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## The Right to Associate and the Rights of Associations Civil-Society Organizations in Prussia, 1794–1908

Richard Brooks and Timothy W. Guinnane

Was der Mensch ist, verdankt er der Vereinigung von Mensch und Mensch.<sup>1</sup>

In many countries today, the freedom to associate is seen as a fundamental right. A comprehensive survey of the world's written constitutions reveals that as of 2012, 93 percent include a right to assembly and 94 percent a right of association.<sup>2</sup> That these rights are provided as *de jure* entitlements in constitutional documents does not, to be sure, guarantee they are respected by officials in practice. In most modern democracies, however, entitlements of assembly and association are well-established bedrock features of democratic order and practice. Civil-society groups in these countries often enjoy additional civil and political rights that make it easier for these groups to cohere and to advance an agenda. Such has not always been the case. Freedom of association has not been the historic norm throughout the world. Even in liberal European regimes, such as revolutionary France, which

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1. "Man is what he is thanks to his association with his fellow man." This is the first line of Gierke's (1868) famous history of associations in German law.

2. See Chilton and Versteeg's (2016) survey of contemporary written constitutions, which included 186 countries. Surveys of older constitutions, undertaken by the Comparative Constitutions Project, found that for constitutions promulgated before 1900, 36 percent included freedom of assembly, and 46 percent had freedom of association. For 1900–1945, the comparable numbers are 77 percent and 83 percent. (Comparative Constitutions Project, *Characteristics of National Constitutions, V.2.0*: available at <http://comparativeconstitutionsproject.org/download-data/>.)

viewed themselves as leading the charge for human liberty and the democratization of political rights, entitlements to associate and entitlements of associations were largely restricted and not at all assured.

In this chapter we focus on Prussia, to examine the logic of limitations on the right of civil association and how these limitations evolved and weakened in the latter part of the nineteenth century. The Prussian example highlights a connection to the rights of business associations: in general, business organizations enjoyed associational rights prior to the liberalization of the analogous rules for civil-society organizations. Close study of particular cases is an ideal way to make progress on a question such as this, but we acknowledge the danger of implicitly generalizing from a single country's experience. To add context we offer a general framework of associational rights, illustrated by reference to American associational expansion over a similar period as our Prussian study. We also briefly reference France, both its internal experience and the influence it exerted over the other German states, that in some cases prodded Prussian developments.<sup>3</sup> We conclude by drawing out the connections between business law and the development of associational rights.

To start we distinguish two basic kinds of association rights. First is the right *to* associate, that is, the right of persons to come together or create relations with each other. Second is the rights *of* associations: rights granted directly to associations rather than indirectly through their members, agents, promoters, or other proxies. While it is commonly agreed that the right of association is fundamental to a well-functioning civil society, the term "association" invites competing interpretations. As an initial matter, association is distinct from assembly, itself a highly variable entitlement, as we illustrate below by reference to state and federal constitutions at the founding of the United States. To be associated with another person is not the same as assembling with that person. The right to associate is separate and superior to the right of assembly. Assembly is but a single means, albeit an important one, through which persons may associate. Moreover, the right to associate, properly understood, is often incidental to other higher-order constitutional guarantees. In contemporary US constitutional jurisprudence, for instance, courts have granted persons a derivative right to associate in order to secure primary rights of political and religious expression as well as rights of privacy. That these "primary" rights, at times, have been bolstered by privileges of association reveals the historically contingent character of the right *to*

3. Prussia was the core and dominant state in the German empire formed in 1871. Prior to 1871, the individual German states regulated associations, although the confederation formed in 1815 also weighed in on the question. The federal constitution adopted in 1871 allocated responsibility for different spheres between the states and the national government. Some areas of law remained at the state level for some years after the empire's formation. We focus on Prussian law until 1908, when the empire adopted a common statute on association. We use "Prussia" as opposed to "Germany" advisedly. For a different German state, see Meyer (1970), who studies associational life in the city of Nürnberg, which became part of Bavaria in 1806.

associate. A right to associate as a legal basis of interracial and same-sex marriage among other unions would have been unthinkable in 1776. Modern rights of associations, granted to groups currently engaged in civil and political (as opposed to commercial) activities, would be even harder for eighteenth-century observers to envision.<sup>4</sup>

We attempt to unbundle the loose package of “associational rights” by characterizing a typology of these rights, illustrated with examples taken from US history. We consider two further examples, Prussia and France. In all three countries today (Germany substituting for Prussia), the right to associate and rights of associations are so clear as to be taken for granted. But in all three countries, the right to associate and the rights of associations were initially less universal than one might think. This was even true in the United States and France, two countries founded after revolutions fought in the name of liberty. Prussia, however, is our primary historical focus: it provides the principal context where we demonstrate the contingency of associational rights as they evolved from the eighteenth century to the second half of the nineteenth century. Conveniently, German sources tend to distinguish the right to associate (*Versammlungsrecht*) from the rights that attach to associations (*Vereinsrecht*). Thus the distinction we draw is embedded in the main historical context that we study.

Although our primary concern is civil-society associations, these associations cannot be considered in isolation from commercial associations. To be sure, associating to earn a return on labor or invested capital is different, in important ways, from associating to discuss philosophical ideas or political trends, but the two gatherings raise similar issues in the eyes of the law. As we will elaborate, early restrictions on civil-society associations in Prussia presumed that all such meetings could be forbidden and police presence was mandated, if not actually carried out, in any tolerated meeting. Commercial associations were in practice spared these burdensome prohibitions and mandated surveillance, as that undoubtedly would have discouraged the formation of multiowner enterprises and generally undermined business activity. Hence business organizations were regarded as distinct from civil-society groups in many, if not most, contexts. Sometimes the distinctions between civil-society associations and business organization were less clear; German

4. Even today, it is difficult for lay and expert observers, as well as legal officials, to imagine, characterize, and reconcile how associational fictions come to possess constitutional rights directly. As evidence of this difficulty, Blair and Pollman (2015), for instance, point to the confounded US Supreme Court’s jurisprudence on corporate constitutional rights. Notwithstanding contrary judicial rhetoric, Blair and Pollman advance an interpretation that the US Supreme Court has not, in actuality, granted constitutional rights to corporations directly, that is, “to corporations in their own right,” but rather only derivatively and instrumentally in order to protect the interests and entitlements of natural persons represented by corporations. Taking the court at its word, however, it is impossible to deny the court’s recognition of rights resting directly in corporate bodies themselves. Whether the court was motivated to recognize constitutional *rights* of corporations in order to protect the *interests* of natural persons is a question separate from the fact that the court has granted such rights to corporations.

cooperatives, to take one example, were ostensibly business organizations but strongly associated with political ideas inimical to the state. In seeking to improve their legal situation qua business organization, the cooperatives helped advance the cause of civil society. In both Prussia and France, the first civil-society groups given expanded privileges were cooperatives, no doubt due to their economic character. In still other contexts, civil-society groups pursued a strategy of legal innovation by assimilating rights first granted to business organizations. Businessmen, familiar with and accustomed to the privileges and conveniences of their business forms, were particularly effective agents of their civil-society groups.

Acquisition of *corporate* rights was key to the growth and success of civil-society associations. We use “corporate” here to refer to rights belonging to the “body” of a group or society, as opposed to its members or other associates. The right simply to meet or to privately assemble is the prerequisite for any civil society. But even granting that, a government could effectively hinder civil-society development by denying such groups additional legal rights, from restricting their public assembly to withholding a variety of conventional legal means that allow citizens to operate large, long-lived organizations. These additional rights have been fundamental to the expansion of associations that characterize American civil society.<sup>5</sup> Imagine the American Civil Liberties Union (ACLU) if it could not sue in its own right, or own property, or contract with staff or others.<sup>6</sup> This ACLU would be little more than a debating society. We stress the developments of these additional “corporate” rights because they are crucial to development of associations and their ability to play a meaningful role in civil society.<sup>7</sup>

Prussia’s historical context is particularly instructive here. Until the early twentieth century, Prussian law explicitly restricted its citizens’ right to associate. The rules changed several times during the nineteenth century, but the common thread was that authorities who deemed an assembly or association threatening could forbid it, and possibly apply criminal sanctions against those responsible for organizing it. Governments today, of course, continue to outlaw associations deemed dangerous to the public good or the constitutional order.<sup>8</sup> The difference with the Prussian regime in the nineteenth

5. See Bloch and Lamoreaux (chapter 7, this volume).

6. By “could not” we mean that the ACLU could not exercise these rights and privileges without adopting cumbersome and expensive devices that are unnecessary to a business firm. Section 8.4 provides detailed examples.

7. The collective rights that organizations can exercise are central to the creation of civil-society organizations that can play their “third-sector” role. See discussion in the volume contributions by Bloch and Lamoreaux (chapter 7) and Johnson and Powell (chapter 6).

8. The German government today has the explicit power to outlaw organizations that it views as threats to the constitutional order. The government has only used it against groups that *declare their goal* to be the government’s overthrow. In the nineteenth century a group did not have to declare itself hostile to the constitutional order to be unable to meet.

century was its usage of law to prevent a wide range of associations that did not so much threaten the government as annoy it.<sup>9</sup> Like Prussia, most European states restricted associations in the nineteenth century, which is not to suggest that associations were in and of themselves disagreeable to the state.

Every political order relies on associations. Prussia, in fact, compelled participation in certain associations. Prussian political order rested on differences among the king's subjects, differences that were often expressed through status-based organizations. Some, but not all, of these groups were based on birth, such as the nobility. Membership was determined and mandated by the state, not chosen voluntarily by individuals. The law sought to limit *voluntary* organizations, groups that were not themselves directly or indirectly creations of the state. As Nipperdey (1976, 174) puts it, a person could join or leave these voluntary associations, and the association's members could decide to dissolve it. These groups were independent of their membership; participation was not limited to a particular class, nor could one's membership in a class be threatened by participation in an association. They existed only to meet the ends decided on by their members.

Again, most European states took a similar approach. An important and informative comparison is France. Prior to the French Revolution, France looked much like Prussia (in this respect). After, France restricted the right to associate at least as strictly as Prussia. This apparent similarity seems puzzling at first, since even after the Bourbon restoration France remained a political order very different from that which continued in Prussia. The ideals underlying the French discomfort with societies were different from those expressed in Prussia; the divergence, as we describe later, turns largely on differing conceptions of the state and the citizen's role in that state.<sup>10</sup> Nonetheless, despite important differences in political structures and political cultures, we observe similar restrictions on associations in these two places.

9. Prussia was in good company in restricting corporate rights to most bodies (including business firms) until the 1870s; France, for example, did not introduce general incorporation until 1867, and in Russia this step came even later (Guinnane et al. 2007; Gregg 2014). The few business corporations the Prussian government did charter had to agree both to oversight (which could amount to micromanaging) and often to transfer some of the benefits of association to the government.

