

POLITICAL AND SOCIAL INTERESTS IN THE TRANSFER  
OF PROPERTY \*

I.

MARKET exchange is the paradigmatic mode for the transfer of goods and services in capitalist societies. Indeed, the development of capitalist economies is in many ways just another term for the expansion of markets. Market exchange, however, is not only paradigmatic for capitalism in an empirical sense but also normatively. It connects to liberal notions of justice and is seen to guarantee the efficient allocation of resources. Markets assure that the distribution of goods is based on individual achievement and not on ascriptive privileges. Karl Marx (1977 [1867]) already pointed out that the exchange of equivalents in the market sphere reflects the liberal (bourgeois) notion of equality. In the same vein Niklas Luhmann (1988) saw market exchange as an effective means to make the unequal access to goods and services socially acceptable: a person can only appropriate a scarce good if he gives away a money equivalent at the same time. The quid pro quo of market exchange implies the symmetry of equals. Welfare economics gave macro-economic justification to market exchange by pointing to its superior welfare effects.

Despite this empirical and normative privileging of markets over other systems of transfer, markets have never been the only mechanism to transfer goods and services, nor have they gone normatively unchallenged. Solidaristic exchanges within the family are based on the principle of reciprocity or they are altruistic gifts. Through political decision making the state redistributes scarce resources and thereby changes market outcomes. The justifications for these deviations from the market principle are either normative or functional. To commodify the family would stand against values of how social relations in the private realm should be organized. Redistribution secures basic human and social rights for those who are not able to acquire a basic income on the market. Without these “deviations” from the market one would have to expect the destabilization of basic social institutions and possibly even the economy itself (Durkheim 1992 [1893]; Polanyi 1957).

While it is one thing to acknowledge the importance of non-market based transfers in modern capitalist societies it is quite another to understand the principles of their regulation and their implications. Economic theory is not a good guide to understanding non-market forms of allocation because it considers them to be deficient deviations from a normatively privileged model of transfer. Why and under what conditions do modern societies deviate from the market mechanism? According to what principles are

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modern societies organizing the transfer of goods and services that are not exchanged on the market? How do they legitimate the deviation from the principle of exchange of equivalents?

One area of non-market transfers that has stirred substantial political and social controversy in recent years with regard to these questions is the distribution of organs and body tissue for transplantation (Garzón Valdés 1995; Healy 2004). This topic has also found the interest of Philippe Steiner (2004). In the current article, however, Steiner discusses organ transplants only briefly in the conclusion. But it is from the background of his interest in this issue that one understands best his concern with transfers *mortis causa*. Bequests are a non-market based, unilateral form of transfer of material goods. They are, like organ transplants, closely related to issues of life and death as well as the family. However, the bequest of property has been debated much longer than organ transplants. We can look at more than 200 years of controversial debates on the bequest of property within the context of liberal bourgeois societies (Beckert 2004). The bequest of property has found a legal regulation that seems widely acceptable in society, judged from the relatively limited conflicts over this issue today. What are important characteristics of the regulation of the bequest of property? Is there anything that we can learn from the transfer of property *mortis causa* for the regulation of other non-market based transfers of goods and services? What are the similarities between organ transplants, inheritances and life insurances, and what systematic differences between them can be identified that necessitate different forms of regulation?

## II.

Steiner's theoretical starting point to understanding the regulation of non-market transfers is the distinction between formal regulative institutions (*dispositif social*) and the social mechanisms that come into play when actors enact these institutions based on their interests. Only by looking at these two levels can we understand the social regularities that emerge. This conceptualization has the advantage of anchoring agency systematically in institutional theory without aiming at a purely voluntaristic theory. Steiner uses Coleman's (1990) schema of micro-macro links. He does so, however, not in the context of a rational-choice theory but from the background of the Weberian concern of bringing together ideas and interests. According to him ideas enter the social realm through institutional design (*dispositif social*). Institutions are the result of contingent political decisions that become socially relevant for actors by forming expectations. This connects well to other institutional theories standing in the Weberian tradition. Rainer M. Lepsius (1995, p. 394) has argued persuasively that it is through institutions that values become socially relevant. Lepsius understands institutions – following Karl-Siegbert Rehberg (1994) – as social regulations

which express symbolically the principles and validity claims of a social order. Hence they are the mediators of cultural meaning production that make valuations and norms socially binding.

