Unemployment Revisited in Comparative Perspective: Labour Market Policy in Strasbourg and Liverpool, 1890–1914*

Noel Whiteside

Summary: Many historical studies, some of them comparative, have explored the foundations of welfare states and the birth of unemployment policies in Europe in the late nineteenth century. Nearly all have focused on political debate at national level. This paper bases its analysis on labour market reforms initiated in Strasbourg and Liverpool in the decades preceding World War I. It explores how bona fide unemployed workers, the proper clients of official help, were distinguished from the mass of the poor and indigent. The labour market had to be defined and organized before policies for the unemployed could be put in place. The object is to demonstrate not only how this was done, but also how different perceptions of social justice and economic efficiency influenced both the process and the outcomes of public interventions, in this instance undermining attempts to transfer specific policies from one country to another.

INTRODUCTION

Historical studies have demonstrated how the rise of the “social question” in the late nineteenth century stimulated extensive debate in major European economies about its nature, initiating new approaches to the categorization of indigent populations. The division between the

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deserving and undeserving poor, the object of philanthropic and official attention in earlier years, was replaced by new languages of social classification, based on the relationship between individuals and the labour market, and the ostensible reason why an adequate income was not earned. These distinctions, endowed with the status of social facts, emerged as proper objects for new policy initiatives. International exchange of information fostered the spread of such practices, employing common identifications of social risk (unemployment, sickness, disability, infirmity, and old age) that have remained in use ever since. Each country, through census and survey, sought to apprehend numerical dimensions of these new categories (which were defined and identified in very different ways). As the term “unemployment” entered common parlance, policy aimed to distinguish its victims as an industrial problem separate from other causes of social indigence and to afford them separate treatment.

The organization of the labour market became a major political concern; however, the avenues of intervention through which public authorities sought to promote reform varied widely. What criteria should be used to distinguish the unemployed from the economically inactive, from the itinerant beggar or layabout, and from the sick and aged? Did those laid off during the slack season require different treatment to those threatened by permanent joblessness? Answers to such questions proved highly contentious, provoked extensive debate, and varied by place and by occupation as well as between nation states. In an era of economic transformation, growing urbanization, and changing technologies, labour market problems became lodged within political debate in various ways. In other words, why unemployment was a problem and how official agencies might alleviate it translated into very different typologies of political discussion.

This paper seeks to clarify this variance in the unemployment debate, first, by outlining the broad political parameters that shaped how the issue was viewed at national level and second, by looking at the actual implementation of new policy initiatives “on the ground” at municipal level. The focus is on three major European economies – France, Great Britain, and Germany: on how unemployment was viewed in political terms and the role national government sought to play in its amelioration. Attention is then given to policy developments in two cities: Liverpool and Strasbourg. Although economically different, there are reasons for this choice: these cities not only pioneered new systems of labour market organization but also adopted similar methods for doing so that generated rather different outcomes. Both were the focus of national reforming initiatives.

The transfer of Strasbourg from France to Germany in 1871 generated a
programme of urban modernization, driven from Berlin and designed to
win the allegiance of a newly acquired population by demonstrating the
benefits of German rule. At the cutting edge of labour market policy,
Strasbourg emerged as something of a paradigm. Detailed evidence was
presented to the Royal Commission on the Poor Laws in Britain
documenting the advantages of both German labour registries in general
and the Strasbourg system in particular as solutions to Britain’s labour
market problems. With the emergence of a national scheme of labour
exchanges in the UK in 1908, it is clear that such evidence had a marked
impact on British unemployment policy. In the UK, the issue of labour
market reform had been largely informed by problems encountered in
London, specifically the problem of casual labour endemic to a major
commercial and trading centre. This encouraged an experiment in
Liverpool, second only to London as a global port, designed to de-
casualize the labour market and using instruments drawn from German
precedent for the purpose: an example of direct policy transfer that had,
however, disappointing results.

This initiative allows us to compare similar policies with similar
objectives in different settings, revealing the different assumptions on
which policy was based. Neither city can serve as a proxy for their
respective nation states: on the contrary, both existed at the borders of
national communities and contained multi-national populations of differ-
ent religious and cultural background. Yet different perceptions of how
economic efficiency and social justice might be reconciled and the role
public powers should play in this reconciliation created very different
outcomes in the cities involved. In this sense, the analysis is illustrative
rather than anything more. Yet by drawing attention away from
unemployment as a side product of economic trade cycles or fluctuating
labour demand and towards the political framework within which the
problem was interpreted, this paper highlights how collective assumptions
about the common good shaped responses to similar policy initiatives and
determined their success. The relevance of the study thus stretches beyond
these cities and this historical period.

In the late nineteenth century, unemployment formed only one part of
the “social question”; the demands of an increasingly vociferous working-

4. See evidence presented by William Beveridge and R.H. Tawney to the Royal Commission on
the Poor Laws, Minutes of Evidence, VIII, Parliamentary Papers [hereafter PP], Cmd 5066/1908,
5. For the work of Charles Booth and William Beveridge on casualism in London as central to
the unemployment question, see G.A. Phillips and N. Whiteside, Casual Labour: The
Unemployment Question in the Port Transport Industry 1880–1970 (Oxford, 1986), chs 2 and
3. Also Beveridge, Unemployment: A Problem of Industry. It is surprising, in contrast, how little
attention was paid to industrial unemployment; trade-union figures were adapted with some
modification but no independent investigation.
class movement needed to be met while sustaining constitutional stability and social order. Here the experience of continental Europe differed from that of Britain, where the slower pace of industrialization and the longevity of established constitutional arrangements made this dimension less pressing. In both France and Germany, as the following section emphasizes, the determination of legitimate political authority and the scope of its jurisdiction were more open questions. To substantiate the rather different policy frameworks within which the unemployed were viewed, the next section outlines briefly the different ways the social question was constructed within France, Germany, and Britain in the late nineteenth century. The subsequent section describes the Strasbourg labour market reforms and the adoption of the Liverpool Dock Scheme of 1911. The final section offers an analysis of the comparative performance of an apparently similar programme of reform in these cities and offers some conclusions.

