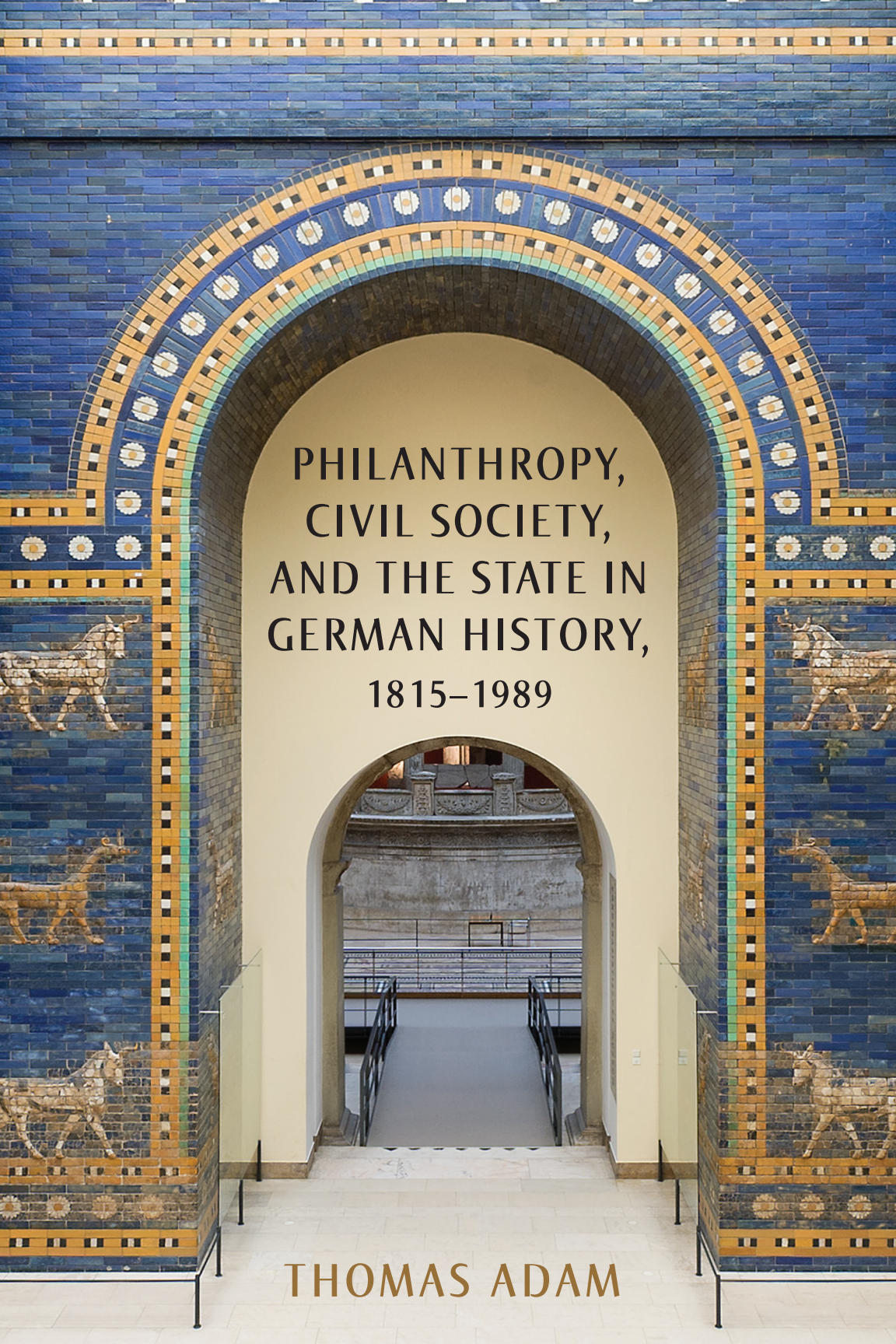

PHILANTHROPY, CIVIL SOCIETY, AND THE STATE IN GERMAN HISTORY, 1815–1989

THOMAS ADAM

Philanthropy, Civil Society, and the State in German History, 1815–1989

German History in Context

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Thomas Adam

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To Burcu

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Preface

THIS BOOK EMERGED from two decades of research into German philanthropy. It all began in Leipzig in 1996 when I came across the housing trust of Herrmann Julius Meyer. Meyer, a famous and wealthy publisher, had collaborated at the end of the nineteenth century with the architect Max Pommer to create a privately funded social-housing project to provide affordable shelter for working-class families. (Since public housing in the United States designates government-provided low-rent housing for the poor, I have chosen to use the more general British term social housing, which can cover affordable housing provided by both governmental and private entities.) Historians had paid little attention to such private-public institutions, because they simply did not fit into the teleological narrative of the social-welfare state and because the sources about the activities of such institutions were often kept in private archives. I was lucky enough to be introduced to Dieter Pommer, the great-grandson of Max Pommer, who gave me free access to all documents that had survived.

This example of private support for the common good inspired me to search for further examples of this kind of civil engagement in the fields of social welfare, the arts and culture, and education and research. In the process I discovered that the traditional narrative about a state-centered German society, in which Germans expected the government to provide funding for all aspects of their lives, simply did not hold true. Rupert Graf Strachwitz, who over the last two decades selflessly offered his advice and expertise, helped me greatly in developing my interpretative framework for locating philanthropy within German history. He invited me to talks and conferences; introduced me to colleagues and funding agencies; and most importantly, read many of my papers before publication, including large segments of the manuscript of this book, and provided valuable comments that helped sharpen my argument. I am also indebted to Gabriele Lingelbach, with whom I collaborated on various projects in the field of philanthropy research. Our last joint project resulted in the collection of extensive data with regard to the history of foundations and endowments in Eastern Germany. These data have been used extensively in this book.

I would like to thank Dieter Hoffmann, whose invitation to the Max Planck Institute for the History of Science in Berlin in spring 2011 provided me with the opportunity to conduct research on philanthropic