For Steiner, though, (formal) institutions are only one level in the explanation of social regularities. He does not view them as determining social outcomes. Actors have multiple interests, the effects of institutional regulations are complex and often incomprehensible to actors, and contradictory demands derive from equally applicable institutional prescriptions. Hence, the system of expectations that flows from formal institutions must be interpreted by actors in light of a multiplicity of considerations. This is an undetermined but not unstructured process (p. 134). Steiner uses the term social mechanisms to demarcate this process of translation of institutional rules into social action and regularities. Behind this conceptualization stands the insight that the relationship between law and macrosocial outcomes is more complicated than assumed by those institutional theories that see institutions simply as restrictions of the choice-set of rational actors (Williamson 1985) or the rules of the game (North 1990).

### III.

The empirical testing field Steiner uses to apply these theoretical considerations is the transfer of property *mortis causa*. This is a research area in the social sciences that once attracted substantial scholarly attention but has fallen into disfavour since the 1930s. It is only recently that questions associated with the bequest of property have found renewed interest in sociology (Gotman 1988; Lettke 2003; Beckert 2004). This is an agreeable development not only because bequests are a socially and economically important phenomenon – in Germany it is estimated that between 100 and 150 billion euros are bequeathed annually – but also because the bequest of property is well suited to understanding the role and characteristics of non-market based transfers in modern liberal societies.

Philippe Steiner focuses on the institutionalization of equality among descendents of the deceased through the restriction of testamentary freedom in the French *Code civil*. By introducing a forced share the *Code civil* limited the discretionary power of the testator to dispose of his wealth arbitrarily. Due to this *dispositif social* property is bequeathed in roughly equal shares to the descendents in the direct line, leaving only limited space for the privileging of one child and – but under very special circumstances – no possibility for disinheriting a child. What happened to the practices of inheritance due to these regulations? Why could the laws reach their intended results of breaking up large fortunes despite that was to be expected resistance from aristocratic property owners with their dynastic interests? Drawing on Tocqueville's distinction between material interests and sentimental interests Steiner finds a process of redefinition of *both* types of

interests due to the new system of expectations introduced by the principle of equality in inheritance law: dynastic economic interests could be overcome because the new law changed domestic customs. Supported by the new law, the sentimental interests were no longer directed at the dynastic perpetuation of the family name but were promoting affectionate relationships within the family. This in turn changed also the economic interests actors pursued. The intergenerational accumulation of wealth through privileging the eldest son lost in importance. This explanation of the reactions to the law (i.e. its social consequences) takes into account the interplay between sentimental and material interests. This is a point of major importance because it expands the notion of interest from its narrowly economic focus and shows the consequences of this expansion for the transfer of economic goods. What characterizes inheritance as a form of non-market transfer is the integration of actors' decisions in a network of family relations.

The question I want to address in the remainder of this commentary is whether Tocqueville's distinction between sentimental interests and material interests already represents the full scope of interests that become relevant as social mechanisms in the transfer of property *mortis causa*. My answer is no. In the 19th and 20th centuries the practices of bequeathing property are influenced by at least two further types of interests that need to be included in order to understand the social reactions to the principle of equality in inheritance law (Beckert 2004). One is political interests, i.e. the role of inheritances for the political order. The second is a social reformist interest that addresses the issue of social inequality and the role inheritances play in its reproduction. The significance of these interests can hardly be observed directly. But indirectly they are evident in public debates on the issue of inheritance that can be followed over long time periods. Since the alleged interests play out differently in different countries I will not only refer to France but also to the United States and Germany.