**IDENTIFYING THE UNEMPLOYED: POLICY PERSPECTIVES IN FRANCE, GERMANY, AND BRITAIN**

The process of fabricating uniform classifications of social dependency proved complex, often contradictory, and ultimately inconclusive. In France, the 1896 census identified the “unemployed” as those whose situation was attributable to an unexpected rupture of a permanent employment contract. Evidence of dependence on a single employer reflected a construction of unemployment in terms of an established occupation. Here, paradoxically, permanent subordination to a single employer was to be the foundation of the worker’s liberty as this endowed him with legally guaranteed social rights.6 Predictable loss of waged work (due to regular slack seasons, to be met by personal savings or collective prévoyance) was distinguished from unforeseeable job loss that provoked domestic crisis. Those working for an employer by sub-contract (whose obligations were defined by the task to be completed) were not necessarily “unemployed” when that contract ended. This juridical definition was extremely narrow.

Local experience and perception of labour market problems proved more varied. Some municipalities subsidized local charitable endeavour (bureaux de bienfaisance), where distinguishing the “real” unemployed depended on the client’s acceptance of an offer of work from a benevolent employer or on municipal public works, allowing the rest to be directed to dépots de mendacité. Another construction can be observed in the operation of the bourses de travail, run by local trade unions, which essentially acted as placement agencies for unemployed members. Political

initiatives to convert revolutionary syndicalism into republican virtue encouraged the creation of the urban *bourses*, to allow trade unions to organize local labour markets: to place suitable men in suitable jobs that guaranteed union terms. Here, unemployment is cast within the locality and the trade: the status of the skilled man is respected in terms of the work he is offered. In official eyes, keeping local men in local jobs discouraged drift into major urban centres where those desperate for work might undercut native labour and provoke unrest. Here, political factors dominate how unemployment is understood and treated.

Voluntary unemployment insurance was officially well regarded in France (receiving both municipal and national subsidies from 1905), but was hardly widespread. French trade unionists opposed the idea that workers should pool hard-earned savings to prop up capitalism; outside the print industries, trade-union benefit funds hardly existed. In 1902, a survey revealed that only 30,297 union members could receive protection from their organization when unemployed – and over 10,000 of these belonged to the *Fédération du Livre* alone. The unpopularity of contributory social insurance reflected its strong association with authoritarian regimes, with the policies of Napoleon III as well as those of Bismarck, reinforced by an association with a German enemy. This encouraged republicans to promote alternative remedies. The general preference was for local assistance in needy cases; from 1905, those destitute due to old age, invalidity, or insufficient income for a large family could turn to municipal assistance; cases were judged on their merits.

Municipal funds for the unemployed, with national subsidies, were set up from 1914 and were extended in the interwar years; localities thus determined the remit of unemployment while also offering the only realistic support for the vast majority of the workless.

In Imperial Germany, a national definition of unemployment was addressed in the 1895 census. Unlike the French criteria, which employed juridical means to distinguish the unemployed, the imperial statistical office focused on the individual’s general economic dependence on waged work, covering all workers: out-workers, sub-contractors, as well as the permanently employed. Unemployment reflected an economic situation: a deprivation of the means of subsistence – a definition whose origins reflect

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7. Paris, Lyon, Limoges, Dijon, and Moulins were the exceptional cases; some départements also adopted the practice. I thank an anonymous French referee for this information.


the analysis of Marx and Engels during the mid-century economic
depression. In Germany in particular, the early introduction of the
sickness insurance laws served to identify the boundaries of the labour
market. The unemployed were thus threatened not only by the loss of
professional identity and material deprivation, but also (in modern
terminology) with social exclusion: the consequence of lost rights to both
health insurance benefits and representation on health fund governance.
Rights to insurance benefits identified workers from the mass of the
indigent, the latter being subject to intrusive poor law appraisal that
determined their subsequent treatment. Unemployment, in a German
context, thus translated into lost social rights as well as wages.11 The
imperial government in Berlin resisted sporadic demands from the socialist
movement for national solutions to labour market problems. Reform was
left, in constitutional and practical terms, to municipal action. In many
municipalities, political representation was skewed in favour of higher tax
payers; urban elites in industrialized areas were as disinclined to respond to
the demands of social democracy as the imperial state.

Labour market policy in imperial Germany was determined by
municipalities: part of a fast-expanding range of obligations that, in the
context of phenomenal urban growth, included all types of service
provision from street lighting and sanitation to public transport. The
process of widening the orbit of municipal power shifted authority away
from traditional elites: a new class of professional administrators emerged:
lawyers, accountants, and, above all, statisticians. In Strasbourg in
particular (whose reforms are addressed below) young professional
German reformers were eager to transform territory newly acquired by
the Reich into a model community,12 integrating the population into the
recently established Kaiserreich and promoting social harmony by
incorporating trade unionists into the management of social affairs. In
other urban centres, such cooperative arrangements were not automati-
cally forthcoming. A restricted franchise and class conflict rendered liberal
reform less attractive and, outside some urban centres such as Frankfurt,
Stuttgart, and Dusseldorf, representation of the Sozialistische Partei
Deutschlands (SPD) was weaker and measures adopted to address labour
market problems could be more repressive.

