipation of women possible were converging after 1875. The fertility rate of middle-class women in the Western world fell as the aspiration for a higher standard of living was predominant among the lower middle class. There followed the rise of “feminine” occupations in shops and offices. The extent of the transformation is highlighted by a few indicators: in Germany, the number of shop assistants rose from 32,000 in 1882 to 174,000 in 1907; local and central governments in Britain employed 7,000 women in 1881 and 76,000 in 1911; teachers in primary education were predominantly women of middle-class and lower middle-class backgrounds. The entry of women to a world of opportunities was reflected in the rise of secondary schools for

girls from the 1880s to the 1910s. In both France and Britain their number tripled. Although limited, the access of women to universities was irreversible.<sup>42</sup>

The movement for the suffrage of women was confined to the United States and Britain, and its agenda was limited on the granting of political rights. This was not very appealing to the Socialist parties which, although inclined to agree to the granting of political rights to women, tended to tie this demand to the social transformation they espoused.<sup>43</sup> The enfranchisement of women was mainly opposed by conservative and confessional parties, but in Britain, in the run up to the First World War, the Suffragettes experienced the opposition of the Liberals.<sup>44</sup>

The relationship of middle-class feminism and socialist intellectuals was also interesting, highlighting an aspect of a broader relationship of the educated middle class with the Socialist movement. In the case of the Fabian Society, increased female membership, a quarter of the total, coincided with an almost exclusively middle-class or lower middle-class participation. The middle classes possessed cultural and social resources that would permit a part of them to exert influence within Socialist groups and parties disproportionate to their numbers.<sup>45</sup>

In contrast to a Marxist class conception, Serge Berstein introduced a “subjective” definition of the middle classes. It is impossible, he pointed out, to determine the middle class in a Marxist sense since it included in its ranks salaried, independent, and capitalist elements at the same time. The decline of the independent “classes moyennes” is concomitant to the long but steep rise of the salaried middle class. Forty-two percent of the active population of France in 1906 belonged to the independent “classes moyennes,” and their share descended to thirty-seven percent in 1931. Still, they remained a formidable social force. Only after the mid-1950s and the developmental take off did the independent “classes moyennes” start to decline in large numbers—they represented fifteen percent of the active workforce in 1975.

Berstein grasped the importance of the expansion of the middle class as a trajectory to prosperity and the de-proletarianization of those employed in the industrial economy. The latter, seven percent of the active French population just before the First World War, almost doubled during the next twenty-five years. In the mid-1970s, thirty-seven percent of the active population belonged to the salaried middle class, on a par to the labour class.<sup>46</sup>

Berstein discerned the “originality” of the middle classes in their rejection of the Marxist conception of history. Three characteristics should be considered as distinctly middle class. First is the self-consciousness of

the middle classes, which perceive themselves as being in the intermediate stages of society, distinct from the proletariat or the upper echelons. Second is the aspiration of advancement in a society which is perceived as a “fluid” formation. Therefore, promotion or demotion is determined on merit by work, saving, and virtue. Third, the political behaviour of the middle class is not stable. In 1934–6, the middle classes would ally with the labour class in the context of their opposition to the concentration of capital, which tended to threaten the position of the mid-size enterprise in commerce or industry. But immediately afterwards, in 1936–8, the middle classes abandoned the People’s Front as they felt that the government of the left displayed a collectivist tendency which threatened the notion of private property.<sup>47</sup>

Marxist thought assumed that the lower middle class would disappear as the accelerating concentration of capital led to the extinction of the small and medium-sized enterprises and independent producers and retailers. Things evolved quite differently. Although sizable parts of the lower middle classes suffered from the process of industrialization they did not vanish, and next to them new lower-middle groups emerged: clerks, technicians, and professionals. These groups were the product of two parallel processes of capitalist development during the second part of the nineteenth century: the growth of the large corporation, and the widening scope of state intervention that created bureaucracies which sustained numerous staff, thus reinforcing the ranks of the lower middle classes.<sup>48</sup>

Arno Mayer perceives the lower middle class as a critical swing group in European politics. This class, despite its inability to perform independent and sustained political action, was capable of “insurgency.” As a distinct sub-group of the middle class, it was a necessary ally of the bourgeoisie. The example of Germany underlines its relative weight. In 1914, a proletariat of thirteen million cohabited with two million white-collar workers, two million lower and mid-rank civil servants, 1.5 million traditional craftsmen and artisans, and 700,000 retailers. White-collar workers had seen their number increase fivefold between 1883 and 1925, whereas during the same period the number of industrial workers increased two-fold.<sup>49</sup>