support for institutions of higher education and research in various archives in Berlin. I am also grateful for his comments on my section that explores the role of the Kaiser-Wilhelm-Gesellschaft (Emperor Wilhelm Society) within the context of private support for research in the Wilhelmine Empire. And Christof Mauch's invitation to join the Center for Advanced Studies at the Ludwig Maximilians University Munich in May 2012 allowed me to take full advantage of the rich library and archive collections in the Bavarian capital. I would also like to express my deepest gratitude to my editor, Jim Walker, who went above and beyond the call of duty and meticulously worked with me on improving the quality of every chapter.

My research depended, of course, largely on the support of foundations. In 1999 the Alexander von Humboldt Foundation awarded me a Feodor Lynen Research Fellowship for my comparative research project on philanthropy. This fellowship provided me with the opportunity to work as a postdoc for two years at the University of Toronto. Research about philanthropy in a national and transnational setting has dominated my academic pursuits ever since. After my relocation to Texas in 2001, I depended largely on the support of the Fritz Thyssen Foundation, which funded several research trips to Germany over the last fourteen years so that I could continue my archival research on various aspects of philanthropy. The Fritz Thyssen Foundation also provided a printing subsidy for the production of this book.

I would like to dedicate this book to my wife and intellectual partner, A. Burcu Bayram, with whom I fell in love while I was working on it. I am very grateful to her for bringing joy and meaning to my life.

Introduction

THIS BOOK PRESENTS a radical reinterpretation of German history based on my own research into private support for social-welfare institutions, higher education, and cultural institutions and on the growing body of literature produced by German scholars of philanthropy over the last three decades. The accounts of philanthropic institutions and philanthropic practices force us to embrace an interpretation of German history in which German citizens actively shaped their society according to their own views, which included authoritarian concepts of rule. German bourgeois might have lost their chance at political control of the German states in 1848, but they used their economic and financial power to realize bourgeois worldviews through philanthropic engagement within the Wilhelmine Empire. Control over public institutions through their philanthropic support provided an alternative power base for the bourgeois class. Philanthropy was, after all, the strategic and targeted investment of excess funds by individual citizens for the support of public social, cultural, and educational institutions and was intended to further the progress of these institutions as much as it was intended to enhance the social standing of the donors.[1]