Even so, the spread of measures specifically for the unemployed (public
works: labour exchanges and eventually municipal subsidies for trade-
union unemployment funds) indicates how urban authorities in general
erogized the unemployed as a class separate from the poor and

11. B. Zimmermann, “Deux modes de construction statistique du chomage au tournant du
siècle”, in Zimmermann et al., Le travail et la nation, p. 260.
pp 198–204. This paper refers to the thesis, now published as La constitution du chomage en
developed policies designed specifically for this category. In the industrial areas of the Ruhr, Berlin, and Saxony, however, cooperation was less evident: the separate agencies set up by employers, trade unions, and municipalities illustrate how labour market control was contested where industrial conflict was more common. Local politics shaped the nature of local labour market policy, generating a range of initiatives that reflected the nature and extent of trade union organization as well as the degree of industrial conflict found in specific urban communities.  

In Britain and imperial Germany, trade unions recruiting mostly skilled workers offered help (in the form of placement and benefits) to paid up members out of work. The question of unemployment and its management was here located within union systems of trade regulation and control, reinforcing union organizational discipline. Union benefits prevented members from being forced to take work on non-union terms; branches acted as placement agencies and guaranteed the skills of the men concerned. Members were supported for refusing work that failed to pay the union rate and were fined for accepting such work. Union benefit schemes regulated work practices and sustained membership. In Britain, seniority frequently translated into higher benefit rates or extended rights. In both countries, access to social protection from a trade-based organization was infinitely more attractive than being subject to interrogation by the poor law authorities. Also in both countries, and unlike France, the tradition of the unemployed moving from place to place in search of work – and receiving union support while on the road – was well established.

Numbers covered expanded steadily in the decades preceding World War I, particularly in Germany. In 1905, the German imperial statistical office claimed that over 1 million workers could claim union benefits when unemployed. In Britain slightly lower numbers claimed better benefits for longer periods than their German counterparts – although we must recall that the German population at that time was nearly twice the size of the British.

17. Schloss: memorandum on comparison of UK and German unemployment statistics, October 1905: on file LAB 2/1564/CL&SL 1216/05, NA.
18. The German population was c.64.5 million and the British 36 million. I am grateful to Professor Hennock for pointing this out.
Trade-union provision of social protection was officially well regarded, but the association with industrial dispute was not. Major employers in heavy industry in the Ruhr or on the Clyde looked askance at any measure designed to promote union membership by the extension of state subsidies to union funds. Led by Strasbourg and Frankfurt, some fifteen German cities had adopted the Ghent system by 1914 (so named after the town that initiated the policy in 1901) of offering municipal subsidies to union benefit funds. Frankfurt also created a contributory municipal fund for non-unionists seeking protection. Local subvention of voluntary unemployment insurance was more widespread in Belgium and the Netherlands but remained unknown in Britain. Its adoption reflects official aims to recalibrate trade-union systems of classification, to distinguish those unemployed due to circumstances beyond their control from those involved in industrial conflict. In Britain at least, debates on a national scheme for the unemployed addressed this problem more directly, provoking dissent within the union movement and opposition to state intervention as a result.

In Britain, the early twentieth century witnessed a reversal of liberal tradition, to create a national unemployment policy. Official and unofficial investigation had revealed how poverty damaged industrial efficiency and accelerated economic (and imperial) decline. Pauperism was a drain on the resources of inner cities where poor law authorities were increasingly forced to rely on loans from the Exchequer rather than raise local taxation. Such practices excited official concern and stimulated social reform. The situation appeared almost perverse. Statistics showed that wages were rising in the late nineteenth century, yet social unrest in major conurbations during economic recessions indicated an apparent failure by the poor to save and the damage done by intermittent, casual (“precarious”) employment in major commercial centres, notably on the docks.

19. See, for example, reports of Royal Commission on Labour (1892) and the Royal Commission on the Poor Laws (1908–1909).
20. “How do you know it (union unemployment benefit) is not being paid to men who should not be paid it? The question comes up then. What is a strike? What is a trade dispute? Do you know? I do not know. I maintain that a particular man is out on a trade dispute and the union say he is not, but he is out of employment and they use my money to help him.” Henderson, Shipbuilding Employers Federation deputation to the Board of Trade, 14 June 1911, p. 56; MSS 237/B/1/144: Modern Record Centre (MRC) Warwick.
imperative allied to fears for Britain’s economic future: workers must be taught to manage their lives – to work regularly, to invest in skills, and to save against the risk of job loss, illness, and declining earning power in old age.

This agenda and the political strategies it promoted identified the unemployed as that part of the pauper host capable of self-protection, whose work habits and skills were essential to future prosperity. Like its German counterpart, British unemployment presented a strong economic identity. However, this was a national response to what was perceived as a national crisis, involving more normative definitions of the problem and how it should be cured. Attention focused on the relationship between chronic poverty, physical incapacity, and irregular (or casual) employment as causes of pauperism. A national problem was calibrated in social scientific terms: impartial enquiry would reveal the analysis and professional expertise would stipulate the cure. A logic of rationalization, based on a normative definition of the working week, underpinned policy development. The provision of municipal or charitable help was criticized as sustaining irregular working habits: this countermanded the programme of decasualization on which the government embarked.

To avoid the punitive poor law, those desperate for work crowded the casual labour markets: major ports, urban building sites, gasworks and so on, where the heavy nature of the work, the competition for jobs and daily fluctuations in the demand for labour rendered job security impossible. Casual labour markets were deemed inefficient. They sustained large numbers incapable of regular work and fostered social and moral degeneration (poverty bred criminality, sickness, and incapacity), thus threatening Britain’s industrial (and imperial) pre-eminence.

