

# Causes of the collapse of the weimar republic



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## **Collapse of the Weimar Republic**

### **To what extent can it be said that the Great Depression and the overburdening of the German welfare State were the main causes of the Collapse of the Weimar Republic?**

When considering the importance and extent to which the Great Depression and the overburdening of the German welfare state were the main causes of the collapse of the Weimar, it is necessary to assess other factors which also added to its failure. This essay intends to argue, the Great Depression and overburdening of the welfare state were prominent reasons in the latter stages of the Weimar's collapse, they accelerated its failure in 1929 and by 1932 arguably the Weimar Republic was realistically unworkable. Despite this, the main cause of the collapse was the continuous poor economic state of Germany which hindered the success of democracy and finally resulted in the failure of the Weimar. The legacy of the First World War, the effects of the Treaty of Versailles and the 1923 hyperinflation crisis significantly worsened Germany's economic problems. The Great Depression and the overburdening of the welfare state derived from this constant financial strain that the government suffered under and eventually spiralled the situation out of control which proved unmanageable for the government. This created a cut back in support from those who were in favour of democracy and produced resentment amongst the radical Right and Left wing party members themselves. Finally, much attention will be given to the Weimar's inability to deal with the crisis via unsuccessful decision making and the long term traditional attitudes of the elites within the government that were also highly important contributions to the collapse of the Weimar. Consequently with detrimental ongoing economic crisis and contributing political factors,

the Weimar Republic was doomed from the outset[1], resulting in its collapse.

Arguably the Great Depression and the overburdening of the welfare state played a vital role in the collapse of the Weimar but was not the main reason. The Great Depression was a severe worldwide economic crisis that began in the United States with the Wall Street Crash on October 29th, 1929. International trade, incomes, and profits plummeted. The Depression had massive repercussions on Germany as they relied on loans from America to facilitate their prosperity, pay off their reparations and revive their economy. Arguably the Depression was prominent in the very last stages of the Weimar's life as it was not until after 1929, " the economic outlook changed from gloomy to distinctly stormy"[2]. The use of the word " gloomy" indicates that previous to the Depression, Germany was already struggling economically and thus this statement adds weight to the notion that the Depression acted as a catalyst to the eventual breakdown of the government. Furthermore, " the outburst of the Depression in 1929 had a disastrous impact on the German economy" [3] as almost one third of German production was exported by 1920. However after this time, exports had decreased. As imports had fallen by two thirds, this had linkage effect on German workers as many lost their jobs between 1929-1933. Official figures in January in 1928 stood at 1, 862, 000 unemployed and by 1930 when the Depression had taken real effect in Germany, this increased to 3, 218, 000. [4] These statistics indicate that even before the Depression Germany's unemployment rate was high, thus Germany was in a financial crisis before

the Depression and the Weimar's reputation was already on the verge of failure.

Although the government attempted to resolve the problem of unemployment for example, chancellor Heinrich Brüning who introduced a series of policies to deal with this fiscal crisis. He cut down wages, salaries and prices in an effort to restore confidence in the German financial and industrial system.[5] His efforts were unsuccessful and ineffective as subsequent to this by 1931 there were nearly 4.5 million people out of work, thus illustrating the Weimar's inability to deal with the crisis contributing to its own collapse. This initiated further opposition and bitterness towards the Republic. Clearly the depression contributed to the Weimar's unpopularity and more so its' collapse. Additionally both liberal parties, the DVP (German's People Party) and DDP (German Democrat Party) witnessed a decrease in votes during the 1930 election as much of their support rested on the middle class; these white collar workers with status, who were "monetary advantageous" to the average class man felt humiliated, betrayed and angry towards the Weimar Government.[6] Consequently "faced with insoluble economic problems" many people turned to "force and coercion"[7], (the Nazi party) in hope of a radical solution to their troubles. This strengthens the argument that economics was central to the collapse of the Weimar, the Depression added the final touches. Furthermore with large firms dependent on USA loans and German banks that also had taken out loans to invest in businesses, when the depression struck it destroyed the relative stability of the financial system and hence placed an overwhelming burden on the welfare state. The welfare State's purpose was to provide benefits for the