10. We elaborate on this comparison below, briefly, with the following caveat: we will not engage deeper questions of political formation and its interpretation. For both Prussia and France, the question of association carries considerable ideological freight. A key referent for Germany is Gierke and his conception of the "*Genossenschaft*." It is also worth noting that few of the nineteenth- and early twentieth-century business- or cooperative-law discussions most relevant here mention Gierke. The French context is even more complicated, because the right of association invokes central themes from the revolution and the restoration, and also draws on Tocqueville and his enthusiasm for his vision of American society. We cannot do justice to the deeper roots of these debates in this chapter. Our central aim is to describe the legal and economic character of civil associations, according to an organizing framework to which we develop in the next section.

## 8.1 Associating and Association: A Framework with Reference to the US Context

To be precise in our treatment of associations, we briefly lay out a typology based on four terms, labeled R1 through R4 for future reference:

R1. *Associate* (a verb). Two or more persons engaged in some joint activity or relation (e.g., they might assemble for a rally, or meet to have coffee, discuss a book, undertake some longer-term activity, or they may be associated by virtue of a marital relation, a fraternal organization, or a political affiliation). A mere coincidence of physical presence is not sufficient. Two strangers squeezed together on a crowded bus are simply in “serial” association, as Sartre (1960) wrote, not associated, as we define it. We use the abbreviation *R1* or associate hereafter.

R2. *Associational aggregate* (a noun): An aggregate or group consisting of two or more associated persons (e.g., an unincorporated church or school or a group of persons running a going concern while sharing profits and losses, which may create an association called “partnership”). An associational aggregate, which we also call a mere association, can have its own internal organization and rules, to which its members consent, and that *may* be legally enforceable by and against members, but the association itself can neither legally bind or be bound by others. We use the abbreviation *R2* or “aggregate” hereafter.

R3. *Associational entity*: an association recognized by law as a distinct legal entity, separate from the persons, legal or natural, who comprise it (e.g., a partnership having entity status, a club or concern that can own property, sue and be sued in its own name). We use the abbreviation *R3* or “entity” hereafter.

R4. *A legal person*: a legal entity, associational or otherwise, that is treated as a person in law, possessing a legal personality, which may be determinative for particular entitlements unavailable to mere entities. For most purposes legal personality (entailed in R4) and entity status (present in R3) are equivalent, but occasional differences in treatment may result when an association is considered a “person” as opposed to an “entity.” We use the abbreviation *R4* or “legal person” hereafter.

We do not claim any general, one-to-one mapping between these four definitions and any particular organization or application of legal rules. That is to say, although R1 through R4 may be characterized in terms of specific rights, powers, privileges, and immunities along with their jural correlatives, we do not mean to suggest that states grant or recognize these entitlements in a consistent manner across our four categories. Controls deployed by the state are highly variable. States could and did restrict associational entitlements according to the number of people involved, and whether meetings took place indoors or outdoors. Restrictions sometimes

turned on the identity of those involved. Specific prerequisites, such as mandating use of the German language, were required of certain associations. Though today the law often requires that formal associations hold annual meetings and maintain minutes of meetings and such, one must resist casual ascription of familiar mandates and entitlements to associations in different times and places. American business partnerships, for example, possess or lack entity status depending on the time and the state in which those associations were formed or considered. Relatedly, today we think of limited liability as a cornerstone of business associations, but in the nineteenth century it was an uncommon aspect of firms. Even an association taking R3 and R4 may not have limited liability extended to its members and managers depending on the time, place, and other considerations. These and other qualifications threaten to leave our simple framework without any traction. But when applied to a specific time and place, the typology above may usefully clarify certain aspects of the civil-society landscape.

We illustrate the typology above by briefly considering the American associational context from the late eighteenth century through the early twentieth century. The American context is useful because of its fecund associational character during this period, as famously observed by Tocqueville. It is important to emphasize, however, that our aim is not to present a full historical account of associational custom and regulation in America. For that, turn to the comprehensive account (chapter 7, this volume) by Bloch and Lamoreaux on the law and development of voluntary organizations in the United States from 1780 to 1900. Our aim here is rather to refine and add content to the suggested framework before turning to (and applying the typology to) the less familiar account of associations in nineteenth-century Prussia.

While the American historical context is offered primarily to clarify our typology, it is also the case that the typology allows for a more nuanced appreciation of associational entitlements in the United States. Casual observers are often surprised to learn that the US Supreme Court did not recognize a distinct right of association until 1958.<sup>11</sup> A common myth asserts that associational rights largely existed since the founding, but in fact, as Bloch and Lamoreaux show, at the state level most of the key developments occurred during the nineteenth century. At the national level, key features of US associational law were forged during the twentieth century around the Civil Rights movement. Moreover, in the very recent past, doctrines concerning rights of associations have experienced extraordinary shifts, not to mention the practical innovations in the media, forms and memberships of associations.<sup>12</sup> From “virtual” associations on the Internet to newly inte-

11. *NAACP v. Alabama*, 357 U.S. 449 (1958).

12. Striking a shaky balance between expression norms in the First Amendment and anti-discrimination norms of the Fourteenth Amendment and other laws, such as Title IX of the

grated membership rolls (by ethnicity, race, gender, sexuality, and so on), the American associational landscape today is quite different than it was at the birth of the nation.

What the first citizens of the United States understood of their rights and limits of associations may be gleaned from the nation's founding documents. These inaugural citizens belonged to various associations that predated the United States of America, of course, and numerous other associations grew out of its battle for independence from England.<sup>13</sup> From the beginning, the framers of the US Constitution looked askance on some of these associations and sought to regulate, discourage, or prohibit them. For example, participants in the original constitutional debates critically scrutinized the Society of the Cincinnati, a hereditary association of Revolutionary War officers and their male descendants. George Washington was the association's first president. Its membership included numerous other war heroes and founding fathers of the country. Yet notwithstanding the high regard in which the framers held Washington and other officers of the Continental Army, they passed Article I, sections 9 and 10 of the 1787 federal constitution (along with comparable restraints in many state constitutions) to express their disapproval of hereditary associations and to explicitly ban the state's participation in sponsoring and recognizing such groups.

But while the federal constitution discouraged some associations, it also encouraged and enabled others. In 1791 associations in the United States received their chief enabling statute. The First Amendment of the federal Constitution (1791) implicitly recognized a right to gather for the purpose of political and religious expression and expressly provided a right of assembly.<sup>14</sup> Some state constitutions, such as Massachusetts's (1780) and New Hampshire's (1784), preceded the federal guaranties of political and religious expression and also assured their citizens a right to assembly "in

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Civil Rights Act of 1964, US federal courts have significantly revised associational law based on *inter alia* sex, gender, and sexuality over the past forty years and will no doubt continue the adjustments into the twenty-first century. See, for example, *Roberts v. United States Jaycees*, 468 U.S. 609 (1984); *Rotary Int'l v. Rotary Club of Duarte*, 481 U.S. 537 (1987); *Boy Scouts of America et al. v. Dale*, 530 U.S. 640 (2000); *Gloucester County School Board v. G.G.*, 579 U.S. \_\_\_\_ (2016).

13. From the earliest colonial settlements, churches and religious groups formed the basis of civil society in America, but they were not the only associations; take, for example, the Ancient and Accepted Free Masons, founded in Boston in 1733. Skocpol (2003, 22) observes, "In colonial America, [Arthur Schlesinger] asserts, voluntarily established associations were few and far between and typically tied to local church congregations. But the struggles of the colonists for independence from Britain taught 'men from different sections valuable lessons in practical cooperation,' and 'the adoption of the Constitution stimulated still further application of the collective principle.'"

14. The First Amendment to the United States Constitution states that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances" (emphasis added).

an orderly and peaceable manner” for “the common good.”<sup>15</sup> Other state constitutions granted more liberal associational rights. Delaware’s 1792 Constitution, for example, simply conferred upon its citizens a right “to meet,” without the restriction for “the common good,”<sup>16</sup> while still other states explicitly allowed their citizens to assemble for *their* own good, which apparently was the intended (but not included) language of the federal assembly clause.<sup>17</sup>

Permissive constitutional language aside, the practice of assembly and association did not proceed unfettered in the country’s first years. As early as 1792, the primordial national Congress and president began a campaign against the so-called democratic-republican societies, local political associations that convened regular meetings critical of the federal administration.<sup>18</sup> Their growing numbers and criticisms throughout 1793 inspired George Washington’s charge, in the annual presidential address to Congress in 1794, “that ‘associations of men’ and ‘certain self-created societies’ had fostered violent rebellion.”<sup>19</sup> By linking the democratic-republic societies to

15. Massachusetts’s 1780 Constitution (sec. XIX) states, “The people have a right, in an orderly and peaceable manner, to assemble to consult upon the common good; give instruction to their representatives, and to request of the legislative body, by way of addresses, petitions or remonstrances, redress of the wrongs done them, and the grievances they suffer.” New Hampshire’s 1784 Constitution (Part I, Bill of Rights Art. XXXII) similarly observes that “The people have a right, in an orderly and peaceable manner, to assemble and consult upon the common good, give instruction to their representatives, and to request of the legislative body, by way of petition or remonstrance, redress of the wrong done them and the grievances they suffer.”

16. “Although disobedience to laws by a part of the people, upon suggestions of impolicy or injustice in them, tends by immediate effect and the influence of example, not only to engender the public welfare and safety, but also in governments of a republican form, contravenes the social principles of such governments founded on common consent for common good, yet the citizens have a right, in an orderly manner, to meet together, and to apply to persons intrusted with the powers of government for redress of grievances or other proper purposes, by remonstrance or address” (Constitution of Delaware [1792], Article I, Sec. 16).

17. See, for example, Constitution of Kentucky (1792), Article XII, Sec. 22: “That the citizens have a right in a peaceable manner to assemble together for *their* common good, and to apply to those invested with the powers of government for redress of grievances, or other proper purposes, by petition, address, or remonstrance.” (emphasis added); Constitution of Mississippi (1817), Article I, Sec. 22: “That the citizens have a right, in a peaceable manner, to assemble together, for *their* common good, and to apply to those invested with the powers of government for redress of grievances or other proper purposes, by petition, address, or remonstrance.” (emphasis added); Constitution of Alabama (1819), Article I, Sec. 22: “The citizens have a right, in a peaceable manner, to assemble together for *their* common good, and to apply to those invested with the powers of government for redress of grievances, or other proper purposes, by petition, address, or remonstrance.” (emphasis added); Constitution of Arkansas (1836), Article II, Sec. 20: “That the citizens have a right in a peaceable manner to assemble together for *their* common good, to instruct their representatives, and to apply to those invested with the powers of government for redress of grievances, or other proper purposes, by address or remonstrance.” (emphasis added). See Inazu (2010), regarding the intended but omitted language in the federal assembly clause.

18. See Bloch and Lamoreaux (chapter 7, this volume) and associated references.

19. Inazu (2010, 580). “Robert Chesney suggests that “[t]he speech was widely understood at the time not as ordinary political criticism, but instead as a denial of the legality of organized and sustained political dissent” (ibid.).

the widely unpopular Whiskey Rebellion, Washington, with support from the Congress, expanded the disfavor with which these “self-created societies” were held. A few years later, in 1798, Congress would pass the Sedition Act, allowing it to sanction citizens and associations it deemed too critical of the federal government. All told, American political associations faced significant state scrutiny in the last ten years of the eighteenth century.