[...] casual labourers are almost inevitably demoralized by their circumstances. Irregular work and earnings make for irregular habits; conditions of employment in which a man stands to gain or lose so little by his good or bad behaviour make for irresponsibility, laziness, insubordination. [...] The line between independence and dependence, between the efficient and the unemployable, must be made clearer. Every place in “free” industry, carrying with it the rights of citizenship – civil liberty, fatherhood, conduct of one’s own life and government of a family – should be a “whole” place involving full employment and earnings up to a definite minimum.26

Under-employment bred unemployability: if treated like a pauper, the unemployed regular man would eventually end up as another casual labourer incapable of holding down a permanent job and blurring the lines between the active worker and the pauper host. To break this cycle, reformers argued, required the regular man’s protection; his treatment

must distinguish him from the pauper, the habitual casual, the vagrant, the drunkard, and the petty criminal: the sources of the British dimension of the "social question". The solution to labour market reform lay in the introduction of labour exchanges, which would remove the inefficient, the idle, the vagrant, and habitually irregular, and concentrate work in the hands of the most efficient, thereby containing pauperism while improving economic performance. Far from seeking to destroy the problem of unemployment, therefore, policy was designed to create it.  

This logic underpinned the well-known reform programme introduced by Liberal governments in Britain: specifically, the Labour Exchanges Act (1908), the National Insurance Act (1911), and the introduction of old-age pensions (1908). Unlike their municipal counterparts in continental Europe, labour exchanges in Britain offered a national network, designed to promote total labour mobility between as well as within different professions and towns. New information technologies (the telephone) facilitated the immediate exchange of information about vacancies and applicants; state officials would send the most efficient to where their services were needed. Networks of official surveillance would allow the easy identification of applicants of good character, skill, and sound working habits, in whose capable hands all available work should be concentrated, facilitating the elimination of the less efficient and promoting industrial prosperity while guaranteeing good service to employers seeking workers.  

Contributory National Insurance (1911) reinforced this strategy. It was in the employer's interest to avoid hiring day labourers: each required a weekly contribution for health insurance purposes, a payment that was doubled if the worker was also a member of the unemployment scheme. Access to unemployment benefit, based on actuarial calculation, would separate the regular contributor from the rest (the "morality of mathematics", according to the young Winston Churchill). A stipulated annual number of contributions and benefits limited to fifteen weeks maximum each year identified unemployed claimants as temporarily jobless in previously regular employment. Long-term unemployment was not officially recognized: once benefit rights were exhausted, the claimant left the scheme and re-entered the pauper class. From the small print found in the legislation, the British unemployed emerge: a select group of regularly employed men whose services were temporarily surplus to immediate needs.  

28. Ibid.  
29. Part II of the 1911 National Insurance Act offered unemployment insurance that covered a restricted number of trades – largely those with skilled unions offering unemployment benefits, i.e. shipbuilding, engineering, construction, and metalworking. The Act was extended to all manual workers earning less than £250 p.a. in 1920.
requirements, in a scheme initially confined to trades known to suffer from seasonal fluctuations in demand.

ORGANIZING LABOUR MARKETS: STRASBOURG AND LIVERPOOL

Strasbourg

The transfer of Alsace-Lorraine to German rule in 1871 required the integration of a new population into the Kaiserreich. This provincial economy was centred on village-based small factories (well over 2,000 by the 1880s) each traditionally run virtually as a personal fiefdom. Paternalism dominated industrial relations: manufacture was largely organized under family labour; typically the father supervised the work of his wife and adult offspring. Following transfer into the Kaiserreich, the introduction of labour legislation modified traditional social relations. On the one hand, thanks to the employer-dominated factory sickness fund becoming registered under the German social insurance scheme and acquiring official recognition, new systems appeared to dovetail neatly with the old. On the other, local employers resented the introduction of a German labour inspectorate more dedicated to the imposition of technical standards than to preserving traditions of Catholic paternalism. The appearance of new social legislation required that labour be given a voice in matters previously considered the sole province of managerial prerogative. As Sandrine Kott has shown, the transfer of sovereignty was thus accompanied by a transformation in social relations, as German authorities helped to foster workplace organization and a more cohesive labour movement, also giving women workers a voice in the workplace for the first time.30

During this period, Strasbourg underwent its own transformation.31 Under the French Second Empire, Strasbourg’s commercial significance had diminished as its military importance grew; the city turned its back on the Rhine, the source of its original commercial pre-eminence, becoming increasingly fortified against possible German military aggression. In this period, a local council reluctant to pay for them resisted imperial projects of Hausmannization and general urban improvement. While Parisian finance and Parisian-based railway companies linked this provincial centre to the capital, its substructure languished in desuetude. The city’s economy centred on local commerce, transforming local products for regional

31. Information on Strasbourg is drawn from Hennock, The Origins of the Welfare State in Britain and Germany, ch. 17. Also see evidence of R.H. Tawney to the R.C. on the Poor Laws, cited in n. 4 above.
consumption. The tanneries, breweries, and food processing industries dumped their waste, together with the population’s effluent, into networks of canals and rivulets permeating the city. In short, this was a fortified, unhygienic regional backwater. The transfer to German rule changed the city’s profile entirely. The town was garrisoned and ramparts reconstructed to face the other way. New suburbs were built. Under the expert eyes of trained sanitary engineers, water-born piped sanitation replaced the antique system of wells, canals and public drains that had characterized the old town.32 The municipality expanded exponentially; inward migration from all over Europe (notably Italy) and an influx of new inhabitants from other German states (including a military garrison of some 15,500 by 1913) swelled the population. In 1875, Strasbourg had had 80,000 inhabitants, both within and without the city walls. By 1900 this had reached 151,000 and by 1910 179,000, including some 4,600 foreigners (non-German) and 61,000 Germans from outside Alsace-Lorraine.34 This German population expected better living standards and public service. The desire of imperial authority to win hearts and minds through the promotion of urban improvement was reflected in the political demands of the growing numbers of new inhabitants, who sustained the reforming initiative when direct rule from Berlin ended and local democracy was restored.