My study of philanthropic giving in Germany from 1815 to 1989 provides a "bottom up" perspective on the history of a country that has too often been written from the "top down." In doing so, this book calls attention to a major shift in interpretation that has been underway in the field of German historiography since the early 1990s.[2] While American and British historians continue to subscribe to an interpretation in which German society appears as state-centered, German historians led by Jürgen Kocka have begun to embrace an interpretation in which that society was characterized by private initiative and a vibrant civil society.[3] This book shows how actions undertaken by state authorities were supplemented and sometimes even surpassed by the efforts of men and women who sought to further both cultural goals and the amelioration of social problems through voluntary actions, both individual and collective. My study not only diverges from interpretations that emphasize the supposedly authoritarian German special path but also argues in favor of a view according to which, in certain respects, German society—at least in the nineteenth and early twentieth centuries—was even more "civil" than British or American society.

German bourgeois society was not only more civil than American society but also much more self-reliant than previous accounts of German

history have claimed. Although there is no doubt that with the introduction of Otto von Bismarck's Social Laws in the 1880s the German state assumed some responsibility for the funding of public services, the scope of this state intervention has been largely exaggerated by past scholarly work. Scholars have too easily assumed that these laws not only changed the nature of social-welfare provision in Germany but also impacted other areas of public services, from education to culture. Yet, public institutions such as museums, high schools, universities, hospitals, and social-housing enterprises were unable to survive without the support of wealthy donors. State funding for universities and high schools, for instance, accounted only for a fragment of the operating costs of these institutions. Private support was essential for the existence of public institutions and provided the backbone of Germany's civil society.

Civil Society and Philanthropy in Premodern German Society

Civil engagement in public institutions and for public purposes was not new to nineteenth-century German society. It developed in response to the existence of social inequality, which seems to be inherent to human society.[4] Nineteenth- and twentieth-century civil society built on these established patterns of civil engagement and century-old institutions that centered on the formation of *Stiftungen* (endowments and foundations) and *Vereine* (associations). Endowments, foundations, and associations empowered individuals to pursue individual and collective visions that provided the basis for a society built on individual initiative rather than state action. Civil engagement in premodern society was largely motivated by religious beliefs.[5]

The actions of Catholic donors in the medieval and early modern periods were motivated by concern for the afterlife. The Catholic doctrine of salvation encouraged believers to create bequests for the poor that were entrusted to the Catholic Church.[6] Philanthropic giving thus resulted in the creation of endowments administered by the church rather than in the creation of independent foundations with their own boards of trustees. These endowments consisted of two parts: the dominium and the yield. The dominium refers to the land relinquished to the church for safekeeping and the yield to the proceeds from this property that were to be distributed among the beneficiaries selected by the creator of the endowment. Since most endowments were created with land rather than with money, the Catholic Church assumed control over significant swaths of territory. According to Gabriel Baer, on the eve of the Protestant Reformation the Catholic Church controlled as much as "half of all land in Germany."[7]

The Protestant Reformation transformed and expanded the scope of philanthropic giving. Protestant philanthropy differed markedly from Catholic philanthropy in regard to both the motivation for and the timing of the donation. First, the creation of endowments was no longer guided by concern for the afterlife. Charitable trusts were, instead, created because of the donor's concern for his community during his earthly life. Second, philanthropy was no longer left to a decision made on the deathbed under the influence of Catholic priests who were imagined as preying on the dying for bequests to the church. More and more charitable trusts and endowments were, instead, created during the lifetimes of the donors. Deathbed bequests thus became the exception. This change also gave the donor more power over his donation, since he could interfere if he saw his wishes not being honored. Third, Martin Luther's call to create endowments for high-school and university students, in particular, expanded philanthropy from support for the poor to the funding of education of children from middle-class families. Providing endowments for educational purposes also expanded the circle of institutions that were entrusted with endowments. While previously the Catholic Church received the majority of endowments, secular institutions such as cities, universities, and high schools began to attract donations in the late fourteenth century.[8] Fourth, donations could become the starting point for entirely new legal institutions in the form of foundations with their own boards of trustees that made them independent of both religious and secular administrations. With the creation in 1516 of the first independent foundation—a legal person, or entity with legal rights and responsibilities—Jacob Fugger brought philanthropy into this new era. Rather than entrust his gift to an existing legal body, he created the housing trust that became known as the Fuggerei, which provided, for a symbolic annual rent of one Rheinische Gulden, living space for poor Catholic citizens of Augsburg. Because the one Gulden yearly rent covered only one-third of the annual expenses of the housing trust, Fugger added an endowment capital of about twenty-five thousand Rheinische Gulden to secure the future of the enterprise, which survives to this day.[9]