Nineteenth-century associational entitlements were progressively liberalized for white men, while remaining restrictive for women and disfavored racial and social groups, as described by Bloch and Lamoreaux. By focusing on these restrictions we may better observe distinctions among types of associational entitlements. Restrictions on race-based groupings marked the most prominent prohibitions on voluntary associations in the United States, particularly in the South. Southern states restricted the number of blacks who could gather outside of the company of white observers. Free blacks associating with slaves were strictly prohibited by statute, especially in the wake of the Denmark Vesey slave insurrection controversy in 1822 when South Carolina, followed by a number of other Southern states, passed so-called Negro Seamen Acts, to quarantine black sailors and thereby prevent the “moral contagion” of their presence on slaves.<sup>20</sup> Intimate association between blacks and whites was also *de jure* proscribed, even if *de facto* prevalent. These restrictions on intraracial and interracial associations fall under the associating (R1) category and were applicable to public (“outdoor”) and private (“behind doors”) gatherings of natural persons, especially at nighttime. Restrictions on mere aggregations, R2 in our typology, included labor-based associations of white and nonwhite workers. Through the early nineteenth century state courts invoked the English common law doctrine of criminal conspiracy to prevent laborers from associating for common purposes. By the 1840s the presumption of criminal conspiracy was largely relaxed, but states still maintained a robust managerial position over these associations.<sup>21</sup>

Southern states also outlawed, limited, or maintained surveillance of church-based gatherings of blacks, particularly following the 1831 Nat Turner slave rebellion. These (R2) black churches maintained a continuity beyond the one-shot assembly of multiple individuals, but they generally did

20. South Carolina’s Negro-Seamen Act required black sailors stay on vessels docked at local ports or else face arrest and possible enslavement. The law passed in significant part out of fear that free black sailors would stir unrest among slaves if the two groups associated. Alabama, Georgia, Louisiana, Maryland, North Carolina, and Tennessee also restricted the association of free blacks and slaves (see Lightner 2006; Schoeppner 2010).

21. Chief Justice (of Massachusetts) Lemuel Shaw’s opinion in *Commonwealth v. Hunt*, 45 Mass. 111 (1842), held that it was not *per se* illegal for workingmen to associate for common purposes. As a matter of practice a number of American jurisdictions had already taken this position, but Shaw was the first really explicit departure from the English common law of criminal conspiracy. This departure did not, of course, mean that everything that workers agreed together to do was thought to be legal—as the robust later history of labor injunctions shows (see Tomlins 1993). See also Bloch and Lamoreaux (chapter 7) and Margaret Levi et al. (chapter 9), both in this volume.

not acquire legal entity status. Exceptions to this pattern include an African Methodist Episcopal (AME) Church, incorporated in Louisiana by free persons of color in 1848. Berea College, a private college incorporated in Kentucky in 1855 for the purposes of interracial educational association, also represents an uncommon case. As legal entities (R3), both the AME Church and Berea College appreciated advantages of the corporate form. But, viewed as creatures of the state, they were also subject to heightened regulation by the state. Both associational entities were effectively banned by subsequent legislative amendments.<sup>22</sup>

Beyond having entity status, some associations are recognized as distinct persons, possessing legal personality (R4).<sup>23</sup> As persons in law, associations established as corporations possess entitlements distinct from its individual members, as well as from any aggregation of them. For example, under the so-called intracorporate conspiracy doctrine, recognized in some US courts, a corporation, as a single distinct person, cannot be subject to conspiracy charges (even if several of its officers or other agents engage in conspiratorial acts on its behalf).<sup>24</sup> Legal persons (R4) are not simply entities (R3). They may possess characteristics and rights as persons, which are not legally cognizable in entities.

We close this section by returning to the animating purpose of this brief overview of American associations and their regulation: namely, to illustrate our typology of associating and associational forms. While this short review cannot possibly capture the rich and complex character of associational life in nineteenth- and early twentieth-century America, recall that was not our aim. Rather, it was to use the complex character and history of American associational order, captured in statutes and cases, to observe operational variance in our typology. Take, for example, the case of *People's Pleasure Park Co. v. Rohleder*, which involved an association of “negroes” led by a former slave, who formed a corporation, the People's Pleasure Park Company, to purchase land they could not acquire themselves due to their race.

22. Berea College presents an especially interesting case. Fifty years after its founding, Kentucky passed a segregation law (the Day Law) aimed specifically at the college, disallowing “any [public or private] college, school or institution where persons of the white and Negro races are both received as pupils.” The US Supreme Court denied Berea's claimed right to continue its integrationist policy by invoking the state's reserved discretion, which allowed it to amend charters through legislation. The court suggested a different conclusion may have been reached if Berea College was not incorporated, but it limited its inquiry to “the power of a State over its own corporate creatures.” Perhaps if Berea was not incorporated, the natural persons associated with the college would have had a stronger constitutional claim to voluntary interracial association. On the other hand, Kentucky prevented voluntary association through its antimiscegenation laws, and the state would certainly have argued that application of the Day Law to natural persons “was a reasonable exercise of its police power . . . to prevent miscegenation.” On the AME Church, see *African Methodist Episcopal Church v. City of New Orleans* and discussion by Inazu (2010, 32).

23. They have been recognized as such by the US Supreme Court since its ruling in *Trustees of Dartmouth College v. Woodward*, 17 U.S. (4 Wheat.) 518, 636 (1819).

24. See *McAndrew v. Lockheed Martin Corp.*, 206 F.3d 1031, 1036 (11th Cir. 2000).

The court recognized the corporate transaction as valid, notwithstanding the fact that it was “a corporation composed exclusively of negroes,” chartered (R3) to “develop a pleasure park for the amusement of colored people” for play (R1). In that case, the court concluded that People’s Pleasure Park Company was, by law, simply a corporate entity, and “in law, there can be no such thing as a colored corporation.”

A striking feature of this case is that even though the organizers of the People’s Pleasure Park Company faced racial restraints in acquiring property, they appeared to have full access to form a business corporation. This illustrates the later liberalization of commercial incorporation for business associations as compared to the continuing restrictions on civil associations for disfavored groups. The case also illustrates practical implications among distinct associational types, that is, R2, R3, and R4. The extent to which natural persons, legally defined as black or nonwhite, acting as individuals or as a group were constrained in their legal capacity to sue, to contract or to acquire property for their associational ends in nonentity partnerships or associations (R2), associational entities offered advantages so long as the court recognized the entity (R3) as legally distinct from the natural persons.<sup>25</sup> Yet, even if distinct from its members, as legal persons corporations (R4) are sometimes treated as possessing entitlements and features common to natural persons, such as race, ethnicity, and gender. The court could have attributed a racial identity to the corporate person, as a number of courts have since done, transferring the legal disabilities or advantages of race to the corporation itself (Brooks 2006).

Bearing in mind these distinctions between natural persons and legal persons (R4), entities (R3), aggregates (R2), and associating (R1), we now consider the rights and restraints on civil associations in nineteenth-century Prussia.

## 8.2 Associations in Prussian History

From at least the last decades of the eighteenth century, Germany witnessed the rise and spread of associations of many types: patriotic associations, gymnastic associations, associations to advocate literacy and education, other types of “social welfare” associations, and associations simply for fellowship. At the end of the eighteenth century there were some 270 “reading societies” alone, this in a poor country with low literacy. This may puzzle, given this chapter’s focus on the limits placed on associations. Prussian law never forbade association; rather, it allowed the authorities to deny R1 and R2 rights to groups thought dangerous to the state. The authorities explicitly focused on certain types of associations (secret, or clearly politi-

25. Married women, burdened by legal disabilities under the common law doctrine of coverture, may have similarly exploited the corporate form.

cal) and certain practices (such as using the wrong language). The groups that flourished under this regime either avoided political issues, or carefully disguised the political content of their activities. As we stress in the examples to follow, enforcement depended considerably on time and place, with particular groups receiving official favor at first and then facing banishment. The overarching theme here is not universal prohibition, but the development of association only at the sufferance of the government.

Why would Prussia or any other state view civil-society organizations as a threat? The reasons shifted over time, but we can see two strands in the arguments against civil-society groups. Sometimes, especially during and just after the struggle with revolutionary France, Prussian authorities viewed civil-society organizations as direct conspiracies against the state. More generally in the early nineteenth century, this kind of organization threatened the *theory* of the Prussian polity. Civil-society organizations crossed status boundaries, and implicitly threatened the idea of organizing citizens into separate status-based or “ascriptive” groups. They also created a life outside the control of state and thus “challenged the State and Church’s monopoly on interpretation, questioning matters that previously could not be questioned” (Nipperdey 1976, 195; see also Sheehan 1995).

Hueber (1984, 132) usefully divides the years 1794–1908 into four periods. First, the period 1794–1819 was characterized by a relatively permissive general code undermined by more repressive edicts. Second, that legal environment did not change much in the second period (1819–1847), but a broad flowering of associational life reflected the complicated relationship between law and social outcomes. Many political thinkers stressed free expression as a fundamental right, and included association as part of expression. In the more liberal German states (such as Baden, where French ideas enjoyed more influence than in other areas), these ideas led to brief periods of relaxed rules on association. Third, the right to associate played an important role in the struggles of the revolutionary period (1848–49). Had the revolutionary Frankfurt constitution survived, Germans would have enjoyed freedom to associate rivaling the United States or the United Kingdom at the time. Fourth, the postrevolutionary period began with a severe reaction that ignored some of the constitutional guarantees agreed upon during the 1848–49 period, but for the rest of the nineteenth century the legal framework slowly liberalized. The 1908 Reich Act on association extended Prussia’s by-then relatively permissive treatment of association to the entire country.

Throughout the period we discuss, the Prussian Crown could always extend R3 or R4 rights to a specific, favored organization. The organization could be a scientific or cultural group, or a business corporation. Such charters, even to a business organization, carried the sense of a favor, one that could be withdrawn (or at least not extended beyond the original date). This created an opening for the state to pry into and even micromanage the

organization. In our terms, then, until the end of the nineteenth century, Prussians had almost no R1 or R2 rights, and anything related to R3 or R4 required a grant of privilege to a specific organization. At the end of the nineteenth century, the legal situation changed considerably. Germans (as Prussians were by then) had some R1 and R2 rights, and could establish organizations with some of the R3 and R4 rights afforded to the most sophisticated business firms. Changes in the right to associate took place throughout the nineteenth century, and the final major legislation of our period (in 1908) was still fairly restrictive. Extension of R3 and R4 rights, on the other hand, did not come until the end of the nineteenth century. Only with the Weimar Constitution (1919) did Germans acquire as fundamental rights the ability to associate and to create associations.

### 8.2.1 Before 1819

Until the late eighteenth century, most German states (like most “old regime” states) severely restricted both R1 and R2 rights. Tillmann (1976, 5) refers to these regimes as “police states.” The first important change came with Fredrick the Great’s 1794 law code for Prussia (*Das Allgemeine Landrecht für die Preußischen Staaten*, hereafter ALR).<sup>26</sup> The ALR explicitly granted R1 and R2 rights, although the code still allowed the authorities to suspend or restrict these rights if they thought order demanded it. Thus the ALR represented in principle a great liberalization in the right to association. The ALR also provided a basic framework for associations. The code defined an association (*Gesellschaft*) as the combination of several members of the state for a common end (II(6), §1). Such associations were either “permitted” (*erlaubt*) or “not permitted.” An association was permitted so long as its purpose was consistent with the common good (*gemeine Wohl*) (II(6), §2). The code did not precisely define the common good or its opposite; it just said that groups whose purpose or activities violated the “calm, security, and order” were not tolerated. The government also had the right to forbid associations that were in principle allowed, if such groups disguised their intentions or took a form that was dangerous.