The strategy of social improvement embraced the proper organization of the labour market, swollen by the influx of construction workers and general labourers seeking work on these new programmes of fortification, sanitation, and urban expansion. As essentially a commercial and administrative centre, most inhabitants worked in commerce and transport. In addition to the military garrison, the city also possessed a sizeable professional middle class.35 However, in comparison with other German cities, Strasbourg also contained more than its fair share of poverty – and the elimination of this (or at least its containment) was also a cause of official concern. The process of labour market reform was initiated in the late nineteenth century, following a pronounced economic downturn (1892–1894). Strasbourg was among the first municipal authorities in Germany to initiate such a programme and, by the early twentieth century, was the first city to integrate a scheme of unemployment insurance within a complex official agenda integrating poor relief, labour registries, and education into a single system. Administration was vested in the democratically elected municipal council; the left-liberal Demokratische

34. Census figures taken from K. Eichelmann, Verwaltungsbericht der Stadt Strassburg [...] für die Zeit vom 1 April 1900 bis 31 März 1910 (Strasbourg, 1916), p. 3.
35. Ibid., p. 13.
Volkspartei, founded in Alsace in the 1890s, was a crucial political component in the promotion of reform. By the early twentieth century, Strasbourg had become something of a paradigm, thanks to its integrated system of managing the search for work.

A central labour bureau was created in 1894 (coordinating established trade-union registries) and a municipal labour office in 1900, both managed by a joint committee elected by employers and employed. All itinerant workers entering the city were obliged to register with this office, which gradually extended its remit over the following decade to embrace a growing number of trades. It coordinated policies to rationalize the distribution of work with the work of local poor law authorities that, similar to the system found in Elberfeld, organized teams of volunteers to visit the destitute and to arrange relief appropriate to their circumstances. Eventually the labour office developed as a call centre for a network of telephone-linked labour exchanges extending across Alsace-Lorraine. Local management of the national railways subsidized workers going to placements (covering some 1,700 workers annually by 1910). All subcontractors recruiting labour on municipal projects were obliged to hire through the exchange and to respect a minimum wage; city authorities introduced road construction, forestry, and similar public works schemes during slack seasons to absorb idle labour. From 1907, the exchanges placed business and clerical employees and, from 1909, they took over responsibility for placing the “work-shy” and semi-invalid from the poor law authorities. The exchange became pivotal to the classification of the able-bodied indigent and determined their treatment: reference of the drunk and mendicant to the police, penal work under the poor law for the deliberately idle, public works for general labourers in the slack season, placement with an employer for regular men. In the year 1912–1913, the 20 labour exchanges affected 54,000 placements, divided roughly equally between skilled and unskilled jobs – thereby demonstrating that the system did not simply operate on the margins of the labour market, but was central to recruitment in all forms of employment.

From 1902, the municipality also undertook the placement of apprentices. All school leavers, following medical inspection and discussion between pupil, teacher, and parents, filed a card at the exchange containing details of achievements and desired training. Master artisans were obliged to advertise apprenticeships through the exchange; exchange officials sent appropriate school-leavers to fill each vacancy. From 1906, a small official subsidy enabled apprenticeships to be offered to the sons of poor families.

Poor relief was reformed in 1906 to play a more active role in labour market organization; voluntary assessment followed up the initial judgement of the exchanges, to determine relief and treatment. By 1914, the city was allocating land as allotments for pauper claimants to work in return for relief.\(^{38}\) Investigation in 1911, however, revealed that rural and small-town poor relief in Alsace-Lorraine still catered for about 12,000 itinerant poor, mostly men aged twenty to forty capable of work (although not necessarily eager to do it) whose situation was missed by the exchanges.\(^{39}\) Whether or not such claimants belonged to the labour market, and were therefore proper clients for the exchanges, was a controversial point.

In addition to contacts with local schools and the poor law, the exchange system also sustained very close links with a growing trade-union movement – particularly after 1899, when the local SPD endorsed the system. Reformist free-trade-unionists associated with the SPD, like their Christian counterparts, sought to restrict job opportunities to their members, creating registries as placement agencies that were eventually absorbed by the municipal labour bureau to form part of its network. These unions also developed schemes of unemployment benefits to support members out of work. Both forms of trade-union organization agitated for the introduction of the Ghent system of municipal subventions for union unemployment schemes. At a meeting of the Senate in Strasbourg in December 1906, the idea was adopted and 5,000 marks were set aside to subsidize benefits paid by “workers’ societies”, starting from January 1907.\(^{40}\) This necessitated a reappraisal of the meaning of unemployment. The labour office refused the municipal “top-up” to claimants on strike, ill, or dismissed for misconduct. Even so, “the significance of the labour office involvement lies in its assessment of the cause of unemployment, the scale and type of unemployment and its capacity to distribute new work to end unemployment”.\(^{41}\) Municipal willingness to offer support for those unemployed due to an industrial dispute was decided on a case-by-case basis. From their inception, joint committees that managed the exchanges included union representatives; municipally subsidized schemes of voluntary unemployment insurance, spreading rapidly in this period, remained under union control.

This comprehensive scheme of labour market management rapidly attracted the attention of reformers from other countries. In his evidence to the Royal Commission on the Poor Laws, William Beveridge praised the German labour exchanges; here were mechanisms to rationalize the


\(^{40}\) Eichelmann, Verwaltungsbericht der Stadt Strassburg, p. 836.