Catholic and Lutheran donors used philanthropy in the decades and centuries following the split of the Christian Church to shore up support for their respective religious communities. It had already been customary to limit the circle of beneficiaries to people of a particular geographic origin, social class, and (Christian) religion. The coexistence of Catholicism and Lutheranism added another specifying layer to the catalogue of limitations. The most prominent example of Catholic philanthropy was the creation of scholarship endowments specifically for Catholic students in the City of Cologne, which after the Napoleonic Wars were entrusted to the Gymnasial- und Stiftungsfonds zu Köln

(High School and Endowment Fund at Cologne).[10] These endowments provided scholarships to sons of Cologne families that enabled them to attend one of the city's three *Gymnasien* (high schools) and its university. The first endowment was created in 1422 with eighteen hundred Gold Gulden donated by the physician Johann Wesebeder. The Wesebeder Endowment provided four scholarships to high-school students.[11] In the following decades and centuries many fellow Catholics followed Wesebeder's example and created endowments that provided tuition scholarships and stipends to students in need of financial support. By 1500 6 endowments were added. From 1501 to 1600 another 48 were set up. The period from 1601 to 1700 saw the addition of 120 endowments. And from 1701 to 1800 another 45 were added, bringing the total to 220.[12] Scholarships such as the ones in Cologne were a strategic tool in the religious conflicts caused by the Reformation, since their donors decreed that the circle of potential recipients of aid from the endowments was to be limited to the members of specific Cologne families who had to belong to the Catholic faith. It was the donors' clear intention to use philanthropy to prevent the spread of the Lutheran faith in their region.[13]

Lutheran donors, in turn, created high schools and scholarship endowments that were limited to students of the Lutheran faith. The best-endowed Lutheran high school was the Gymnasium zum Grauen Kloster (High School at the Grey Cloister) in Berlin. This *Gymnasium*, which had been founded in 1574, became the beneficiary of large-scale donations after its alumnus Sigismund Streit (1687–1775) left it more than sixty thousand Talers by 1760. Streit, a wealthy merchant in Venice, directed his donations to various purposes, including teachers' salaries, dormitories, university scholarships for graduates, and the school library. Inspired by Streit's generosity, several alumni of the Gymnasium zum Grauen Kloster created endowments that provided subsidies for teachers' salaries and scholarships for graduates who had moved on to a university. There were also endowments that provided housing subsidies for retired teachers and stipends for daughters and wives of deceased teachers.[14]

The example of these educational endowments in Cologne and Berlin highlights the enormous growth and expansion of philanthropy from the fifteenth to the nineteenth centuries. Across the German states more and more money was given for the creation of endowments that provided poor relief and scholarships. The decades following the Thirty Years' War, in particular, saw an unparalleled growth of endowments and foundations, as the case of Prussia shows. Of the 407 foundations and endowments that existed across Prussia in 1814, nearly 80 percent had been created after the end of the Thirty Years' War in 1648 (table I.1).

Table I.1. Philanthropy in Prussia, 1814

Province	Total number of endowments and foundations	Period during which the endowment or foundation was created		
		Before 1538	1539–1648	1649–1814
Brandenburg and Berlin	196	6	24	166
East-Prussia	63	2	13	48
Pomerania	52	5	12	35
Posen	3	—	—	3
Silesia	74	10	12	52
West Prussia	18	2	1	15
Statewide	1	—	—	1
Total	407	25	62	320

Source: This table is based on a statistical analysis of the endowments, foundations, and associations listed in R. F. Rauer, *Preußisches Landbuch: Hand-Notizen über die im Lande bestehenden Wohlthätigkeits-Anstalten, milden und gemeinnützigen Stiftungen, Institute, Gesellschaften, Vereine etc* (Berlin: Wagner, 1866).