The ALR (II(6) §11–21) also defined the rights of permitted associations (*erlaubte Privatgesellschaften*). Permitted associations could write rules binding the members of the association (they had R2 rights), but these agreements had no effect on third parties (the associations had no R3 or R4 rights). Thus a permitted association could adopt rules that functioned as enforceable agreements among its members, but it could not contract as

26. Fredrick died in 1786, but the Code was his project. The ALR deals with matters that were later treated separately in civil, commercial, and criminal codes. Parts of Prussia used French civil law in the period 1815–1900. While different in important respects, the French code was similar to the ALR for the issues discussed here, and in any case, the relevant Prussian law was increasingly outside the code.

an entity with third parties. In our terms, permitted associations had only R1 and R2 rights.

The ALR's liberality did not long survive in practice. Prussia's involvement in war with revolutionary and Napoleonic France led to occupation of considerable Prussian territory, and even before occupation, Prussian authorities had good reason to fear French influence, especially in its western territories. A Prussian royal edict issued October 20, 1798, in principle, forbade all secret and political organizations that aimed to change either the constitutional order or the administration. This edict reflected fear of disloyalty and French influence. Changes to the constitutional order or administration potentially covered most aspects of public life, so the edict could be used to suppress a wide range of organizations, even those who viewed themselves as enthusiastic supporters of the Prussian Crown. The underlying idea was that subjects had no right to play any role in the state's affairs, whether alone or in groups. Nipperdey (1976, 199) quotes Nassau's minister Ibell as expressing the idea, somewhat later, in brutal form: "It is both unreasonable and illegal to convince or persuade private persons that they, alone or in combination with others, can participate in Germany's great national affairs."<sup>27</sup> But this fear of association competed with a more pragmatic instinct: that toleration of some types of associations might foster German patriotism and a stronger allegiance to the state. This more tolerant view reached as high as the upper reaches of the Prussian ministry, where Freiherr von Stein and others promoted greater participation in public affairs as a way of cementing the relationship between the king's subjects and his state.<sup>28</sup> Stein succeeded in establishing representative bodies in cities. The influence of Stein and people who shared his outlook probably accounted for the uneven enforcement of the October 1798 edict.

Prussia's resurgence and ultimate victory over French forces in the "War of Liberation" (1813) rested in some measure on widespread patriotic feelings, fostered in part by the type of associations that had been the target of the 1798 edict. For a while, Prussian reformers held sway, and they thought freedom of association could help them achieve the political reforms they wanted. Hueber (1984, 117) notes that Prussian officials learned not to apply their restrictive law, particularly against patriotic associations that held out the Prussian king as their ideal monarch. Another edict issued January 6, 1816, repealed the 1798 edicts' provisions (Tillmann 1976, 5–6), in effect restoring the conditional right to associate found in the ALR. In lifting

27. "Es ist eine ebenso unvernünftige als gesetzwidrige Idee, wenn Privatpersonen glauben mögen berufen oder ermächtigt zu sein, einzeln oder auch in Verbindung mit anderen selbständig oder unmittelbar so jetzt als künftig zu den großen Nationalangelegenheiten Deutschlands mitzuwirken."

28. This is the "Stein" of the Stein-Hardenberg reforms, a series of political and economic reforms initiated in Prussia during the first decades of the nineteenth century (see Duchhardt 2007).

earlier restrictions, the edict referred explicitly to the role such associations had played in liberating Prussia from Napoleon.

### 8.2.2 1819–1848

This liberality did not last. Most German states, Prussia included, renewed or strengthened their limits on association starting in 1819. The German *Bund's* 1819 Carlsbad Decrees also renewed press censorship and efforts to suppress voluntary associations. The new stance reflected the defeat of Prussia's most important reformers, along with continued fear that revolutionary ideas would spread from France. "The participatory energies which had once been seen as a necessary source of state power were now condemned as the source of unrest and revolution" (Sheehan 1995, 9). The Prussian state's urgency in repressing many of these groups illustrates the threat it perceived in such organizations; many of them were patriotic, anti-French associations that viewed themselves as bulwarks of the state. A notable example is the *Burschenschaften* first formed in 1815. Composed entirely of male university students, many of whom were veterans of the military campaign against Napoleon, the *Burschenschaften* saw themselves as enthusiastic German patriots. Their meetings and festivals honored key moments in German history in general, and the struggle against Napoleon in particular, but the Carlsbad Decrees outlawed them. Various permutations of the group continued to work in secret, but they were ruthlessly suppressed as part of the reaction following the 1848–49 revolution. This history seems a little odd for a group whose motto was "honor, freedom, and fatherland" (*Ehre, Freiheit, Vaterland*). Some parts of the *Burschenschaft* agenda caused discomfort to the Prussian Crown. One example would be calls for Germany to be a single constitutional monarchy. Even though the selected monarch would most likely be a Hohenzollern, the Prussian royal house rejected any idea of national unification based on popular movements.<sup>29</sup> But the *Burschenschaft* example reflects more importantly the fundamental discomfort with voluntary associations: the Prussians suppressed organizations that held among their central tenets patriotism and enthusiasm for the Prussian royal house.

Even ostensibly apolitical groups could run afoul of the restrictions. The "circle" (*Kreis*) was a type of informal group of like-minded people who would meet to discuss politics and related issues. Sperber (1991, 94) emphasizes the *Kreis's* limitations as a source of political transformation; inherently local, these groups recruited based on prior connections, and so had little capacity to become the basis of anything important. One well-known circle consisted of Prussian Army officers, for example. The first gymnastic societies (*Turnvereine*) were patriotic, paramilitary groups that arose as part

29. *Burschenschaften* exist today as student groups whose political leanings are, if anything, conservative. The connection between the modern organization and the associations discussed in the text is tenuous.

of the movement opposed to Napoleon. Although loudly committed to the Prussian monarchy, they were suppressed at the time of the Carlsbad Decrees as being “too active and threatening,” as Sperber (1991, 94) puts it. The gymnasts reemerged in the 1840s, adopting a more explicitly political coloring, with both left- and right-wing associations of gymnasts. When the revolution broke out, gymnasts were to be found on both sides of the conflict. This later history might validate the Prussian authorities’ suspicion that the gymnasts were more interested in politics than exercise, but it also illustrates that the nature of a group’s views was not the problem.

The offense ascribed to the *Burschenschaften*, some “circles,” and some gymnasts was simply presuming to discuss affair of state, even if only to support the king. Not all agreed; Baden legalized political associations in 1829, only to be overruled on July 5 of 1832, when the German *Bund* issued wide-reaching rules concerning censorship and associations. This decree (§2) forbade all organizations with political goals and organizations whose goals could be used for political purposes, and also (§3) regulated festivals and, in particular, forbade political addresses at festivals.<sup>30</sup>

Sperber (1984, 30–35) discusses two associations with wide appeal: lay brotherhoods and “sharpshooters” clubs (*Schützenvereine*). The brotherhoods, usually named for a saint, had a variety of roles, including praying for the deceased and some mutual aid. These organizations were very old by the early nineteenth century. A variant had emerged during the late eighteenth century, one that served similar goals but was more secular, sometimes even mixing Catholics and Protestants in the same group. The sharpshooters also claimed a venerable lineage, but many such clubs that existed in the early nineteenth century reflected the transformation of older, confessional organizations into a secular body that existed primarily to organize festivals and, as the name suggests, shooting contests.

Government opposition to such organizations seems hard to fathom; what is the harm in praying for the dead or, for the sharpshooters, marching around in odd uniforms? (Today one could imagine a government fearing groups organized around guns and marksmanship, but this was not, at least overtly, the concern about the sharpshooters.) Part of the answer lies in the danger that even these harmless-sounding groups could erupt into political discussion or expression. Sperber notes that two lay brotherhoods took the

30. These “ten articles” (formally, “Zweiter Bundesbeschluß über Maßregeln zur Aufrechterhaltung der gesetzlichen Ruhe und Ordnung im Deutschen Bunde”) followed an earlier “six articles” that limited popular representation in the German states. Section 2 “Alle Vereine, welche politische Zwecke haben, oder unter anderm Namen zu politischen Zwecken benutzt werden, sind in sämtlichen Bundestaaten zu verbieten und ist gegen deren Urheber und die Theilnehmer an denselben mit angemessener Strafe vorzuschreiten.” Section 3 requires that irregular festivals (“Außerordentliche Volksversammlungen und Volksfeste”), that is, those not associated with particular days of the year, receive prior approval from the authorities. Reprinted in Hardtwig and Hinze (1997, 99–102). Zweiter Bundesbeschluß “über Maßregeln zur Aufrechterhaltung der gesetzlichen Ruhe und Ordnung im Deutschen Bunde.”

name of local Masonic lodges, suggesting openness to sinister ideological influences. In 1847, the invitation to a Düsseldorf sharpshooters contest contained veiled political commentary that most contemporaries would understand. More generally, a wide variety of ostensibly apolitical groups increasingly took on a political coloring. Organizations such as singing clubs and other recreational associations sometimes concealed what was really a political association. Robert Blum (later executed for his role in the 1848–49 revolution) used the Leipzig *Schillerfest* of 1841 as cover for a liberal agenda. Even the Chambers of Commerce (*Handelskammern*) (which in Germany have a quasi-official status) could become forums for political discussion.

Concern about a different type of association may be easier to understand, and often formed a pretext for harassing the harmless groups. The most overtly revolutionary individuals in prerevolutionary Germany had largely emigrated, and if they continued their activities they did so from abroad. The groups they formed in exile became famous after Marx and Engels transformed one of them into the Communist league, but there were many such groups operating secret cells all over Prussia. On more than one occasion the police would infiltrate and break up a cell operating in Prussia, using the group's (forbidden) existence to suggest broader international conspiracies. France's 1830 July Revolution gave those claims some credibility; the violent introduction of a constitutional monarchy in France terrified more than one German ruling house. Sperber and others, however, doubt the claim of conspiracies involving ties between German Liberals and radicals, and the 1848–49 revolution in Germany provides little evidence of radical influence on those leading the opposition to the current order.

### 8.2.3 Revolution

The 1840s began with an economic upswing. At the same time, a sharpening of social problems and a relatively lax enforcement of laws on association also led to a boom in new associations: some were new versions of old groups, like the gymnasts, while others reflected the variety of concerns the developing economy provoked. There were associations to promote education for poor children, to build hospitals, and for a broad array of efforts to help the working classes. It was a "period of associations" (Nipperdey 1976, 176).