\(^{41}\) Ibid.
distribution of work. R.H. Tawney, at the time a young research assistant attached to the University of Glasgow, offered a detailed description of the Strasbourg system to the Commission, as a means to counteract and control the growing incidence of casualism in his home city, another British port. In Britain, the central issue was the decasualization of the labour market: in London and Liverpool the problems of casualism and endemic pauperism appeared at their most severe.

Liverpool

Liverpool was, after London, the second largest port in the world in 1900. Serving the hinterland of industrial Lancashire, the city focused totally on trade and commerce: in the development of shipping and insurance services, in shipbuilding and ship-repair (centred on Birkenhead), and overwhelmingly in the handling, storage, and distribution of cargo. Aside from white-collar insurance clerks and the engineers serving the shipbuilding trade, the labour force was unskilled. Manufacturing industry was conspicuously absent; port transport and associated occupations dominated the employment offered by the city. The Mersey Docks and Harbour Board managed the docks at the centre and south end, where master stevedores and master porters subcontracted cargo handling from short-sea traders, merchants, and smaller shipping lines. The growing size of steamers (particularly for the passenger trade) fostered the development of new docks at the north end, where major shipowners employed a larger proportion of permanent hands and loaded and discharged their own vessels. Dock charges combined with tidal change put pressure on subcontractors and workers alike. It was commonplace for gangs to work a ship round the clock for two or even three days, to clear the port in the shortest possible time. High hourly wage rates rewarded physically demanding work and attracted onto the waterfront the cast-offs from other trades: any labourer seeking a job, not only from Liverpool, but from other industrial towns and particularly from Ireland. Irish dockers dominated the south end and sectarian difference perpetuated divisions within the dock population.

A disorganized labour market and marked fluctuations in the daily demand for labour created crowds around the dock gates disproportionate to the port’s requirements. The first attempts to control this influx in 1890 came not from employers or public officials, but from the nascent National

42. Evidence of both Beveridge and Tawney cited in n. 4 above.
43. Much of the following section is taken from Phillips and Whiteside, Casual Labour, ch. 4.
44. Tonnage entering and leaving Liverpool had doubled every fifteen years between 1815 and 1860; D. Caradog Jones, Social Survey of Merseyside (Liverpool, 1934), pp. 21–22. In 1900, this was 18.5 million tons p.a.; London handled 30.5 million tons p.a. the same year; E. Rathbone, Report on Labour at the Liverpool Docks (Liverpool, 1904), p. 21.
45. Ibid. p. 7.
Union of Dock Labourers who, in the wake of successful strike action, demanded that only union men be hired at the twice-daily “call”.\textsuperscript{46} The demand was conceded but swiftly eroded. As recession returned, numbers at the dock gates rose, demand for labour fell and, with this, union membership dwindled and union control disappeared. Faced, as Strasbourg unionists were, with problems of confining job opportunities to their members, the NUDL leadership became interested in collaborating with official policies. Although dubious about whether the ultimate objective of decasualization could be achieved,\textsuperscript{47} such collaboration seemed to open an opportunity to extend union control. Following a successful dock strike in 1911 and a recovery of trade, collective negotiations involving the Board of Trade produced the Liverpool dock scheme, designed to confine port work to regular dockers, thereby raising commercial efficiency and exterminating the principle cause of pauperism in the city.\textsuperscript{48} For the Board of Trade, this offered the opportunity to put decasualization into practice. For the NUDL, the advent of the scheme spelt an end to organizational difficulties. For employers, who had lost the dispute, it appeared to offer the chance of lower hourly wages, if employment could be rationalized over the long term.

Under organizational principles derived from Alsace-Lorraine, the object behind the scheme was to increase labour mobility between different port employers and sections of the port. The twice-daily call at the dock gates was unchanged. Labour that was not hired went to one of the thirteen surplus stands, or sub-labour exchanges, which were linked by telephone to one of six clearing-houses (each supervised by a joint representative committee) that coordinated employment in each of the six areas into which the port was divided. A numbered tally identified registered dockworkers: a joint committee of union and employer representatives agreed the register, and union membership was compulsory. Registered dockers lodged their National Insurance cards at one of the clearing-houses, whence they collected weekly paid wages (with their insurance contribution deducted). Employers’ contributions were charged in proportion to the number of men hired each week: this supposedly giving them an incentive to concentrate work in the hands of a limited number of men.\textsuperscript{49} The scheme was financed by the Board of Trade as both surplus stands and clearing houses were types of labour exchange\textsuperscript{50} (and Beveridge was Director of Labour Exchanges at the time of the scheme’s inauguration).

Machinery that worked in Strasbourg failed to perform in Liverpool.

\textsuperscript{46} E.L. Taplin, \textit{Liverpool Dockers and Seamen, 1870–1890} (Hull, 1974), ch. 4.  
\textsuperscript{48} R. Williams, \textit{First Year’s Working of the Liverpool Docks Scheme} (Liverpool, 1914), pp. 5–7.  
\textsuperscript{49} \textit{Ibid.}, pp. 165–172.  
\textsuperscript{50} See correspondence on file LAB 2/170/LE 398/20/1912, NA.
On the scheme’s introduction, the rank-and-file dockers came out on unofficial strike. A dislike of paying insurance contributions, a conviction that employers would use clearing-house labour to break strikes, and personal fears of being “squeezed out” by the scheme all provoked trouble. The NUDL persuaded the men back to work only with some difficulty. Thereafter, confrontation was replaced by neglect; both sides of the industry undermined the scheme by ignoring its terms. Employers found the delays that resulted from sending to the clearing-houses for extra labour intolerable and, when required, simply registered unregistered labour that still hung around the dock gates. Tight schedules meant that training new recruits with each shipment was unrealistic; gang foremen preferred to hire men with experience, who knew their work and its routines. The promotion of labour mobility between sectors, far from promoting efficiency, caused delay and raised costs. Registered men therefore avoided the clearing-houses – except to collect their weekly pay. In the years of relatively full employment that followed 1912, attendance proved problematic. Most dockers only wanted to work three or four days per week, to earn a basic subsistence wage: permanent men at the north end, where union organization was weak, were despised as slaves. “They have adapted the habits of their lives only too well to the conditions of their work”, an enquiry had noted in 1904. “They are said to prefer a long spell of almost continuous work by day and night, followed by two or three days idleness, to regular habits and moderate hours.” Such “regular habits” were not to be acquired overnight.