Endowments and foundations dominated the civil engagement of Catholic and Protestant donors up until the late eighteenth century. Jewish donors, by contrast, created voluntary associations that involved groups of donors. Such collective forms of giving were characteristic of Jewish philanthropy from an early point. *Hevra kaddisha* (burial societies) were established in Central Europe in the second half of the sixteenth century. The first *hevrot kaddisha* in the German-speaking lands emerged in Prague in 1564. Initially founded to care for the dead of a community, these associations expanded quickly into caring for the sick and, in general, into social-welfare services for the Jewish community. Secularization of the *hevra kaddisha* under the influence of the Enlightenment resulted, according to Benjamin Baader, in the creation of the prototype of the modern Jewish charitable association.[15] The Gesellschaft der Freunde (Society of Friends) in Berlin (founded in 1792) exemplified this new type of charitable association. While these new associations continued to adhere to established traditions in that their members visited the sick, buried the dead, and provided funds for the poor of their community, they also provided members and nonmembers with medical care and financial support when they fell ill. These new provisions constituted, according to Baader, "a radically new practice for sick-care societies."[16]

Endowments, foundations, and voluntary associations became, in the course of the nineteenth century, essential to secular and religious philanthropic activity. While endowments and foundations were often the result of individual action, associations brought together hundreds and sometimes more than a thousand donors. Endowments were given to public institutions for their administration. Foundations, by contrast, were created by the donors as new legal bodies that were independent of any public institution. Both endowments and foundations were envisioned by their donors as existing for eternity. Voluntary associations shared with foundations their independence from public institutions, but they were also created for a time period that exceeded the lifespan of the first generation of members.

There were only two major innovations in the field of civil engagement in the nineteenth century: (1) the expansion of the foundation and the endowment into the sphere of culture and art,[17] and (2) the development of the limited-dividend stock company.[18] Johann Friedrich Städel's decision to provide funds for a foundation to support an art museum in Frankfurt am Main marked the expansion of philanthropy into the field of art and culture.[19] Yet, this art museum was a lone exception in regard to its (individual) support basis, since most bourgeois art museums relied on the financial support of art associations, which often also took the form of limited-dividend stock companies. These stock companies were not intended to maximize profits for their shareholders but to provide funding for public institutions using limited market mechanisms.

Civil Society and Democracy

The interpretation put forward in this book has ramifications beyond the specific German case. American social scientists developed, based on Alexis de Tocqueville's account of associational life in American society,[20] a paradigm in which philanthropy and civil society are considered essential preconditions for a stable democratic society. The growth and proliferation of associations and grass-roots movements in American society have been interpreted as evidence for the assumption that civil society and democracy are two sides of the same coin.[21] The United States, however, is a rather poor case study for proving a causal relationship between civil society and democracy, because of the lack of regime change in that country since its founding. Germany, by contrast, because of its numerous changes in political system, provides an excellent case study to test the hypothesis that philanthropy and civil society create democracy.

The German case, however, disproves a paradigm that causally links civil society to democracy, since it was the time of authoritarian rule from 1871 to 1918 that produced a civil society that shaped social and cultural life. The transition to democracy after the November Revolution of

1918 saw a rapid decline in philanthropic engagement not only because of the unfavorable economic and financial conditions but also because of a democratic state that put little emphasis on civil society and, in fact, caused the widespread destruction of *Stiftungen* by indirect expropriation. Dictatorial rule in the 1930s and the first half of the 1940s, and from the late 1940s to 1989 in the eastern part of Germany, provided challenges for philanthropic engagement but did not completely destroy these remnants of civil society.

The German case teaches us that civil society and democracy are not causally linked. The suggestion that a strong civil society leads to the creation of a stable democracy is simply wrong. Scholars have overlooked the fact that civil-society actors could share the visions and policies of authoritarian rulers such as Wilhelm II and have misconstrued a concept in which civil society emerges only in opposition to the state.[22] German donors at the end of the nineteenth century acted in concert with Wilhelminian policies as they formulated their own aspirations with regard to the future of Germany. While there was no causal link between civil society and democracy, however, there was certainly such a link between industrialization and civil society. Although philanthropy predated industrialization by centuries, its unprecedented expansion in size and scope became possible only because of individuals who had become rich as a result of their economic activity. The accumulation and unequal distribution of wealth, as well as the desire of new social groups to secure their status in societies that were in transition from the agricultural to the industrial age, were the decisive preconditions for the emergence of large-scale philanthropy. This socioeconomic transition caused entrenched social hierarchies to crumble and new social groups to emerge. Philanthropy provided established elites with a means to hold on to their status and new elites to establish new social hierarchies and value systems that brought order to a society in turmoil.