The decade ended, however, with a combination of economic crisis and political opposition culminating in the revolution of 1848–49. Freedom from censorship and the right to associate were high on the list of goals for many at the Frankfurt Parliament. The Constituent National Assembly's constitution drafted in 1849 (the so-called "Paul's Church" constitution) never came into force because it was rejected by the Prussian and other governments. But its "Bill of Rights" (Section VI) indicates what Liberals of the era wanted. Article VIII (§161–§163) gave all Germans the right to assemble without permission of the authorities, and decreed that public meetings

could only be forbidden if a cause of immediate danger (*dringender Gefahr*) to public order and security. It goes on to say that all Germans had the right to create associations. Both provisions even applied to members of the military, so long as the associations did not interfere with military discipline.<sup>31</sup>

#### 8.2.4 Reaction and Slow Liberalization

The Prussian constitution promulgated on January 31, 1850, promised a return to the associational freedom guaranteed by the ALR.<sup>32</sup> Prussians now had the right to meet without permission of the authorities, declared §29, so long as such meetings were indoors and the participants were unarmed. Outdoor meetings still required prior permission. This amounts to a partial R1 right. The constitution further granted Prussians the right to create associations (*Verein*) (§30), so long as these groups' purposes were not forbidden by the criminal law. In our terminology, these organizations possessed entitlements characterized, at best, as R2, but even these R2 privileges were not absolute; the same clause gave the government the right to forbid or limit political organizations. The government also reserved the right to regulate, via legislation, how these privileges were exercised. Furthermore, the government fully retained the power to withhold or extend R3 and R4 rights (§31).

In any case, even these provisions meant little in the reaction that followed the revolutions. The 1850 Prussian constitution came about under considerable pressure. Royal edicts and legislation (passed by an assembly elected with a reactionary three-class voting system) quickly backtracked, however, on the relatively liberal guarantees of freedom of expression and association. Legislation enacted on March 11, 1850, so restricted the rights of association as to make the constitutional guarantee meaningless. The law described a class of rules that applied only to groups that intended to discuss public affairs (*öffentliche Angelegenheiten*). Such groups were required to inform the police at least twenty-four hours in advance of any meeting. The group's leaders had to provide its articles of association and a list of members to the police at least three days before coming into being. The police had the right to send to these meetings up to two police officers or other persons (§4).<sup>33</sup> And the authorities could immediately end any meeting that had not been properly registered, where speakers called for illegal actions, or where attendees were armed. Groups that deal with public affairs could not have as members women, school-age children, or apprentices. The restrictions on public meetings were even more detailed and punitive (see Koch 1862, 521–40).

31. Reichs-Gesetz-Blatt 1849.

32. Hardtwig and Hinze (1997, 347–57) reprints the relevant clauses.

33. Such observers had to wear their uniforms if police officers, or other identifying signs if not police. So the intention was not to send spies.

The 1850 law also forbade “associations of associations.” This provision sought to restrict association to those who could physically meet, which meant, given incomes and the transportation technology of the day, that associations would be small and necessarily parochial. If an association could become part of a larger, umbrella organization, then the regime risked the possibility of mass movements. Even worse, if a Prussian association could be part of a larger, international association, then radical émigrés might find a back door into Prussian life. Later these restrictions would be used against the labor movement, but in the 1850s the fear was far more a resurgence of the pan-German, liberal ideas that informed the Frankfurt Parliament.

To appreciate how much these laws could limit the right to associate, we need to consider their broad language. Some topics clearly do not qualify as “public affairs,” and these would presumably include the affairs of a business firm. But it is easy to see why Prussian authorities thought the 1850 law gave them the right to interfere with virtually any other organization. The ALR’s references to “common good” and the like opened even more doors, as we shall see.

The statutes gave the authorities the right to suppress a wide range of associations. We do not know how often this actually happened, and, in fact, many associations thrived in the period of greatest repression. Notions of order and common good left room for officials to suppress bodies they found simply inconvenient. On the other hand, arbitrary application of the law conflicted with a long Prussian tradition of the rule of law and a professional administrative bureaucracy. For us to know just how much trouble the limits on association posed for most civil-society groups would require the fruits of research not yet undertaken.

The Reich’s 1871 constitution gave it the right to regulate associations, but for the first few decades of its existence the Reich left the matter to the states. The conflict with the Liberals largely ended by 1871, but Bismarck’s political repertoire included attacks on associational rights for other disfavored groups. Bismarck’s conflict with the Catholic Church (the “*Kulturkampf*”) that intensified starting in 1871 relied heavily on the association laws. In 1872 a group of leading Catholics had formed what they hoped would become a national organization capable of defending the freedom to practice their religion. Formally called the “Association of German Catholics” (*Verein der deutschen Katholiken*), the group came to be called the Mainz Association because it was founded in that Hessian city, in part to avoid Prussian laws on association (Sperber 1984, 211). The Association organized itself on the basis of a legal fiction: even individuals who resided outside Hesse (e.g., in Prussia) were enrolled with the Hessian organization, meaning, the Association hoped, that the Prussia restrictions on association would not apply. In practice, most members lived in the Prussian provinces of Rheinland and Westphalia. Soon after its creation the Mainz Association came under

attack from the state, and in 1876 the Prussian Supreme Court ruled it had violated the association laws, rejecting the ploy that there were no actual organizations on Prussian soil (214). Bismarck's later "anti-Socialist" laws (1878–1890) also worked partly by denying R1 and R2 rights to groups associated with the Social Democratic Party. Efforts to combat Polish national aspirations in Prussia's eastern provinces drew on the same tactics.

Conflict with the labor movement illustrates another way associational rights remained problematic. The majority of German trade unionists belonged to unions affiliated with the Social Democratic Party (according to Prager [1904, 287], about two-thirds of the 1.3 million union members counted in 1903). Restrictions on unions and strikes in Prussia had been lifted in 1869 (the liberalization extended to the Reich in 1871), but unions as associations remained potentially subject to the laws of association in the various German states until the 1908 act discussed below. Lujo Brentano quipped that the result was a situation where workers had the right to form unions, but were punished for doing so.<sup>34</sup> There were two general problems. First, although Germany had one law on unions, it had twenty-six different state-level laws governing associations. Second, while strict application of those state laws might leave unions in the clear, some of the unions' activities were plausibly "political" and so gave conservative officials a pretext for treating the unions as an association subject to their limitations. For unions to operate successfully in a large country, they had to undertake activities that might bring them afoul of the law. For example, unions had good reason to try to combine in regional and national groupings. Yet the association law could be construed to forbid one association to belong to another.

The formal end to restrictions on R1 and R2 rights came with a Reich Act (April 19, 1908) on the right to meet and to form associations. This act overrode both earlier edicts and all state laws, thus creating a single, uniform set of rules for the entire country. Romen (1916, 11–12) stress this uniformity and the end of conflicts between Reich and state-level law as the new measure's great achievement. The 1908 act marked a significant liberalization in some ways. Most notably, women could now participate in meetings and associations devoted to public affairs. The government's justification for this innovation stressed changes in the economic and social role of women; many women held positions formerly held only by men, the government stressed, and many women were economically independent and so had a right to participate in the affairs that affected their lives. Women could still not vote, but the government's defense of the law did not make that connection.<sup>35</sup> More generally, Prussia's law of association, although conservative by later

34. Brentano's remark appears in several sources, but none cite an original. Wiberg (1906, 1) begins his text with it. Wiberg is a brief account of the way the law of association constrained the German union movement at the time he wrote.

35. Entwurf eines Vereinsgesetzes (1908), "Begründung," especially pp. 22–23.

standards, allowed more freedoms than found in other states, such as the two Mecklenburgs. By extending the relatively liberal Prussian approach to some more conservative states, the 1908 act also brought new associational freedom to some areas. The 1908 act retains many features of the 1850 legislation discussed above, including the requirement to notify the police of meetings. These limitations would not pass from German law until the Weimar Republic. Even the 1908 act (§7) required that public meetings be conducted in German. The authorities could issue a waiver if they wanted, but the law gave the authorities the right to force Poles, for example, to hold meetings in a language many could not understand.

### 8.2.5 Corporate Rights for Civil-Society Organizations

The 1908 act concerned R1 and R2 rights only. By removing or limiting most restrictions on gatherings, the new law made associations possible, but did not extend so far as to include R3 and R4 rights. Developments in the R3 and R4 rights of associations came relatively late, and cannot be discussed separately from developments in company law. The 1861 *Allgemeine Deutsche Handelsgesetzbuch* (hereafter ADHGB) created a distinct business code that extended to (nearly) all the German states. While it did not require general incorporation, the ADHGB allowed states to choose that option (although only a handful of states did so). Most German states retained the concession system for establishing business corporations. The ALR treated business firms (*Handlungsgesellschaften*) differently from the permitted associations discussed above. But they had something in common with the permitted association: in II(6) §22–24, the code reserved the right for the government to extend additional rights to associations, whether business or “privileged association.”

The “privilege” in this phrase referred to additional rights beyond R2, and reflected the state’s desire to advance particular goals or to reward favored individuals. The Prussian State could and did charter special business corporations, for example, and extend them R3 and R4 rights. The practice of granting corporate charters had become so common, after the coming of the railroad and some earlier projects to build toll roads, that in 1843 Prussia adopted a statute to standardize the corporations formed under this concession system. But distrust of the corporate form meant that prior to the adoption of general incorporation, few new firms were created with these rights. Similarly, the Crown sometimes chartered a body for a specific charitable or cultural end, endowing it with R3 and R4 rights. For our purpose, the important feature of this aspect of the legal regime was the idiosyncratic nature of such charters. Clearly the organizations involved, whether business or civil-society, had to be advancing the government’s goals and had to share some of the benefits of their organization with the government. Corporate grants for business firms, for example, usually involved implicit or explicit

transfers to the state. It is hard to imagine business people on bad terms with the government being granted a special charter.

An important liberalization in company law took place in 1870, when Germany as a whole allowed general incorporation for business firms for the first time. The earlier ADHGB included another provision that was more immediately important. After providing basic information to a public business registry, a partnership acquired important R3 rights. According to the ADHGB's partnership rules, "The firm can, under its own name, acquire rights and contract responsibilities, acquire ownership and other rights in land, sue and be sued in court."<sup>36</sup> Similar provisions had been part of the business law of some German states earlier. A next, important step came with the creation of the *Gesellschaft mit beschränkter Haftung* (GmbH) in 1892. The government intended the GmbH as a business form. The vast majority of GmbHs were in fact for-profit ventures. But the law explicitly stated that the GmbH could be used for any legal purpose, and from the start, a small number of civil-society organizations took advantage of the GmbH form. The GmbH (§13) could sue and be sued, contract and own property, and so forth, and its owners all had limited liability. This new legal form afforded groups all the R4 rights of a corporation.<sup>37</sup>

The final development in our period came with the introduction of the first all-German civil code (*Bürgerliches Gesetzbuch* [BGB]) in 1900. The BGB (§21–§79) created a new "registered association" that came into being by entry in a new association registry and adhering to certain norms. The registered association gave to any civil-society group organized in that way full R3 rights; such organizations could sue and be sued, contract in their own name, and were subject to bankruptcy proceedings.<sup>38</sup> The system worked similarly to the registration system for business firms or cooperatives, and in fact, the new registered association had the same minimum membership,

36. The ADHGB implicitly created two types of business organizations: those covered by the ADHGB, which are the firms discussed in the text, and those that remain under the ALR or other civil law in regions that did not use the ALR. The ADHGB rules applied to both ordinary and limited partnerships. The implicit contrast is to the situation obtaining before 1861 in Germany, or in the United States or Britain at the time. The ADHGB did not make partnerships full legal persons; for example, a partnership's existence was tied to specific individual members.