In consequence, the register expanded uncontrollably, well beyond the port’s needs. The 1911 Census recorded 25,219 dockworkers in Liverpool; in 1912, over 30,000 tallies were in circulation. Clearing-house statistics revealed that, on average, each tally holder received some pay thirty-four weeks out of fifty-two (albeit for as little as half a day’s work). Men occasionally reverting to the waterfront for work registered alongside regular dockers. Decasualization failed: in the absence of support from within the industry, the policy was not implemented because it proved to be not implementable.

CONCLUSIONS

Why did the Alsace-Lorraine system work so well while the Liverpool scheme failed? One response might focus on the different labour markets

51. See file LAB 2/1483/LE2211/16/1912, NA
52. NUDL, Executive Report for 1911 (printed), pp. 7–8.
involved. The historiography of dock labour has long emphasized the exceptional nature of port employment and the peculiarities of the casual hiring systems it fostered. While such differences might form part of an explanation, it is easy to exaggerate its significance. The casual nature of port labour in Liverpool, as elsewhere, disguised the range of employment to be found there. British social investigators, mesmerized by the problem of pauperism and its causes, turned their gaze on the very poor, bypassing skilled workers, the specialist gangs, and comparatively regular men who earned a reasonable livelihood in what was admittedly a high-risk occupation. As Tawney emphasized in his evidence to the Poor Law Commissioners, a large surplus of immobile, unskilled labour, drawn from all walks of life, lay at the heart of the problem: but this fringe hung around building sites, markets, warehouses, and gasworks as well as the docks.

As for the difference between regular and casual, there was “no hard and fast line between them”. The geographical concentration of dock work created a focal space within which the problems of casualism were displayed, but to argue that these were unique to the waterfront is to misinterpret the nature of unskilled employment in other trades. The construction sites and building projects in Strasbourg also attracted general labourers from elsewhere; seasonal employment was considered the main problem, but then seasonality also affected dock work. In both cities, employment was expanding steadily in the decades preceding World War I. However, the establishment of official agencies that succeeded in organizing Strasbourg’s labour market and in integrating newcomers in full cooperation with the organized labour movement and local employers marks out a key difference between the two cities that still requires explanation.

The core of the answer lies in the fact that apparently identical policies were actually addressing labour market problems that were viewed in different ways. In Britain, as indicated above, the creation and perpetuation of pauperism was the principle cause for official concern and its containment lay at the heart of the reform project. Casual labour perpetuated underemployment and caused pauperism: therefore casual labour systems must be eliminated. In Strasbourg, although poverty was higher than elsewhere in Germany, this was evidently not the case. The adoption of the Ghent system of unemployment insurance to supplement the labour exchanges gives us one clue. Subsidies to union unemployment benefits did nothing for the irregularly employed construction worker, whose unions did not recruit the unskilled fringe and did not offer such benefits anyway. Rather such a response to trade-union demands was designed to win the support of the skilled labour force: the core of the

56. Tawney to R.C. on Poor Laws: questions 96621–96627 and 96728.
organized labour movement. The careful deployment of union representation at all levels of local labour market administration makes the same point. Strasbourg's strategy, in common with municipal policy in other German cities, aimed to contain the possible threat of social democracy. In this instance, the transfer of sovereignty also plays its part; careful concession to the better organized sectors of the labour market would create support for a new and essentially foreign regime. In Strasbourg in particular, the strategy was successful, thanks largely to the highly democratic nature of municipal government, facilitating links between a powerful reform party and organized labour.

Other key differences illuminate this analysis. Self-evidently, the administrative structure of the Kaiserreich served Strasbourg well; once the principles of self-governance were restored, regional and municipal autonomy combined to foster the creation of new initiatives. Liverpool, like other British industrial cities, required the authority of Parliament before any new policy could be put in place; the authority to initiate the Liverpool Dock Labour Scheme came from a central department of state, not the local city council. In Alsace-Lorraine, the exchange system formed only one part of a general policy of labour market organization: a reforming agenda that also integrated union benefits, education, training, and poor law authorities within collectively recognized and agreed policy objectives. In Liverpool, the dock scheme remained isolated. There were no links with local government, poor law guardians, or education authorities at either local or national levels. Official supervision rested with remote civil servants in Whitehall who had no means of legitimating the scheme they sought to promote.

Further, the issue of compulsion is very different in the two cases. In Strasbourg, employers undertaking municipal work and/or seeking apprentices were compelled to use the exchanges; men seeking work resorted to them as and when required. In Alsace-Lorraine, the unemployed thus identified themselves: the exchange, partly controlled by the unions, was a reference point determining how their situation was to be addressed. In contrast, the Liverpool scheme was built on a preconceived normative working week and was designed to isolate and eject those failing to conform to this model. The exchange was a tool to achieve this goal; it remained under the direction of a professional, centralized bureaucracy. This imposition of a new type of managerial discipline unsurprisingly provoked resentment. The different administrative locations of apparently similar agencies thus indicate contrasting perceptions of how economic efficiency was to be reconciled with social justice – returning us to broader political agendas within which these labour market initiatives developed.