On the other side of the Atlantic, the United States was the exemplary case of a middle-class society. From Mayer’s viewpoint, America was “a uniquely lower middle class nation” with an increasing non-manual labour force, salaried and dependent.<sup>50</sup> Mayer argues that the lower middle class was not exclusively defined by the artisans and the retailers of the

nineteenth century. It was a “syncretic” lower middle class within which the salaried groups of clerks, teachers, and professors, along with an array of independent professionals, either highly skilled or not, were pre-eminent. In political terms, Mayer saw two contradictory trends which determined the importance of the lower middle classes. In times of political normality or low political stakes, the upper classes would underrate the importance, culture, and skills of the lower middle classes, portraying them as “mediocre,” “provincial,” and “rigid” social groups. Conversely, in times of acute conflict they would reaffirm the “virtues” of this class, which was portrayed as a “pillar” of the social order. For its part, the lower middle class sought to protect its distinct status from the working class, emphasize the non-manual character of its occupation, and defend its relatively comfortable way of life.<sup>51</sup>

Geoffrey Crossick argues that the lower middle class is an analytically weak concept. It is nonetheless a useful description of a social group that acquired political importance in the last quarter of the nineteenth century.

Although the political existence of the lower middle class was frequently conceived in terms of opposition to the working class, this was not necessarily the case. Hans Georg Haupt is reserved towards the notion of a conflict among the workers and the *petits commercants*: on many occasions, a *petits commercant* was not differentiated economically from a skilled worker with whom they developed a relationship of interdependence at the level of the neighbourhood. Therefore, interdependence neutralized or mitigated the “enmity” between the two classes.<sup>52</sup>

The notion of the middle classes as a counterweight to the working class is present in the thinking of Belgian theorists who perceived the middle classes as the domain of artisans and merchants excluding thus the bourgeois elements; that is, the industrialists or the professions.

This definition of the middle classes is inscribed in the process of a social transformation unfolding during the last quarter of the nineteenth century: the “*grande bourgeoisie*” was differentiated sharply from the proprietors of small enterprises, while the latter distinguished themselves from the working class, which organized itself along class lines in the emerging Labour and Socialist parties. This process was accompanied by a political perception, an “invention” of the middle classes, according to Crossick, which bestowed to them a specific political content and function within the new social landscape: the middle class was indispensable in the construction of social peace, and was identified with a social “middle” that would prevent social divisions and the demise of social order.<sup>53</sup> This is a conservative, if not reactionary, concept. Moreover, the middle class “by



its nature” restored a personal connection between the salaried class and the proprietor, the consumer, and the producer, and was a peace-making element.<sup>54</sup>

From Belgium originated a corpus of literature concerning the middle classes which was easily transferable to France and Germany, despite the variation in the composition and the political importance of the “classes moyennes” and the “mittelstand.”<sup>55</sup> The petite bourgeoisie was renamed “classes moyennes” in 1903. Whereas France was not in the avant-garde of this movement, the situation changed after the attempt of the government led by a radical socialist, Joseph Caillaux, to impose an income tax. An “Association de defence des classes moyennes” was formed with the aim of protecting the interests of the petite bourgeoisie through the exercise of political pressure. The middle-class activists had to overcome the mentality and ideological inclinations of the middle classes, in particular the rejection of class-based political action identified with labour and Marxist revolutionary doctrine. However, the threat of taxation of the middle incomes, entrepreneurial or salaried, and intellectual support by university professors of economics who elaborated on the “socialization” of law were crucial factors for the mobilization of the middle classes as a pressure group.<sup>56</sup>

Hans Georg Haupt points out that the petite bourgeoisie had gradually shifted from radicalism to conservatism during 1848–1914. There was however a significant minority that turned to the left. In 1914, a quarter of the Social Democrat deputies in the Reichstag were exercising petite bourgeois professions, while in France a petite bourgeois tendency represented by a conservative republican, Raymond Poincare, coexisted with another one that was identified with Radicalism.<sup>57</sup>

Moreover, there were no negligible variations in the segments of the lower middle classes which were mobilized across Europe during the last decades of the nineteenth century. In France, it was the merchants, whereas in Germany it was the artisans who constituted the politically active “mittelstand.” The latter were more attractive politically since they were not identified with the exploitative practices of the petits commercants, who were adversely affecting their labour class clientele.<sup>58</sup>

The main theme in the articulation of the lower middle-class protest is the “immorality” of the factory, which tends to eliminate the atelier, and of the store, which supplants the traditional shop. The store creates illusory needs which burden the actual purchasing power of the consumer. This theme of “immorality” is accentuated by the shifting consumer preferences: the head of a family “succumbs” to consumerism to the detriment of his “responsibilities” towards the members of his household.<sup>59</sup>

Summing up, Crossick argues that the middle classes are simultaneously a social group and a social construct and, furthermore, that their representation tends to idealize them in a way which diverges substantially from their actual condition. This is understood in a context of broader political participation which attached increasing importance to the petite bourgeoisie.