37. The GmbH differs from a corporation in important ways; see Guinnane et al. (2007) for discussion. For civil-society groups, an important feature of the GmbH is the rule that requires a notarial act for transfer of ownership shares. If the group made ownership in the GmbH synonymous with membership in the organization, a changing membership could be quite expensive. The 1884 Corporations Act also allows the corporation for any legal purpose. Few civil-society organizations took advantage of the 1884 act for this purpose, presumably because the 1884 act also required large minimum shareholdings and expensive governance and oversight provisions.

38. The entity is called *eingetragener Verein* in German and abbreviated e.V. Some English texts refer to it as an "incorporated association," which conveys the impression that it is more like a US not-for-profit corporation than it really is. We use the clumsy "registered association" because it seems more accurate.

seven, as cooperatives. An *eingetragener Verein* registered in a special public registry of such bodies, listing its officers and some other information. Most civil-society groups today take the form of registered associations. But the form is elastic, and some professional and even industry groups organize this way. For-profit firms can also organize an association to represent their interests politically, and so long as that lobbying group does not earn profits, it can be organized as an *eingetragener Verein*.<sup>39</sup>

The civil code dealt with private-law matters only. In the period 1900–1908, that is, after the new BGB but before the new Reich Act of 1908, permitted associations could acquire considerable R3 and R4 rights, but the remaining public-law limitations on associations meant that some associations remained forbidden. The BGB's §61 explicitly allowed local authorities to object to registration of an association that was forbidden under the public-law restrictions on associations. After 1908, however, such objections could only reflect the Reich's more liberal association law, which established a general right of association.

### 8.3 Germany's Cooperatives

We now turn to a single, important example that illustrates the issues we have discussed here. The first modern German cooperatives were formed starting in the 1840s, with a second, more rural branch taking off in the 1860s. By 1914 there were some twenty thousand cooperatives across Germany. Estimates put cooperative membership in the millions, and since many nonmembers dealt with cooperatives, the cooperatives featured as important enterprises in the lives of many more. Most cooperatives were eventually organized under the Reich law of 1889, which we discuss below. This law allowed a cooperative to take form for any purpose related to advancing member economic interests. The most numerous cooperatives were credit cooperatives, but there were also consumer cooperatives, cooperatives for purchasing inputs and marketing products (especially in rural areas), and a few production cooperatives. The (itself often ideological) historiography has often focused on the political motivations of the consumer cooperatives, which often had strong ties to Social Democratic and other labor organizations. This focus understates the size and diversity of German cooperation. Fairbairn (1994) has stressed that German cooperatives had far more members than did the Social Democratic Party; as mass movements go, cooperation might have been less revolutionary in intent but it involved far more Germans.

The most famous early cooperative leader, Hermann Schulze-Delitzsch, was also a leading Liberal figure. As a member of the first elected Prussian

39. Section 22 allows the German state where the association is located to grant this status to for-profit groups, as well.

Parliament, he was among those prosecuted for voting to refuse the taxes the government wished (the literature calls this incident the 1849 *Steuerverweigerungsprozess*). Prussian officials at first viewed his cooperatives as extensions of his political agenda, and used the association law to frustrate their development. By the time the rural cooperatives started to develop in the 1860s, the state was less hostile. Friedrich Raiffeisen, the man most associated with the rural cooperatives, received modest government support for his organizational activities. By the end of the nineteenth century the Prussian government had set up a new banking institution intended to foster further growth in the cooperative movement.<sup>40</sup> In the early years, however, officials used the association laws to harass the cooperatives. Under the ALR, a cooperative was at best a permitted association, which left the groups vulnerable to officials who might construe the cooperative's leaders, or goals, as a threat to order. A cooperative, like any other group, could always apply for special corporate rights, but Schulze-Delitzsch rejected this approach. He recognized that corporate rights would give the government legal grounds for extensive "oversight and interference."<sup>41</sup> He usually stressed such oversight as contrary to the cooperative's purpose, which was to develop a class of experienced, self-reliant small businesspeople, farmers, and others. But in other statements he noted that corporate rights, even if granted, would open the door to interference from the cooperative's political enemies.

Several cooperative histories recount the problems Schulze-Delitzsch and his colleagues faced because of the association laws. The two original credit cooperatives, in Delitzsch and Eilenburg, both in Prussian Saxony, at first enjoyed the good fortune to have as the local county commissioner (*Landrat*) the sympathetic von Pfannenbergl. But Pfannenbergl was soon replaced by von Rauchhaupt, whom Ruhmer (1937, 227) calls "a fanatical opponent of German credit cooperatives." The cooperative leaders thought that von Rauchhaupt's opposition to the credit cooperatives was really just opposition to Schulze-Delitzsch and other Liberals.<sup>42</sup> Other officials used their power and the cooperatives' legal status to undermine these bodies as well as their Liberal backers, although we know less of those incidents.

40. The *Preußische Central Genossenschaftskasse* formed in 1895. For more than you ever wanted to know about German cooperatives, see Guinnane's publications listed in the reference list (2001, 2012, 2013; Guinnane and Martínez-Rodríguez 2011).

41. "Sodann ist aber auch die Aufsicht und Einnischung eines Regierungsbeamten in die Vereinsgeschäfte überaus hemmend und lästig, wie sie von Erteilung der Korporationsrechte untrennbar ist" (from Schulze-Delitzsch's address to the Congress of Economists, quoted in Thorwart 1909, 369). In the period prior to the adoption of general incorporation in 1870, Prussia and other German states used a variety of means to regulate and control the corporations they chartered. One approach was to insist that a state official act as a corporation's commissioner (*Kommissar*).

42. Ruhmer (1937, 227–28) quotes von Rauchhaupt as claiming that the two cooperatives were led by the politically most dangerous persons ("*politisch gefährlichsten Persönlichkeiten*"). He also claimed the cooperatives were just a vehicle for the two political leaders to assemble funds for their political activities.

Von Rauchhaupt attacked the cooperatives as both illegal and dangerous to the public. His legal argument relied on two different features of the ALR and later legislation on association. He denied the cooperatives' status as "permitted associations." The cooperatives had been approved as associations of artisans, he argued, but they also included wage-laborers, farmers, and others. Thus the cooperatives had violated the terms on which they were formed (*ultra vires*) and approved as "permitted." When one cooperative leader attempted to remedy this problem by applying for corporate status for his group, the county commission denied the request. That denial gave von Rauchhaupt a pretext for demanding that the regional government in Merseburg dissolve the cooperative entirely.

The regional government rejected von Rauchhaupt's demand as without legal basis. Von Rauchhaupt then appealed to the governor (*Oberpräsident*) of the Prussian province of Saxony. This time Rauchhaupt stressed the ALR's criterion for tolerating private bodies: he argued that because the cooperative harmed the public good, the government could forbid it. In March 1857 the provincial government rejected that claim, which in effect restored to the Eilenburg cooperative the status of a permitted association.

Von Rauchhaupt's argument that the cooperatives did actual harm might have been a pretext, but it illustrates the fragility of groups that could be suppressed on the grounds that they harmed the public good. His claim rested on two undeniable facts. The credit cooperatives charged interest rates that Rauchhaupt estimated as 11–12 percent per annum. The local *Spar-kasse* (a state-backed savings bank) was charging 5 percent. The "harm" the cooperatives were doing was charging apparently exorbitant interest rates. These rates were typical of the early days of the Schulze-Delitzsch credit cooperatives, and apparently much lower than the costs of credit from moneylenders. (We do not know enough about *Sparkassen* lending practices, but the literature suggests that most cooperative borrowers would be turned away from the *Sparkasse*.) Von Rauchhaupt's second argument concerned the unlimited liability then required for cooperative members, which was a consequence of the ALR's rules and the lack of a corporate charter. He noted that this set-up meant very poor people risked losing all of their assets should the cooperative be unable to satisfy its debts. He also seemed to think unlimited liability was a form of communism, an odd claim given that most businesses at the time had unlimited liability.<sup>43</sup>

Von Rauchhaupt's complaints that the organization had tricked the government about its membership might have been easy to overcome by restating cooperative membership. But the claim about harm raises a different issue; the ALR allowed the government to ban any organizations that were

43. This account of von Rauchhaupt and his opposition to the Delitzsch and Eilenburg cooperatives is based on Ruhmer's account (1937, 227–39). The basic outlines here agree with references in the writings of Schulze-Delitzsch and his allies, and Ruhmer bases much of his version on von Rauchhaupt's own reports from the official archives.

harmful. Close attention to subsequent history might convince us that an 11 percent interest rate was better than the only alternative, which was a money-lender charging a much greater percentage, and that unlimited liability posed little risk for poor people with nothing to lose and little hope of economic improvement without the cooperative. But von Rauchhaupt's stated position was not ludicrous. Consider the following thought experiment: if we described a lender charging 12 percent to academics today, how many would sympathize with von Rauchhaupt's view that they are dangerous?

The authorities' power to use the police power to forbid, harass, or control cooperatives was a constant theme in the cooperative accounts of the 1850s. Some German states were worse than Prussia, with Saxony apparently winning the dubious distinction of being most hostile to cooperatives. In some cases the authorities did not try to shut down the cooperative, they just wanted to micromanage it. Schulze-Delitzsch complained that in another case of protracted conflict (involving the Eisleben cooperative), the authorities asserted the right to approve every single loan!<sup>44</sup>

This government harassment ceased only when a changing political environment made the Liberals part of the government's coalition. The change in the political atmosphere meant that by the early 1860s, the cooperatives had effective R1 and R2 rights. But Schulze-Delitzsch and his colleagues had long thought that cooperatives suffered as well from a lack of R3 rights. They began to use their new political positions (as members of the Prussian *Landtag*) to push for a special enabling law for cooperatives. The effort yielded fruit in 1867. The historiography of cooperative law has stressed the issue of limited liability, which was indeed contentious at a later point. But in the 1860s, Schulze-Delitzsch stressed the cooperative's lack of entity status. Under the ALR, a group like a cooperative was just a collection of individuals in some agreement, R2. As the ALR puts it, "Such associations do not constitute legal persons in relation to others, and as such cannot contract in the society's name for land or capital."<sup>45</sup> This status forced the cooperative to use expensive and imperfect workarounds to achieve what would be easy for a group with R3 rights. Consider the specific example of a member taking a loan from a credit cooperative. After 1867, the cooperative could (through its officers) contract with the borrower *as the cooperative*. Before 1867, the cooperative lacked any status with respect to third parties (including a borrower). Cooperatives operating before 1867 had to adopt one or

