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Harold James. *Krupp: A History of the Legendary German Firm.* Princeton: Princeton University Press, 2012. 360 pp. $35.00 (cloth), ISBN 978-0-691-15340-7.

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This is a breezily written, highly insightful portrait of the iconic, remarkably long-lived German manufacturing company, Krupp. James addresses the book to a more general audience and, as a result, leaves a good deal of scholarly table setting and in-depth exploration of many important (and sometimes controversial) aspects of the firm's history to the side. This will no doubt disappoint hard-core business historians and scholars of the historical relationship between business and politics in Germany. Taken on its own terms, however, the book presents a very interesting and nuanced message about the distinctive character of Krupp as a business enterprise–and in many ways, of German and European business enterprises more broadly–in the history of industrialization.

James pursues a delicate strategy with this book. He wants to recast the way the history of Krupp should be understood without really engaging polemically with the rather large genre of Krupp histories that define the firm's narrative in alternative terms. For a non-German-speaking, Germany-skeptical public, Krupp is, next perhaps only to IG Farben, the most notorious of all German industrial companies. Anti-German propagandists dating back at least to WWI, have described Krupp as the embodiment of something dark and profoundly illiberal in the way that Germany was industrializing and entering into modernity. In large part, this association rested on Krupp's position as a leading arms manufacturer for the German state. But the insinuation of the (liberal and left) historical guild was also always that the firm was worse than even the technologies it produced: it curried favor, allied itself with, and supported (some claim that it also helped bring to power) strongly conservative non-liberal German political and social hierarchies, ranging from Prussian and German Kaisers to Hitler and the Nazis. More ominously, these cultural and political characteristics of the leadership of the firm led Krupp not only to engage in despicable human rights violations under the Nazi regime, but also to participate in the construction of a regime of practice that was responsible for bringing them about. The apotheosis of the demonization of Krupp as the expression of pathological German modernity was William Manchester's 1965 *The Arms of Krupp*, which portrays the Krupp family and its enterprise as the expression of a (often depraved) state- and domination-loving genius within German culture. For Manchester, the Krupp story represented something quite distinctive, pernicious and profoundly illiberal, about German industrialization.

James rejects that narrative, although he is very clear that Krupp both benefited from the growth of the Nazi armaments economy and that the company acted in many despicable ways during the Third Reich (particularly during the war through the use of slave labor). But he is not interested, as the old Manchesterian literature was, in linking the undeniable and indefensible human rights atrocities committed by the firm in the Second World War to a larger argument about the comparatively distinct cultural, political, social, and economic pathology of German business. In line with a great deal of revisionist scholarship of the last twenty years, James argues that it is not reasonable to make Krupp (or German industry more generally) specially responsible either for the coming to power of the Nazi dictatorship or for the way that it governed. Along with other elements of German society, James suggests that industry was swept up in "a massive web of ideologically driven immorality" (p. 225). Krupp's conscious and deliberate actions in the Third Reich followed from the fact that it was embedded in a political, social, and cultural sequence of socially interactive, historically contingent developments from the 1920s to the 1940s that created the Third Reich. Krupp's immorality in that context cannot be explained by some allegedly deeper transhistorical cultural dimension of the firm's "Germanness" nor by equally transhistorical social and economic qualities of itself as a capitalist firm. Nazism as an historically specific social formation shaped the politics and actions of business, not the other way around.

Moving in this way, James casts an alternative light on the entire nearly two-hundred-year-long historical arc of Krupp as a German firm. Crucial for James is that for most of its history, in one way or another, Krupp was a family enterprise. This sounds prosaic, yet for James the significance of the idea of Krupp as family business goes well beyond the simple fact that the enterprise was controlled by a family or that the enterprise was in some way part of a "capitalist" system. James emphasizes instead that notions of family and enterprise were linked in socially and culturally specific ways in industrializing Germany. Krupp owners and managers had a particular sense of their social and political position within German society, and of the responsibilities (and entitlements) that an enterprise such as theirs held both toward the evolving German state and toward the people who worked in Krupp factories.

James shows that this particular historical construction of enterprise in German society shaped the way that the firm actually acted and grew as a German, capitalist entity: that is, how it innovated and developed technology, how it thought of developing and marketing its products, how it invested, how it related to the financial system, how it expanded its operations, how it organized work and dealt with its employees. For James, all of these facets of business life were expressed or made real through the profound and complex sociocultural fact that the Krupp family was running the enterprise. The company pursued policies focusing exclusively on neither profit maximization nor bourgeois social domination. Such aspects of practice were real but they were always mediated through (and often significantly tempered by) strong commitments to family independence, and to the maintenance of the social importance of the family within German society.