In both Strasbourg and Liverpool, conflict and compromise between different agendas are visible and different meanings of “modernization”
are invoked. While holding in common that public intervention was required to create a modern labour market and to define its privileges, the rationale underpinning these interventions differed profoundly. How was prosperity to be promoted? How should a modern labour market be managed to offer opportunities and create social harmony? Answers to such questions were not uniform, but reflected different political assumptions about how collective well being was to be secured and the role state agencies should play in securing it.

In Alsace-Lorraine, in very simple terms, two different conceptions of modernity combined. A German agenda of creating an efficient economic order blended with French republican dedication to principles of democratic participation in collective decision-making as central to a modern republican polity. In the first place, official agencies of various stripes were actively involved with those unable to maintain themselves, at every level, in order to offer appropriate treatment to different cases. While distinctions between those who were labour market active and those who were not were sustained, providing the “excluded” with the means to integrate created liquidity between different categories. In the second, democratically elected local authorities (and Alsace-Lorraine was more democratic than any other part of Germany in this period) integrated representation of labour and employers at every level of these operations.

In Liverpool, the political pattern was quite different: a local economy operating on free-market principles confronted a reform programme rooted in social scientific precepts. Here, laissez-faire orthodoxies had traditionally demanded that those poor from want of work should take care of themselves; punitive poor laws had long enforced this message. The introduction of normative standardization based on expertise derived from the disciplines of statistics and economics, involving scientifically sustained systems of classification that presaged different typologies of social treatment, came as something of a cultural shock. This prescriptive technical world of social ordering denies that the independent economic actor is capable, through the free exercise of personal choice, of securing his future. The battle between these different social visions marginalized the impact of labour exchanges on the distribution of work. It has dominated British politics ever since.

This is evident in the subsequent history of organizing the dock labour market in Britain. The objections raised to the Liverpool Dock Scheme before World War I offer, in microcosm, the general problems subsequently encountered by British authorities in enforcing dock decasualization. The principles of the registration scheme, attached to the carrot of a basic maintenance wage, formed the foundation stone of later schemes, introduced in the face of strike action throughout the twentieth century. The idea was only finally abandoned following the election of Mrs Thatcher, when dock labour decasualization was scrapped in the name
of market de-regulation. Moreover, the early reception afforded to the system of clearing-houses and surplus stands on the Liverpool waterfront reflected the wider, more general attitude of British employers and unions towards the introduction of labour exchanges – later renamed employment exchanges, later still Job Centres. None have ever exercised an important influence on the distribution of work. Throughout the twentieth century, such official agencies in Britain have remained external to processes of labour market organization, whereas in continental European economies, the state has played a more central role in shaping their operation.

This is not to argue that continental European strategies have been identical: this is far from the case. In Strasbourg, in contrast to Liverpool, public intervention to create a social order and to promote collective wellbeing appears to have been less contentious. When carrying the history of Strasbourg forward, however, we can note how, on the restoration of French sovereignty in 1918, the labour-exchange network in Alsace-Lorraine disappeared. As noted above, the promotion of labour mobility as a solution to unemployment was absent in France, as it posed a threat to fragile urban labour relations following a period of revolutionary political upheaval. The very late establishment of a national French network of placement agencies (created in 1967) illustrates this profound difference with German tradition.

While their labour exchanges vanished, however, the working population of Alsace-Lorraine proved fierce defenders of the privileges acquired under the Bismarckean social insurance laws. Their position forced a reconsideration of French political attitudes to social insurance. Following prolonged debate, the example set by Alsace-Lorraine stimulated the introduction of France’s first social insurance schemes after 1928. Again this does not point to growing continental homogeneity: French initiatives involved family allowances, health, and pension insurance. In Germany, a national scheme of unemployment insurance was introduced in 1927; in France, such a scheme was not put in place until 1958 – and then under a joint agreement negotiated by employers and unions that excluded the state. The emergence of a national strategy to address a national labour market in France was initiated during the Slump years but essentially post-dated World War II.

To carry the story forward after 1918, however, is to enter a different political world. During the interwar years, the unemployment debate shifted ground.57 The advent of industrial recession caused the irregular worker, who had commanded centre stage in earlier years, to give place to the long-term unemployed as the main object of public debate. This

change of policy focus should not be taken as evidence of the disappearance of earlier practices. Nor should we assume that, before 1914, long-term unemployment did not exist: its victims remained at the fringes of political consideration. As is widely acknowledged, the consequences of the Slump years revolutionized the role of the state in terms of its responsibilities for sustaining full employment, but again uniform vocabularies describing new policy instruments disguised very different agendas and varied points of acceptable state intervention.

In microcosm, the historical comparison presented above has analysed why, in an earlier era, similar solutions to the issue of labour market organization performed differently in different contexts. The main focus has been on the role that official agencies were expected to play in tackling the unemployment question. Different conventions of public action determined the feasibility of a specific policy. While the objectives in Liverpool and Strasbourg were similar, the acceptability of public intervention rested on very different foundations. Agendas of public action draw their legitimacy from different collective assumptions about the proper role of government in securing the public good: themselves the product of earlier historical events that have not been alluded to here. The role official agencies should play reflects common perceptions of how economic efficiency and social justice can be secured: through the individual exercise of personal liberty, through the maintenance of public order, through the exercise of collective democratic deliberation. Different situations and governing conventions require different compromises between these agendas and shape different spheres of public action. The lens through which social and political issues are viewed, interpreted and tackled reflects the nature of that public sphere; this determines the viability of specific policy solutions. Such a dimension on comparative policy analysis cannot be captured by social sciences that address the issue through the measurement of outcomes alone, thereby assuming that the public sphere is a common space. Thanks to their preoccupation with change, historians are uniquely placed to observe the different points at which different states can intervene to secure their policy goals, offering a significant dimension on comparative analyses that is frequently forgotten or ignored.