Philanthropy in general can hardly be considered a democratizing power. Foundations and endowments, in particular, were not democratic in nature. They emerged as institutions within monarchical systems and adopted characteristics of monarchical rule. In fact, they are truly authoritarian, since one individual—or, in some cases, a group of individuals—dictates the terms of the gift. These individuals have only two qualifications for their philanthropic actions: (1) excess wealth and (2) a philanthropic vision. Philanthropic visions were often discriminatory, since donors provided instructions about the circle of beneficiaries. This circle of beneficiaries both included and excluded individuals of a certain religion, gender, social class, and place of origin. There were, for instance, scholarships only for Christian men from a particular city, and some social-housing enterprises admitted as tenants only families of a particular income group and with a specified number of children. These rules were

envisioned by the creator of an endowment or a foundation as binding for eternity. The philanthropic world always was a world of discrimination. And it is these discriminatory rules imposed on gifts by their donors that can tell us much about the worldview of bourgeois citizens and their visions for the future.

Some forms of philanthropy have, however, contributed to the democratization of society. Associations and limited-dividend stock companies, in which donor-investors forwent a certain share of their profit for philanthropic purposes, were to a degree schools of democracy, since they provided from their inception in the middle of the nineteenth century equal participation and voting rights to wealthy men and women. Before citizens received the right to vote for a national or state parliament, donors created limited-dividend stock companies to provide funding for zoological gardens, museums, and social-housing companies. The acquisition of shares in these companies gave their shareholders a vote and voice in all decisions about the company's operations. Women were able to acquire shares in these enterprises and, thus, were also entitled to participate in all decision-making processes. They obtained the right to vote in the shareholder assemblies long before they received the right to vote in parliamentary elections. Philanthropy empowered wealthy men and wealthy women who were voiceless in political affairs because of discriminatory voting systems. This was, of course, a form of elite democracy, since participation in these companies was limited to the wealthy. Since they had come to economic prosperity because of the authoritarian system, they had no reason for seeking change to a society they had shaped economically and philanthropically according to their vision.

The Structure of This Book

The first chapter introduces the reader to the competition for dominance between nobility and bourgeoisie in the field of art museum philanthropy. Urbanization and bourgeois emancipation transformed the social structure of nineteenth-century German society. With the growth of big cities, urban landscapes emerged that included zoological gardens, museums, opera houses, public parks, and theaters. Across the cities of the German Confederation a competition arose between nobility and bourgeoisie to create, fund, and maintain these urban institutions since they were part of a struggle for cultural and social dominance. While royal and ducal museums were the result of individual patronage, bourgeois museums emerged from the collaboration of hundreds of city burghers who joined museum associations. These bourgeois associations and the resulting public institutions represented the growing self-confidence of bourgeois groups in cities such as Leipzig, Bremen, Hamburg, and Frankfurt am Main. Two types of philanthropic culture emerged in the course of the nineteenth

century: first, that in bourgeois cities, and second, that in court cities. While in bourgeois cities such as Leipzig and Hamburg philanthropic institutions were created solely and exclusively by bourgeois groups, the royal or ducal courts in cities such as Berlin, Dresden, and Karlsruhe provided for a philanthropic culture in which the monarch instigated and chaired all major philanthropic projects and even contributed to their financing.

At the end of the nineteenth century, however, monarchical and noble support for museums proved insufficient, as the case of Berlin clearly shows. The museums founded by the Prussian monarch were in dire need of money and a powerful Berlin bourgeoisie was willing to support these projects in return for receiving increased social recognition and status. As the first chapter shows, ruling monarchs increasingly lost control over the cultural sphere of their court cities and capitals.