This social ambition involved a very strict sense of social and political duty and obligation that was directed toward many social locations, even as the firm sought to compete in rapidly changing German and European steel, machinery, and armaments markets: toward Krupp workers; toward competitors, customers, and clients; and toward the German state. For example, Krupp owners felt responsibility for the welfare and education of their employees (investing in housing, pensions, hospitals, and schools in Essen and elsewhere) at the same time that they relied on them for the manufacture of increasingly sophisticated products. In the same way, James shows how Krupp pushed the development of metallurgical and armament technologies in ways that benefited its suppliers and even other noncompeting machinery and steel manufacturers as much as it did Krupp itself–in some cases even without any direct benefit to the firm. Indeed, for a company as long-lived as Krupp, it is remarkable to see how frequently the company had to endure debt-induced financial crises. The firm made profits, but that was far from the signal end toward which company managers oriented themselves. It often took on orders (and built entire factories) against its better judgment to accommodate the aims of (and protect its position in) the German state's military procurement programs. The company also repeatedly carried grave losses, causing the family at times to sell off its own equity and other accoutrements of personal wealth to keep operations running and people employed (at one point in the mid-nineteenth century, Alfred Krupp sold off the family silver to pay Krupp workers).

According to James, all of these forms of not so rational market maximization aimed to keep the firm from becoming dependent on banks, avoid the creeping embrace of limited liability and joint stock property forms, and generally wall off the influence of what family and firm managers disdainfully referred to as "capitalist" principles. More broadly, James insists that to understand the logic of development at Krupp–the way in which the owners themselves understood what they were doing–the firm's success should not be judged by the conventional marker of profitability, but rather by the way it performed according to a broad array of social, cultural, and political benchmarks (to use modern jargon that James largely avoids).

Essentially, the story of Krupp that James tells is one about the continual use and transformation of market and capitalist practices in the service of a social and political ideal of the family and of enterprise in Germany. James carries this theme and narrative all the way up to the present, very persuasively showing how Bertold Beitz and Gerhard Cromme in the postwar period were guided just as much by the desire to preserve the family enterprise idea (and its economic logic) as Alfred and Friedrich Krupp were in the nineteenth century. The discussion in the book's last chapter of the creation of a family foundation (*Stiftung*) in 1967 as an ownership form that would entrench these principles is especially illuminating, as are the ways in which the Krupp Stiftung shapes the practices of ThyssenKrupp as a multinational corporation today.

As indicated above, James is more concerned in this book to lay out this story in a freshly coherent form, than he is to extensively address challenges to his argument

or ambiguities that his case engenders regarding dimensions of firm practices and strategy that exist in the scholarly literature. More scholarly defense of the logic and empirical plausibility of James's argument about the distinctive socioeconomic significance of family enterprise can be found in his earlier book: *Family Capitalism: Wendels, Haniels, Falcks, and the Continental European Model* (2006). James retreats a bit from the strong historical sociological claim of that book, which suggests that family firms float to the top when there is political and economic uncertainty in the development process. In his current book he places far more emphasis on the political, social, and cultural positioning strategies of the family firms, on the one hand, and the ever-changing motivations of governments on the other to account for the reproduction of the family firm ideal. Putting that to the side, even with that strong earlier book as background, there are certain aspects of the story that one wishes James had spent a bit more time on. To take simply two examples: how did the avoidance of debt and the joint stock enterprise property form figure into the social and political self-understanding of the Krupp family in mid-nineteenth-century Germany? It would be good to know the legal and political thinking behind that reflex within the family. Or how, in the current period, does the Stiftung property structure not only reproduce the old family cultural-political commitments, but also transform them? Many of the values, both economic and social, that had earlier been expressed by a family idiom are now being constructed with some distance from the real existence of a family. How do those notions of order fit into contemporary German legal and political thinking about economic governance? It would have been interesting to hear some extended discussion of this sort of thing in the book.

These criticisms are not so much that James overlooks these things, as it is that he passes over them a tad too quickly and breezily without bringing their truly fascinating character strongly enough to light. At some point, it would be interesting to see James develop these centrally important aspects of the distinctive German business system in a more rigorous academic way. On its own terms, however, the book is quite successful and really endlessly fascinating. It is a great introduction to the distinctiveness of German business and to the remarkable history of the Krupp enterprise.

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