unemployed, pensioners and disabled. In 1927 the welfare state introduced the unemployment insurance Act. By 1929 as a result of the depression it was unable to provide unemployment insurance for the amount of unemployed people. Arguably these two factors were linked as without the Great Depression the welfare state would not have suffered an overwhelming burden. This is evident as the percentage of unemployed supported by the unemployment insurance declined from 80 per cent at the beginning of 1929 (before the Depression) to 30 per cent in January 1932 when six million people were unemployed. The welfare states failure to deliver this unemployment insurance during this crucial period reflected the weakness of the Weimar system itself. Henig agrees with the concept that the welfare state played a key role in the collapse of the Weimar arguing, ironically this “ major achievement” of the unemployment insurance “ threatened to engulf the government in a major financial crisis.”[8] Additionally as people expected a “ great deal” from the welfare state, when these expectations were not met they became sour and anti-democratic.[9]

On the other hand Bookbinder challenges this argument that economic crisis was the main reason to the Weimar’s failure proclaiming, in times of crisis such as the 1923 hyperinflation, these difficulties endangered the order and resilience of the Weimar but did not make the Republic’s failure inevitable. [10] However one may say the fact that these economic problems persistently occurred, suggests that this was the Weimar’s governments downfall and resulted in it’s failure; the Great Depression and overburdening of the welfare state were just the last straw.

Evidently economic instability was the main reason of the Weimar's collapse as the inflation problem was announced before the First World War had ended.[11] More so, on top of the colossal debt incurred from financing the war of around 150 milliard marks, Germany was even more devastated when they received their reparations bill of 6. 600 million pounds.[12] With the country already in social and political ruin, the economic reparations ultimately destroyed the foundations of the Weimar. This proved too much for the Government to handle and by 1922 they declared themselves unable to make payments.[13] Additionally due to heavy taxation which, was also an effect of inflation meant students, pensioners and people with savings lost all their money; thus the government's status deteriorated amongst these groups.[14] Even more, German agriculture was financially tarnished as farmers suffered from the fatiguing effort to supply Germany during the war and by 1920 they were experiencing low crop yields and diminished number of livestock.[15] Heavy industrial owners were also financially effected as they witnessed a decline in their profits and what is more they were a " vital part of the anti- republican bloc and made life difficult for the republic." [16] Peukart also holds economics responsible for the main cause of collapse arguing, these problems hindered the new Republic from guaranteeing their survival.[17] Post-war inflation further affected German political parties, for example the liberal parties who struggled to afford paper and stamps by 1920 and suffered extreme financial difficulties.[18]

The First World War deteriorated the economic situation in Germany even more, as Weitz argues, " the legacy of World War One was the republics greatest obstacle. It hobbled developments at every turn and gave the

enemies of democracy endless rounds of ammunition”.<sup>[19]</sup> Bookbinder strengthens this opinion stating, before the war Germany was a strong nation producing 13. 1 million tons of pig iron and 13 million tons of steel. Arguably it was there involvement in the war which initiated their national debt and an inflated currency.<sup>[20]</sup> Germany’s decision to finance the war through borrowing money instead of increasing taxations accelerated their economic downturn even more , ” this programme of war financing precipitated the monetary inflation which was to continue through to 1923”.<sup>[21]</sup> Subsequently wages increased but for some people this did not match the increase in the cost of their living.<sup>[22]</sup> White collar workers, who in pre war years had great prestige, were now experiencing economic hardship due to the war and inflation.<sup>[23]</sup>

The Treaty of Versailles was also a result of the First World War and had disastrous impact on the German economy contributing to the Weimar’s failure. The government accepted responsibility of the war and signed the War Guilt Clause (article 231), this encouraged social unrest in Germany and resentment especially amongst the Right wing nationalists. McKenzie claims that Versailles presented the Nationalists with a “ persuasive pretext” for mounting the blame of Germany’s troubles on the Republic, they felt betrayed and “ stabbed in the back”<sup>[24]</sup>. During this time, the fact that the Weimar was a newly established democracy meant it was vulnerable and under threat. It is important to remember that for a newly established democracy to survive, it must have the support of the people in especially in turbulent the most times. However the Weimar government lacked this assistance as Mommsen notes, German people did not really support

democracy from the beginning, instead they viewed it as the only possible outcome for the new state. [25]