44. This is part of his defense of his first draft of a cooperative law (quoted in Thorwart 1909, 369–70).

45. Quoting more extensively: "§12 Bei Handlungen, woraus Rechte und Verbindlichkeiten gegen Andere entstehen, werden sie nur als Theilnehmer eines gemeinsamen Rechts, oder einer gemeinsamen Verbindlichkeit betrachtet. §13 Dergleichen Gesellschaften stellen im Verhältnisse gegen Andere, außer ihnen, keine moralische Person vor, und können daher auch, als solche, weder Grundstücke, noch Capitalien auf den Namen der Gesellschaft erwerben. § Unter sich aber haben dergleichen Gesellschaften, so lange sie bestehen, die inneren Rechte der Corporationen und Gemeinen" (Band III, Titel 6).

more stratagems to deal with this impediment. All entailed significant costs. A cooperative could have all members sign a particular contract. Contracts set up this way were really between the third party and each member (signatory) and not with the cooperative per se. This cumbersome mechanism was apparently rarely used. The sources stress other methods. Sometimes the cooperative's treasurer contracted in his own name (Crüger 1894, 395). The approach worked well if the treasurer's position did not turn over frequently, but clearly put a burden on the treasurer and required trust in his probity. More commonly, it appears that cooperative members gave their power of attorney (*Bevollmächtigung*) for relevant business to the cooperative's leadership (Crüger 1894, 394). Establishing the power of attorney required either a notarized document or personal appearance in front of an official, both of which could be costly.<sup>46</sup>

These legal and practical disabilities were not limited to cooperatives; they attached to any association or enterprise that did not acquire a special charter. Many small businesses were viewed by the ALR in the same way as the cooperatives. But two features of the cooperatives made this legal problem more serious than for most businesses. Business partnerships rarely had more than three or four members. Cooperatives, on the other hand, often had more than 100 members, and some had several hundred as early as the mid-1860s. With these numbers it was easy for a single power of attorney to be invalid, and a single invalid power of attorney could force a cooperative to reinstate a legal action to, for example, recover a debt. In addition, by their nature cooperatives had a constantly changing membership. Every time someone joined or left a cooperative, the institution had to incur the legal costs mentioned above, and every change in membership raised the possibility of defective documents.

The ADHGB introduced a new principle into German law, recognizing the legal rights of entities such as partnerships that were not full legal persons (Joël 1890, 420). Because these partnerships had limited but important rights to act collectively, they were clearly R3 groups in our terms. Schulze-Delitzsch's contribution to the new cooperative law was to apply this principle to cooperatives. The 1867 cooperatives act gave cooperatives R3 rights the same way the ADHGB gave R3 rights to business partnerships. The act created a public registry of cooperatives (*Genossenschaftsregister*) that paralleled the register of firms used to track partnerships and corporations. Cooperatives that took advantage of the 1867 law had to register and to keep their membership lists up to date. In return, they acquired the R3 rights that applied to business partnerships under the ADHGB.

The 1867 act initially applied only to Prussia, but was extended to the

46. The distinction we make warrants stress. The cooperatives found ways to operate without R3 rights, but this does not amount to saying those methods did not entail significant costs.

North German Confederation in 1868. Most other federal states also accepted the Prussia law after 1871, with Bavaria delaying acceptance to 1873 and Saxony to 1874 (Joël 1890, 421). The 1867 act gave cooperatives most of the R3 rights they had sought. The act also settled the question of whether cooperatives could be harassed under the law related to association: bodies that had their own special act were doubtless “permitted.” The interesting feature of the 1867 act was its connection to the business code. Schulze-Delitzsch never raised the idea of making cooperatives part of the business code. This would not have been absurd; while cooperatives in some countries (such as the United Kingdom) have their own distinctive enabling statutes, in most countries the law treats cooperatives as a special kind of business corporation. Such had been the case in Saxony and Bavaria. Rather, his approach to cooperative law simply borrowed an important feature of the then-new ADHGB: a partnership could have R3 rights simply by registering.

Schulze-Delitzsch’s use of the principles underlying the ADHGB’s provisions on partnerships illustrates two important points. First, the R3 and R4 rights civil-society groups need are virtually the same as those business firms need. Second, while Schulze-Delitzsch did not want the corporate status that could bring state oversight, he saw the value of tying his cooperatives to the business law, making them more secure from ideological enemies.

Within a few years efforts were under way to pass a new law at the Reich level. Much of the debate over new proposals took place *within* the cooperative movement; even those seeking to introduce features most resisted by cooperatives did so in the spirit of what they thought would enhance the movement’s viability. The 1889 Reich Cooperatives Act introduced three changes. First, it allowed cooperatives to be members of each other, thus legalizing the practices of regional cooperative “centrals.” Cooperative centrals were larger, regional entities that provided services to local cooperatives. Most centrals were banking institutions, but others served wholesale functions. Note how similar this organization is to what is common in the business world, where business firms own other firms. Second, the act required external auditing for all cooperatives. This requirement preceded mandatory external auditing for banks or business firms, and thus is striking on its own for going beyond any such provision for business firms. Finally, and most notably, the 1889 act allowed cooperatives to organize with either unlimited or limited liability. Subsequent discussions of the 1889 act have focused heavily on this feature, probably exaggerating its immediate impact. Few cooperatives took advantage of the limited liability form at first. But it meant that cooperatives could acquire one common corporate entitlement, limited liability, that was at the time strictly limited for business firms.

This sketch of the cooperatives and their encounters with the several aspects of association law illustrates an important and general feature of

the entire issue. The law never sought to repress all associations. When the cooperatives did not fit with the prevailing political trends, some officials used the law of association to harass them. With a changing political environment that harassment ceased, and by the end of the nineteenth century many German governments offered (modest) direct and indirect subsidies to cooperatives. This pattern can be found throughout the nineteenth century, as Nipperdey (1994, 267–68) observes: at the same time as the law allowed governments to restrict or outlay associations, the same governments supported a range of educational and mutual-assistance organizations. The nineteenth century was the century of associations, as Nipperdey puts it; most Germans belonged to at least one, and many Germans belonged to several. But Germans only belonged to associations the government thought conducive to its own ends.<sup>47</sup>

#### 8.4 France: A Brief Comparison

Were the restrictions we discuss a Prussian, or German, peculiarity? They were not, and to make this point concrete we turn to a brief comparison with France. This comparison does not carry with it the suggestion that France and Prussia were alike in any simple sense. Rather, we use it to indicate the common themes in associational rights present even in quite different societies. Even though democratic ideas and institutions appeared earlier and had more force in France than in Prussia, the limits on the right to associate were similar.

The French Revolution introduced basic democratic precepts and institutional forms that subsequent regimes at first severely limited, but never fully abolished. The restored Bourbon monarchy (1814/15–1830) tolerated an advisory parliament, and its successor, the so-called July monarchy (1830–1848) limited the Crown's power while expanding the franchise. By the third Republic (1870–1940), France enjoyed core democratic institutions that have endured: universal (at first, manhood) suffrage, ministerial responsibility, and so forth. Prussia, on the other hand, retained a three-class parliamentary voting system until the Weimar Republic (1918). The Reich introduced universal manhood suffrage with its foundation in 1871, but both Prussia and the Reich retained a parliamentary system in which the ministers were responsible to the king/emperor, rather than to the Parliament. Political historians debate how “democratic” this system was, but Germany clearly did not enjoy the same political culture and institutions as France until 1918. For all the political differences between France and Prussia in the nineteenth century, both regimes share a common skepticism about civil associations

47. “Das Jahrhundert wird das Jahrhundert der Vereine, jeder steht—oft mehrfach—in ihrem Netzwerk” (Nipperdey 1994, 267).

and repressed them with equal vigor. The final removal of the most severe restrictions in France took place not long before the Reich's 1908 act.

The French historical experience demonstrates that comparable restrictions on civil-society institutions existed in regimes other than absolute monarchies, as Prussia was until the 1850s. This account focuses on the law rather than the ideational underpinnings. One source of the restrictions on associations stems from Rousseau's notion of the "general will," which informed much French thought on democracy and democratic rights. France under the *ancien régime* was at once an absolutist state and a society riven with groups that claimed special privileges: by virtue of birth, or occupation, or the king's favor (see, e.g., Jacob Levy's thoughtful discussion of Montesquieu and the *corps intermédiaires* in chapter 3 of this volume). Democracy existed to overcome the expression of these particular interests in favor of the general will. Rousseau argued that associations that existed in the space between the citizen and the state (which he called "*sociétés partielles*") could only frustrate the development of the general will; they could advance their member's interests, but not assist their members in shaping the general will.<sup>48</sup> The French restrictions on association reflected, in part, this conception of the general will.

Unease with associations had a more pragmatic basis, as well. The various French governments saw in political associations a sort of counter to the state that menaced the state's functioning and even legitimacy.<sup>49</sup> Clubs were a useful tool in the struggle to overthrow a regime, but dangerous to the new constitutional order established in its place (Jaume 2001, 77). Even those who had been members of such associations prior to the Revolution opposed them once in power. The nuances are different, but the core of the pragmatic opposition to associations is identical to the Carlsbad Decrees and other efforts to suppress opposition in Germany.

Under the *ancien régime*, the French authorities limited association in ways similar to those we described above for Prussia in the early nineteenth century. These limitations were part of a broad strategy of controlling speech and potential political opposition, just as in Prussia. France's revolutionary government enacted strong, systematic restrictions on association. The *loi Le Chapelier* of June 14, 1791, declared "n'est permis à personne d'inspirer aux citoyens un intérêt intermédiaire, de les séparer de la chose publique par un esprit de coopération." This act followed soon after the "Allarde Decree" of March 1791. Together the two decrees outlawed a broad group of bodies that had played important roles in prerevolutionary society, or

48. See Rousseau (1865, 45). Also see Levy (chapter 3) in this volume.

49. Jaume (2001, 75): "les divers gouvernements redoutent dans l'association à caractère politique une forme de pouvoir (ou de contre-pouvoir), d'organisation, et d'unité d'opinion, qui menacerait le fonctionnement et même la *légitimité* de l'Etat."

that threatened the democracy the revolutionaries wanted to develop. The decrees forbade combinations for the benefit of economic interests (“corporations”): no guilds, no other worker combinations, no organizations to benefit particular business or professional interests. These bodies and the benefits they enjoyed had constituted a primary target during the first days of challenges to the *ancien régime*, as they reflected a political economy that privileged groups of insiders against everyone else. The Allard Decree in particular aimed to create an entirely free market in labor, one that would depart radically from earlier French experience, as well as from much of the rest of Continental Europe. The decrees also forbade other associations, especially those with political intent or overtones. These associations (many, but not all, were called “clubs”) violated the core idea in Rousseau’s conception of liberty: a body intended to discuss ideas and then present a common front to the rest of society can only frustrate expression of the general will.

Thus both Prussia and France ended up with similar legislation on associations, but for dramatically different reasons. Postrevolutionary France distrusted all associations; with some exceptions, the post-1815 regimes did not allow re-creation of the bodies suppressed by the Revolution, and at the same time the French forbade new voluntary groups. Prussian society in the period after 1815 was still largely *based* on the older associations that revolutionary France had outlawed, but, as we have seen, Prussia (and the rest of the German *Bund*) asserted the right to forbid voluntary associations. The motives for these restrictions differed considerably, however. The particular critique that drove much French opposition to associations, the feeling that they were part of a system of conferring benefits on specific people, had little resonance in Prussia. Much discussion, of course, concerned which people should receive which benefits, but with the exception of the Liberals, few Prussians in the early nineteenth century saw much wrong with giving special privileges to those of a particular background or connection to the Crown.