## Notes

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  - 3 Global Trends 2030, National Intelligence Council, December 2012, NIC 2012-001, p. 8.
  - 4 *Ibid.*, 9–10.
  - 5 European Strategy and Policy Analysis System (ESPAS). Global trends 2030-Citizens in an Interconnected and Polycentric World, p. 28.
  - 6 Global Trends 2030, p. 10.
  - 7 *Ibid.*, 99.
  - 8 *Ibid.*, 122–4.
  - 9 European Strategy and Policy Analysis System (ESPAS), 47
  - 10 *Ibid.*, 61, 78.
  - 11 Eric Hobsbawm, *The Age of Empire 1875–1914* (London: Cardinal 1987).
  - 12 Richard Hamilton, *Class and Politics in the United States* (New York: John Wiley & Sons, 1972).
  - 13 Richard Hofstadter, *The Age of Reform* (New York: Vintage Books, 1955).
  - 14 On the lower middle class see Geoffrey Crossick and Heinz-Gerhard Haupt, *The Petite Bourgeoisie in Europe 1780–1914* (London: Routledge 1998).
  - 15 On this see Simon Gunn-Rachel Bell, *Middle Classes. Their Rise and Sprawl* (London: Phoenix, 2003).
  - 16 Anthony Atkinson and Andrea Brandolini, “On the Identification of the Middle Class,” in Janet Gornick and Marcus Jantti (eds.), *Income Inequality. Economic Disparities and the Middle Class in Affluent Countries* (Stanford: Stanford University Press 2013), 77–8.
  - 17 Atkinson and Brandolini, “On the Identification of the Middle Class,” 83.
  - 18 *Ibid.*, 91.
  - 19 *Ibid.*, 93–4.
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  - 21 *Ibid.*, 390–1.

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- 23 *Ibid.*, 799–800.
- 24 *Ibid.*, 789–90.
- 25 *Ibid.*, 793.
- 26 Michael Mann, *The Sources of Social Power. Volume II: The Rise of Classes and Nation-states, 1760–1914* (Cambridge: Cambridge University Press, 2012), 546.
- 27 *Ibid.*, 570–1.
- 28 *Ibid.*, 549.
- 29 Jonathan Morris, "Towards a European History of the Petite Bourgeoisie," in Mary Fulbrook (ed.), *National Histories & European History* (London: UCL Press, 1993), 192.
- 30 Mann, *The Sources of Social Power*, 550–8.
- 31 Morris, "Towards a European History of the Petite Bourgeoisie," 194.
- 32 Mann, *The Sources of Social Power*, 560–3.
- 33 *Ibid.*, 566–9.
- 34 *Ibid.*, 575–88.
- 35 Hobsbawm, *The Age of Empire 1875–1914*, 166–9.
- 36 *Ibid.*, 174–7.
- 37 *Ibid.*, 85.
- 38 *Ibid.*, 87–9.
- 39 *Ibid.*, 156.
- 40 *Ibid.*, 101–2.
- 41 *Ibid.*, 108–9.
- 42 *Ibid.*, 200–1, 204.
- 43 *Ibid.*, 208–10.
- 44 *Ibid.*, 212.
- 45 *Ibid.*, 204.
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- 47 *Ibid.*, 7–8.
- 48 Arno Mayer, "The Lower Middle Classes as a Historical Problem," *Journal of Modern History* 47 (3) (1975): 417.
- 49 *Ibid.*, 419.
- 50 *Ibid.*, 422.
- 51 *Ibid.*, 426–34.
- 52 Crossick and Haupt, "La petite entreprise et la politique en Europe au XIX siècle," 6; see also Crossick and Haupt, *The Petite Bourgeoisie in Europe 1780–1914*, 163
- 53 Geoffrey Crossick, "Formation ou invention des 'classes moyennes'? Une analyse compare: Belgique-France-Grande Bretagne (1880–1914)," *Revue Belgique d'Histoire Contemporaine* XXVI (3–4) (1996): 107–11.
- 54 *Ibid.*, 114–5.
- 55 *Ibid.*, 123.