On the other hand it could be argued that German people were in favour of democracy but lacked the principle foundations of it, as many envisioned a progressive reform of their previous monarch system. Never the less it is clear that the Weimar was never whole heartedly supported even before it came into practice. Additionally Right wing groups also attacked democracy mainly because of the signing of the Treaty of Versailles, because their members were incredibly powerful being were highly integrated into the major institutions of state, society, business, civil service, army, universities and churches.[26] This highlights a flaw in the Weimar government, because the coalition parties were not united with a common goal this was proved difficult to implement policies and deal with opponents. Attacks from the Left wing radicals also endangered democracy. In January 1919 an attempt was made from the Left wing group, the Spartacus's who attempted to overthrow the government, however this was crushed by the army and the Freikorps. Although the Weimar did survive these attacks, arguably these uprisings only failed not because these opposition groups lacked clear aims and an alternative system. Even more the economic burden created by the Treaty, made continued reforms and tax policies difficult.[27] Thus Germany was now economically weaker then previously in 1914 as they had increased national debts, inflated currency and reparation stood at the value of 132 billion marks.[28]

On the other hand Hobsbawm disagrees with the view that the radical Right wing oppositions came about due to the resentment of the Treaty of

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Versailles and states, “ The rise of radical Right after the First World War, was undoubtedly a response to the danger.... of social revolution and working class power in general, to the October revolution and Leninism in particular. Without these, there would have been no fascism”[29]. Despite this, it is evident that the Right wing movements were an outcome of the First World War. Hyperinflation in 1923 another crucial disaster “ brought the inflationary situation to its final crisis phase”[30]. The economic effects of the occupation were catastrophic. Kolb also agrees with this opinion describing it as a “ miracle”[31] the Weimar survived. However, chancellor Stresemann rescued Germany and introduced new currency and borrowed loans from America to facilitate Germany’s finances, following on from this it could be argued that the German economy did experience a period of prosperity. However the solution was “ temporary” and one that depended on international loans.[32] Again reflecting a grave decision made by the government as having provided a permanent solution, this would have prevented the severity Great Depression’s impact on Germany. Stresemann himself described this period of affluence as “ dancing on a volcano”[33] , this exemplifies that too was aware that depending on American loans was risky. Still in 1929 when the Depression hit, Germany was once again faced with economic problems. Economic historian Borchhardt believes that even without the occurrence of the Depression Germany’s economy was “ abnormal” and would not have been able to continue in the same way. [34]This reinforcing the view that economics was the main cause of the collapse of the Weimar.

Clearly, the Weimar government's failure to take firm action played a vital role to the collapse of the Weimar. This is particularly evident with invasion of the Ruhr, as previous to this the SPD (Social Democrat Party) had the backing of the working class who were protected from the inflation via trade unions and also the support of large landowners who were able to pay of their debts which if made the efficient decisions could have excelled on this support. However in 1923 their "misguided efforts" to print money steered them in to hyperinflation. Hinton and Hite strengthen this argument claiming, although some of the problems were beyond Germany's power to control, the collapse came about due to the Weimar's weak policies and lack of decisive action.[35] Consequently endless economic disasters became too unmanageable for the government to keep combating, as with any government this repeated economic crises would too inevitably lead to their failure. Another equally significant factor which contributed to the collapse of the Weimar Republic, was the traditional attitudes of the ruling elites and a lack of bureaucratic culture. Furthermore because democracy was introduced the most "inauspicious circumstances"[36], the old elites such as the DVP and the DNVP (German National People's Party) were monarchs at heart and never fully fledged their support to the Republic or the notion of democracy [37], consequently they wanted a reversion back to the old system. However the KPD (communist party) and the NSDAP (The Nazi Party) was determined to unify the people of Germany. Germany had always been an imperialist country and headed by constitutional monarch, this meant the long term values of democracy were deficient in order for the Weimar to be successful. Subsequently by 1930 there was a powerful current of opinion in Germany demanding a more authoritarian government.[38] The elites could

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not regard the new republic as a rightful descendant to the pre-war imperial regime,[39] thus if the ruling class were not in favour democracy how was the rest of the country going to support it? The Weimar was unable to accomplish unconditional support of these traditional elites such as the Junkers and army officers.[40] Kocka reinforces this notion and believes the failure of the Weimar was due to the bourgeoisie who seemed “ relatively weak and ‘ unbourgeois’ “. [41] Consequently with the combination of old and new political forces present in the government, this halted the triumph of democracy.