The second chapter introduces the reader to the role philanthropy played in higher education and in the shaping of elites. The increased significance of education and university training in an industrializing society caused wealthy citizens to create endowments for scholarships and fellowships at high schools and universities. These funds were essential for the smooth functioning of secondary schools and universities, since they provided financial assistance to those students who could not pay tuition out of their own pockets. These funds were, however, created with very specific restrictions with regard to gender, religion, social class, and often also the geographic origin of the potential recipient. Stipends were given only to male students from middle-class Christian families who could not afford higher education because of the deaths of their fathers or because of the high number of siblings who needed parental support. These scholarships and fellowships were never intended to further social mobility of students from working-class families. Philanthropy was meant to strengthen class society, not to abolish it.

Philanthropy in higher education was aimed at supporting the formation of a Christian-dominated elite by channeling financial support exclusively to Christian students. Beginning in the 1840s, Jewish citizens recognized the necessity of creating similar endowments for the support of Jewish students, since they were excluded from receiving such scholarships. And at the end of the nineteenth century, wealthy women also recognized the need for financial support for female students. The history of these endowments reflects the emancipation of Jews and of women in the realm of higher education. It also provides insights into the relationship between funding and the advancement of previously disadvantaged social groups through participation in higher education.

At the end of the nineteenth century, philanthropic support expanded, as chapter three shows, into the creation and support of research institutes such as the Kaiser-Wilhelm-Gesellschaft (Emperor Wilhelm

Society), and the funding of archaeological societies such as the Deutsche Orient-Gesellschaft (German Orient Society). Donors and members of these associations made decisions about the direction of scientific research and scholarly inquiry, and thereby shaped knowledge production in the Wilhelmine Empire. This chapter also discusses the increasingly close collaboration between donors and the state in the pursuit of national projects such as the advance of scientific research and the excavation of the City of Babylon in Mesopotamia.

The fourth chapter explores the provision of social housing by philanthropic institutions, including housing cooperatives, limited dividend housing companies, and housing trusts. These institutions emerged in response to the changes in the character of human life caused by industrialization and urbanization. More and more people moved to urban areas, which could not provide adequate housing for all those who needed it. Housing shortages, high rents, and unhygienic living conditions causing disease and epidemics characterized the experience of working-class families. Across Germany, social reformers developed strategies for the improvement of working-class housing and made recommendations that were eagerly appropriated by wealthy citizens. As in the world of culture and art, wealthy bourgeois citizens banded together to form associations that provided funding for social housing projects. In contrast to the founders of museums and zoological gardens, however, the founders of social housing companies were in a position to directly affect the structure of society. Decisions about architecture such as the size of an apartment were not just decisions about space and building materials: the size of an apartment determined the size of a family. The founders of such enterprises had very clear ideas about social life and the character and function of families in society.

The fifth chapter provides an assessment of the scope, size, and character of philanthropy in Germany on the eve of the First World War. The development of philanthropy in Germany defies both traditional accounts of German history and traditional theories of civil society. German historians contended until the 1990s that German society was state-centered and that all support for public institutions came from the state. Privately supported institutions were deemed marginal and remnants of a premodern age. As such, philanthropy was written out of German history. Yet philanthropy was not a marginal phenomenon; instead, it had become central to the organization of modern German cities. There was not a single museum, art gallery, theater, opera house, zoological garden, public park, hospital, high school, university, or social housing enterprise that did not depend on philanthropic support.

Social scientists working on the concept of civil society in the 1990s contended that philanthropy created civil society and that civil society, in turn, created democracy. Yet, in the case of Germany, philanthropy and

civil society emerged and even peaked during a time in which an authoritarian monarchical system held power. It was the Wilhelmine Empire rather than the democratic systems of post-First World War (the Weimar Republic) and Post-Second World War (the Bonn Republic) Germany that proved conducive to the unfettered growth of philanthropy and civil society. Democratic systems systematically derailed philanthropy and curtailed private support for public institutions.

In contrast to philanthropy in other countries, German philanthropy emerged largely unrestricted by law. German governments paid little attention to the growth of philanthropy within their borders. With the exception of Bavaria, there were no state attempts at monitoring its growth, and there were very few laws governing the philanthropic sector. Further, the division of Germany into several monarchial states from Prussia to Bavaria contributed to the development of philanthropic cultures and sectors within each of the federal states rather than the emergence of a unified national philanthropic culture.