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56 Klaus-Peter Sick, “Le concept de classes moyennes. Notion sociologique ou slogan politique?”, *Vingtieme Siecle. Revue d' Histoire* 37 (1993): 23–4.

57 Heinz-Gerhard Haupt, “La petite entreprise et la politique en Europe au XIX siècle,” *Le Mouvement social* 114 (1981): 5.

58 Crossick, “Formation ou invention des ‘classes moyennes?’” 115.

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## CHAPTER ONE

# THE EMERGENCE OF THE MIDDLE CLASSES AND MIDDLE-CLASS POLITICS IN AMERICA AND EUROPE, 1890–1914

The middle classes were not numerically sufficient to function as a counter to the advance of the proletariat. But their ability to exert disproportionate influence in politics, due to their education and projection of ideas, should not be disregarded. Middle-class intellectuals weighed significantly in the evolution of political thinking within the Socialist and Liberal currents.

At the turn from the nineteenth century to the twentieth century, economic growth, technological innovation, trade, and the movement of capital and people signified the emergence of an Atlantic area.<sup>1</sup> Economic interdependence was accompanied by the formation of networks within which ideas were exchanged and policy frameworks developed. Reform-minded intellectuals interacted continuously with an interest in the social question which was associated with the advance of capitalism at the end of the nineteenth century. These interactions shaped the progressive and reform politics of the early twentieth century on both sides of the Atlantic.<sup>2</sup>

In the 1880s, British Socialism was not particularly successful among the labour class. However, it influenced lower middle-class salaried groups like clerks, civil servants, teachers, and journalists who found the utopian socialism of Robert Owen appealing, or were inspired by Christian humanitarianism and the non-conformist tradition. Sidney Webb, a co-founder of the Fabian Society in 1884, was a typical case, being a lower middle-class intellectual with a sharp mind, coming from an evangelical family. Sidney and Beatrice Webb's thinking combined elements of humanitarian socialism and democratic liberalism and was disassociated from the Marxist creed. This was not idiosyncratic British socialist thinking as the Webbs and the Fabians interacted with a generation of continental European socialist thinkers who conceived democratic socialism along similar lines.<sup>3</sup> Edward Bernstein's revisionist work can be

understood in this context as he spent a few years in London in the 1890s. Contrary to his German comrades, he disliked abstract theorization and was inclined to the empiricist approach of the Fabian Society. In this connection, he pointed out that it was facts that compelled him to criticize facets of Marxism, not doctrinal differences.<sup>4</sup>

In 1899 he would publish his book, *The Preconditions for Socialism and the Tasks for Social Democracy*. It constituted a revision of the Marxist tradition which had been the foundation of Social Democracy. The capitalist system, Bernstein argued, proved to be able to overcome crises—this was the lesson he drew from the end of the long recession of 1873–96. Moreover, revolution was not the sole or necessary path to power and the attainment of socialist aims. The expansion of the franchise was a useful means at the disposal of the working class. The Social Democrats need no longer recourse to an armed insurrection as the workers possessed the means to confront the bourgeois class in the field of parliamentary politics. It was a plausible argument since the German Social Democrats, operating in the context of the universal franchise, gathered 19.7 percent of the votes in the election of 1890. The SPD would eventually become the largest party in the Reichstag, gathering 34.8 percent of the votes in the last election before the eruption of the First World War in 1912. Bernstein would further point out that the cartelization and concentration of capital were developments accompanied by the growth of banking and communications. Still, contrary to Marxist predictions, the number of small and medium-size enterprises rose and the intermediate social groups proliferated. These middle classes tended to function as stabilizers of the social order, preventing the proletarianization and social polarization which would be the precondition for the revolution of the workers.<sup>5</sup>

Bernstein's eye was not exclusively caught by the small and medium-sized enterprises that survived the advent of the big business in manufacturing and commerce; he also paid attention to the "non-productive" salaried groups which were a potential source of strength for Social Democracy.<sup>6</sup> Bernstein argued that, contrary to Marx's prediction, the cohorts of proprietors increased. This stratum survived and proliferated, despite the formation of monopolies and cartels. The net result of the process of the concentration of capital was not the diminution of the intermediate social groups but the addition of new members to the ranks of the middle classes. Bernstein saw in this the blurring of class differences. He did not see dangers in this process but, on the contrary, anticipated the gradual realization of the preconditions of Socialism. The Fabians and the reformist brand of the French Socialist movement shared his analysis.