In conclusion it is clear that economics was the foremost reason to why the Weimar collapsed as even before the Great Depression which was followed by the overburdening of the welfare state, Germany was constantly faced with financial constraints that was caused by the damage of the First World War, this meant straight away the Weimar was forced to introduce a new democratic way of life in the most unpromising conditions. Even more, the reparations of the Treaty of Versailles and the exacerbated the government's financial pressures, thus resulting in a decline of support of the Weimar and the rise of radical Right and Left wing parties which threatened democracy. Lastly the major hyper inflation crisis in 1923 meant money completely lost its value, subsequently as demand rapidly decreased many people lost their jobs. However the introduction of a new currency and loans from the America temporarily revitalised their economy. Yet when the depression hit, America could no longer assist them and as Germany had no money of its own to aid its finances, this resulted in the unemployment of six million people. This placed a overwhelming burden on the welfare state and led to

severe poverty as by 1932 people who had worn out their entitlement to state benefit and were thrown on the streets to beg for food.[42] The Depression tore apart the fragile political compromise that the Weimar had made via the welfare state and placed an enormous burden on to it. No doubt, the actions of the government themselves contributed to their own downfall as incremental thoughtlessness decisions decreased their popularity and status amongst Germany. Alongside this attribute lies the ruling elite's for example the DNVP as their failure to support the vulnerable democratic meant the regime itself lacked confidence. Together these were a vital contribution to the collapse of the Weimar Republic. It is evident that economic hurdles occurred throughout the Weimar's life and led to abnormalities within the system and eventually it's collapse. This concludes me to suggest that the Weimar Republic itself was the special path that Germany followed (the Sonderweg), as this failed experiment of democracy ultimately caused Germany to propel towards the Nazi regime.

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[1] Henig, The Weimar Republic, p. 78

[2]Henig, The Weimar Republic, p. 61

[3] P. Bookbinder, Weimar Germany, The Republic of the Reasonable,  
(Manchester, 1996), p. 178

[4] Bookbinder, Weimar Germany, p. 174

[5] Bookbinder, Weimar Germany, p. 146

[6] Bookbinder, Weimar Germany, p. 167

[7] E. Hobsbawm, The Age of Extremes,(London, 1995), p. 136

[8] Henig, The Weimar Republic, p. 60

[9] J. Kocka, ' Asymmetrical Historical Comparison: The case of the German Sonderweg', History and theory, 38, (1999), p 46

[10] Bookbinder, Weimar Germany, p. 161

[11] J. Hidden, The Weimar Republic 2nd Edition (London 1969)p. 30

[12] Hidden, The Weimar, p. 30

[13] Hidden, The Weimar, p. 31

[14] Bookbinder, Weimar Germany, p. 166

[15] Hidden, The Weimar, p. 34

[16] Bookbinder, Weimar Germany, p. 171

[17] Henig, The Weimar Republic, p. 83

[18] L. Jones, German Liberalism and the Dissolution of the Weimar party system, 1918-1933, (Chapel Hill, 1988), p. 165.

[19] E. D. Weitz, Weimar Germany Promise and Tragedy, (New Jersey 2007)p. 127

[20] Bookbinder, Weimar Germany, p. 163

[21] Bookbinder: 164

[22] Bookbinder: 164

[23]Bookbinder, Weimar Germany, p. 166

[24] J. R. P. Mckenzie, Weimar Germany 1918-1933 (London 1971)p. 71

[25] Henig, The Weimar Republic, p. 78

[26] Weitz, Weimar Germany Promise and Tragedy, p92

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[28] Bookbinder, Weimar Germany, p. 164

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[30] Bookbinder, Weimar Germany, p. 167

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[35] Hinton and John , Weimar and Nazi Germany, p. 103.

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[36] Henig, *The Weimar Republic*, p. 78

[37] Weitz, *Weimar Germany Promise and Tragedy*, p. 92

[38] Henig, *The Weimar Republic*, p. 62

[39] Henig, *The Weimar Republic*, p. 79

[40] Henig, *The Weimar Republic*, p. 84

[41] Kocka, 'Asymmetrical Historical Comparison', p. 42

[42] Henig, *The Weimar Republic*, p. 67