

The Plan of the Provisional National Economic Council's Employment Creation in Germany in the Early 1930s

By MAKOTO OKUYAMA

This article highlights the early development of Keynesian economics in Germany by examining the employment creation plan put forth by the “Provisional National Economic Council,” a group known as the “reformers” who advocated active government-led economic policy in Germany in the early 1930s. The council was created as a government advisory body to facilitate labor–management collaboration. To explore this topic, the paper first clarifies the process of establishing the Provisional National Economic Council and outlines the organization’s structure and activities. It then describes how the “Central Committee,” which announced the employment creation plan during the Great Recession, was established as a sub-organization of the council. Next, the contents of the council’s “Report” on employment creation (produced by the Central Committee) are scrutinized, with particular focus on business sectors and financing issues. The paper then examines how this “Report” reflects the economic policy arguments of labor and management and considers the discussions between the government and labor and management regarding employment creation. Finally, it summarizes the significance and limitations of the council’s employment creation initiative.