State interference in philanthropy was limited to the regulation of investment of philanthropic funds. Laws that required the financial assets of foundations and endowments to be invested in state bonds made philanthropic assets important reserves for state programs, from social welfare to the military buildup. In the course of First World War, philanthropic assets were forcibly funneled into the acquisition of war bonds. Initially these war bonds offered higher interest rates, and if Germany had won the war, they would also have represented more lucrative investments; but Germany lost the war, and the new democratic government devalued its war bonds to get rid of its domestic debt, thereby bankrupting philanthropic institutions.

The sixth and final chapter follows the fate of philanthropy from the end of the First World War to the Unification of Germany in 1990. It has been tempting to assume that German philanthropy, which depended on financial assets invested in state bonds and war bonds, was destroyed in the hyperinflation of 1923. In fact, the decline of philanthropy was caused by the decision of the German government to forgo its financial obligations to the owners of war bonds. It was not the hyperinflation in itself that destroyed many foundations, but the decision of the democratic government to devalue its debt towards war-bond holders in 1925.

While the introduction of dictatorial rule in 1933 led to the complete destruction of all political and cultural associations and organizations that did not fit into the new political regime, endowments and foundations were not subjected to a blanket ban. The Nazis continued the policy of the Weimar Republic and forced smaller endowments that had lost their financial assets in the hyperinflation to merge with similar institutions, thus creating larger, financially viable endowments. While these mergers often violated the intent of the founders of these institutions and ignored

their mission statements, it secured the continued existence of philanthropy. Jewish foundations, which represented approximately five percent of all German foundations, were, in contrast to Christian foundations, directly targeted by the Nazis and expropriated.

After the Second World War, German politicians in the East and in the West had little understanding of or sympathy for a society based upon philanthropy. Both the East German and the West German governments expropriated many foundations and endowments. However, philanthropy did not disappear in either of the German states. In East Germany, foundations and endowments that were considered religious in nature were entrusted to the administration of the Protestant and Catholic churches and survived until the 1990s. In West Germany, individual donors made way for the corporate donors who began to dominate philanthropy in the 1970s and 1980s. Philanthropy continued to exist but was largely relegated to the margins of society.

1: The Competition between Nobility and Bourgeoisie for Dominance over Arts and Culture

During the hundred years from the end of the Napoleonic Wars to the beginning of the First World War, urbanization and bourgeois emancipation thoroughly changed the character of German society. Villages and towns were transformed into cities with large populations and urban infrastructures that included opera houses, concert halls, public parks, zoological gardens, theaters, and libraries. Funding for the creation and building of these cultural institutions came from princes, as well as from bourgeois citizens. Monarchs in Berlin, Dresden, Karlsruhe, and Munich, on the one hand, saw in the construction of art museums opportunities to reclaim royal authority after the upheavals of the French Revolution and the Napoleonic Wars, which had challenged established absolutist royal governments across continental Europe.[1] Bourgeois citizens, on the other hand, who had taken advantage of the opportunities offered by industrialization and had subsequently amassed significant wealth, provided funding for museums, zoological gardens, and concert halls, thereby claiming power to shape public spaces within monarchical states according to bourgeois visions. Across the cities of the German Confederation a competition emerged between royal rulers and bourgeois groups to create, fund, and maintain urban cultural institutions. This contest between old monarchical powers and the new bourgeois classes for control over cultural institutions was part of the struggle for cultural and social dominance within the German states.

This social, cultural, and financial competition affected a wide array of cities and was not limited to the capitals of the German states. While royal rulers dominated the support for the arts in capitals such as Berlin, Dresden, Karlsruhe, and Munich, bourgeois philanthropists, alone or in association with others, created and supported artists, art associations, and art museums in cities such as Bremen, Cologne, Hamburg, Frankfurt am Main, and Leipzig. Royal art collections—for instance, the famous collections in Dresden—had been the result of royal art patronage and art collecting over centuries. The collections of the Königliche Gemäldegalerie (Royal Picture Gallery) in Dresden were assembled by August II (1670–1733) and August III (1696–1763) during a period when the Saxon rulers were also kings of Poland. Dresden's famous Grünes Gewölbe (Green