One more difference warrants stress. The early nineteenth-century French effort to control associations focused on workers’ groups, “syndicats,” and related bodies similar to trade-unions. Some of this concern reflected placing the interests of employers over employees, but the focus on workers also betrays some unease with the “mob.” Prussia and most other German states did not abolish guilds until the 1840s and later, and one would have to squint hard to detect anywhere in Germany an urban proletariat or labor movement until the 1850s, at least. Prussian conflict over associations did not shift to workers until later, as noted above.

The French monarchy’s restoration in 1814–15 did not lead to change in the association law. Even the more liberal regime brought in by the 1830 revolution made no difference. The relevant provisions from the 1810 penal code appeared in the 1832 version:

No association of more than twenty persons, whose object is to meet every day, or on certain set days, to deal with religious, literary, political, or other matters, may form without the agreement of the Government, and under the conditions the public authority chooses to impose on the society.<sup>50</sup>

Section 292 stated that any group that met in defiance of this restriction, or that failed to adhere to the conditions imposed on it by the authorities, would be dissolved and its leaders fined. Section 294 required that individuals not host a meeting of such an association without permission of the municipal authorities, *even if the group in question was authorized*. And §293 held the leaders responsible for the groups' actions: "If by addresses, exhortations, invocations or prayers, in any language, or by reading, signs, publication or distribution of any writings" there are crimes or offenses,<sup>51</sup> then the leaders of this group would be punished both for the crimes of the groups' members and face additional punishment as leaders. The members would also be punished for their individual conduct.

These provisions limited R1 and R2 rights, and they were remarkably similar to the Prussian law quoted above. The July monarchy (1830) was France's first constitutional government and usually considered liberal by the standards of earlier governments as well as the day. But it still made it a crime to meet in groups of any size.

France relaxed these restrictions in several steps. The 1848 constitution guaranteed freedom of association, but this was withdrawn a year later. The *loi Ollivier* (May 25, 1864) made it possible for workers to organize and to strike under certain conditions. The more important *loi Waldeck-Rousseau* (March 21, 1884) abrogated *le Chapelier* and permitted the creation of groups that existed to advance the economic conditions of people following similar occupations (syndicats). This change led to both labor unions and cooperatives. The only government role for these groups was a publicity requirement (they had to deposit their articles of association with the local authority and keep the authorities apprised of their leadership). The reference to "more than 20 persons" in §2 overrides §291–94 of the penal code. Section 3 stressed that the 1884 act only applied to groups whose purpose was to "defend the economic interests" of individuals in a narrowly defined occupational group. The point was to enable the creation of economic organizations such as cooperatives and not to relax restrictions on groups of a possibly political nature. Rosanvallon (2004, 280–92) stresses this implication of the 1884 law: it privileged *one* kind of association, *one*

50. Section 291, "Nulle association de plus de vingt personnes, dont le but sera de se réunir tous les jours, ou à certains jours marqués, pour s'occuper d'objets religieux, littéraires, politiques ou autres, ne pourra se former qu'avec l'agrément du Gouvernement, et sous les conditions qu'il plaira à l'autorité publique d'imposer à la société."

51. The French text refers to both crimes and "délits," less serious offenses.

reason for combining with other citizens. Some contemporary opposition to the 1884 measure focused on just this fact; participants in the parliamentary debate noted that the partial relaxation amounted to a departure from the principle of equality before the law and a reintroduction of the privileges for specific groups that the revolutionary decrees had sought to erase. The 1884 law's supporters carved out this exception by limiting the scope of syndicates recognized in this way to defending their members' economic interests: that is, no politics.<sup>52</sup>

Successive French governments relaxed restrictions on association in the last decades of the nineteenth century. The association law of 1901 introduced both R1 and R2 rights, and some R3 rights for associations that adhered to certain norms such as registration. French associations under the law of 1901 had to have two members, and could not have as their aim anything contrary to "good morals" or France's republican form of government. If the association provided basic information on its leaders and aims to the local prefecture, then it enjoyed the R3 rights of acting in its own name for legal purposes. Thus the 1901 French law's effect was similar to the combination of the German BGB's registered association provisions and the Reich 1908 act on associations.<sup>53</sup>

Even before the 1901 associations law, France no more suppressed all associations than did the Prussians. Sometimes the French state explicitly tolerated or even encouraged associations. Rosanvallon notes that the chambers of commerce were one of the "corporations" that affronted the Revolution. Yet Napoleon reintroduced them in 1802. The chambers of commerce show that not all civil-society organizations had to be autonomous; the chambers were as much organs of the state as entities that represented member interests (Rosanvallon 2004, 389). Especially under Louis Napoleon, France saw the flowering of voluntary, mutual insurance associations. Rosanvallon notes that as the French government became more and more concerned with hygiene over the nineteenth century, it began to draw upon bodies of experts constituted as associations to advise and help shape policy (391). Associations that served the state's goals were welcome.

## 8.5 Conclusion: Business Firms as an Exception?

We propose a classification for the rights to associate and the rights of association. They correspond, if not always neatly, to the rights afforded citizens and their associations since the late eighteenth century. Some governments sought to limit or forbid individuals from associating or simply assembling, R1, in our typology. Denying R1 rights reflects a fear that asso-

52. "Les syndicats professionnels ont exclusivement pour objet l'étude et la défense des intérêts économiques, industriels, commerciaux et agricoles" (§3).

53. Andrieu, Béguec, and Tartakowsky (2001, 701–5) reprints the text of the law of 1901.

ciating will lead to associations, at least certain types of associations, that threaten established order. To function as an organization many, if not most, associations need rights to construct rules that bind their members to certain actions. The entitlement of associations to bind their members cannot be taken for granted, as Bloch and Lamoreaux demonstrate in their discussion concerning the challenges faced by civil associations attempting to expel and sanction members who violated internal rules. We label associations possessing this entitlement as “associational aggregates,” R2, which operate essentially by agreements or contracts among the association’s members. Entitlements derived from these agreements, however, do not reach beyond the association’s membership, unlike “associational entities,” R3, which have legal capacity to hold themselves out to third parties as distinct entities and, most concretely, to hold and acquire property, to sue and be sued, and to enter into contracts directly. Associational entities exercise their entitlements independently, not through pairwise agreements with all its members, but in the name of the collectivity. Finally, associations are sometimes treated as more than entities, as persons, legal persons and, whether by legal formalism or expediency, are afforded entitlements unique to persons “in law,” R4.

Regimes seeking to suppress civil society can do so by discouraging or denying citizens the privilege of assembling or otherwise associating, R1 rights. As we have stressed, however, suppression of civil society may be most effectively pursued by curtailing the ability of associations themselves to conduct their affairs through the forms we label R2 through R4. These forms matter a great deal for civil-society organizations to achieve their goals.

We have documented the ways denial of, or restrictions on, rights beyond R1 were at the core of debates over associations in Prussia, as well as in France and the United States. Our choice of countries was deliberate and intended to challenge superficial views contrasting nineteenth-century Germany, on the one hand, with France and the United States of the same period, on the other hand: Prussia was, to many nineteenth-century Germans, synonymous with political repression and a monarchy opposed to constitutional government, while nineteenth-century France and the United States were each born out of revolutions that stressed individual liberty. Yet all three governments limited association and the rights of association when they saw fit. They did so differently, to different degrees and with their own peculiar concerns, to be sure, but they also restricted associations in a number of surprisingly similar ways. From the number of individuals permitted to meet to the language spoken at meetings as well as distinctions regarding daytime versus nighttime gatherings and indoor versus outdoor meetings, nineteenth-century officials relied on a familiar set of tools to restrict associations. Their greatest common restrictions on civil-society associations, however, would be on those entitlements we characterized as R2, R3, and R4.

Finally, we conclude by drawing out a theme running through our

accounts, particularly in Prussia and in France. This theme concerns both the exceptional treatment of businesses and commercial associations during the most restrictive periods, and the way developments of R3 and R4 rights first extended to cooperatives and other civil-society groups with economic purposes. There is something puzzling in this disparate treatment between civil and commercial associations. Seven people meeting to discuss business were seven people meeting. Why would anxious government authorities automatically assume the seven conveners were not a threat? Why not insist they provide prior notice of their meetings and enforce other provisions of the laws discussed above? The exceptions granted to business associations are all the more surprising when we consider that some of the leading opposition figures were businesspeople: a standard “Manchester” liberal in the 1840s might be as offensive to official thought as a radical bent on workers’ rights. Government officials showed no reservations about regulating or restricting broad areas of economic life, and they were unapologetic about limiting the right to form business enterprises of specific types, most notably corporations. Granting business firms automatic waivers on the laws of association seems like offering a license to some committed opponents of the regime. Why did privileges for associational business interest develop in this way?

We can think of several reasons. First, even in a state like Prussia in 1800, which was bolstered by elites whose economic interests were threatened by free enterprise and the development of modern industry, officials still recognized the importance of tax revenue and employment for citizens. To the extent economic development required multiowner business enterprises, tolerating association for this purpose was a necessary evil. Second, as worrisome as business-oriented Liberals may have been to the regime, they were less of a threat than the real or imagined revolutionaries seeking to overthrow the government. Take, for example, David Hansemann (1790–1864), a leading Rhineland businessman and Liberal politician. On occasion Hansemann deeply annoyed Prussian officials, but he had little interest in the state’s undoing. Official attention was better focused on those more radical.<sup>54</sup> Third, in many ways the interests of the state and businesses were largely aligned. Following the postrevolutionary reactions of the early 1850s, the business community (and the Liberals) had been brought into a larger consensus about the future of the Prussian and then German state, and there was little danger of conflict in which the business community would oppose

54. While an explicit focus on left-wing and labor groups did not develop until after the 1848–49 revolutions, a subtext in much concern about groups earlier in the nineteenth century centered on the allegedly wild character of large public gatherings of working-class people. This fear can be seen in the distinction between indoor and outdoor meetings, and has something to do with the suppression of the gymnasts. Even the *Burschenschaften*, whose members hardly counted as working class, promoted displays with an enthusiasm that could seem excessive, even if just expressions of respect for the king.

the state. The cooperatives benefited indirectly from this political realignment. More generally, by the 1860s many Germans were turning their focus to the effects of industrialization in creating a class of people uprooted from rural life and suffering from poverty, illness, and lack of education. Focus on this “social question” in Germany was to some extent driven by genuine sympathy for those left behind by economic development. Official focus on the social question, however, also reflected a concern that various working-class movements would coalesce to challenge the existing order if Germany’s leaders did not find some way to reform the harshest features of the new society. Here cooperatives and other economic bodies could be seen (and quite clearly *were* seen) as part of a bulwark against revolution. It may be that German governments worried about association per se, because free association threatened the state’s assignment of persons to classes and ranks. The exception for business association suggests a willingness to overlook the deeper threat if the association helped to advance the state’s goals.

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