Steiner's emphasis on family interests and on material interests might be a reflection of the *specific* problematization of inheritances in France. In France the concern for the material interests of the *propriétaires* and for the consequences of unequal (and equal) divisions of inheritances for family relations played a dominant role in political debates. Nevertheless political interests were important as well, as can be seen not only in Tocqueville's writings but also in the parliamentary debates on inheritance during the revolution. The conflict over the enforced equal division of bequests, which played out throughout the 19th century, reflected the conflict between republican forces and the forces of the *ancien régime*. The question was considered to be one of political regime alternatives. Social reformist interests are mentioned by Steiner primarily in his discussion of the Saint-Simonians. One could add to this the voices standing in the tradition of social Catholicism. An example is the Catholic social reformer François Huet (1853) who published in the middle of the 19th century a theory of property in which he confronted social inequality caused by the dynastic

reproduction of wealth. Huet proposed to limit the bequest of wealth to one generation. Inherited wealth should be blocked from being bequeathed again to the subsequent generation. Only by restricting the transfer of property *mortis causa* to one generation could the intergenerational reproduction of the social status of the dependent wage labourer be interrupted (see also Cunliffe 1997; Cunliffe and Erreygers 2000). The argument is liberal in the sense that it is concerned with equality of opportunity, not advocating a socialist concept of property. It refers, however, neither to the family nor to private material interests.

The role of political and social reformist interests in controversies over inheritance law is also present in the United States and Germany. The inheritance laws of both countries shifted, as in France after the revolution, to the principle of equal shares, though testamentary freedom was less restricted as compared to France. In Germany the question to what extent testamentary freedom should be granted was fiercely debated (Klippel 1984). In the United States the issue was much less controversial (1) and inheritance law grants almost unlimited testamentary freedom. Children can be disinherited. But the statutory law that was introduced in the American states subsequent to the revolution institutionalized the principle of equality. Under intestate law, sons and daughters as well as first born and later born children were granted equal shares. Moreover, the entailing of property was abolished after the revolution which also indicates the relevance of equality as a leading normative principle.

As in France – Steiner quotes Adolphe Thiers (1848) for this position – proponents of unrestricted inheritance rights in the United States interpreted the right to bequeath as an integral part of the right to freely alienate property. The most prominent representative for this position in the early 19th century was the legal theorist James Kent (1971, vol. 2, p. 265). This position, however, was not, as in France, justified with reference to the sentimental interests of the family. Instead, the interference with inheritance rights was seen as endangering individual freedom.

(1) There are two reasons why the restriction of testamentary freedom did not become as controversial as it was in the European countries. First, the goal of breaking down existing wealth concentration had less significance in a country which had an abundance of land available that could be appropriated with relative ease. Life chances in the United States were much less dependent on the inheritance of land, compared to the situation in Europe. This is expressed in Tocqueville's observation that wealth in the United States "circulates with inconceivable rapidity, and experience shows that it is rare to find two succeeding generations in full enjoyment of it" (Tocqueville 1945 [1835], p. 53). Second, the strong statist tradition in France, which continued

after the revolution, had no parallel in the United States. The severe restriction of testamentary freedom would have met much greater resistance in America on the ground that this would have been seen as an undue interference of the state with individual freedom (property) rights. Although Jefferson was a proponent of equality in inheritance law he also supported a concept of the state which limited it to a minimal role (Katz 1977, p. 28). It was only during the time of the *Progressive Movement* that a more positive evaluation of the role of the state emerged in the United States (Huston 1993, p. 1103), but at this time reform initiatives focused on estate taxation and not on testamentary freedom.

Nor did the opponents of unrestricted inheritance rights argue with reference to the consequences for the family. Instead they brought into play the consequences of dynastic wealth transfers for social and political development. Dynastic wealth concentration would endanger democracy because it would give undue political influence to the wealthy and it would violate the principle of equal opportunities. The family and individual material interests, which played such a significant role in French debates on inheritance, played virtually no role in the same debates in the United States. The dominant concern in the United States can be seen from the following quotation by Thomas Jefferson:

The transmission of this property from generation to generation [through entail], in the same name, raised up a distinct set of families, who, being privileged by law in the perpetuation of their wealth, were thus formed into a Patrician order, distinguished by the splendor and luxury of their establishments. [...] To annul this privilege, and instead of an aristocracy of wealth, of more harm and danger, than benefit, to society, to make an opening for the aristocracy of virtue and talent, which nature has wisely provided for the direction of the interests of society, and scattered with equal hand through all its conditions, was deemed essential to a well ordered republic. (Jefferson 1959 [1829], p. 50f)

Jefferson saw the wide dispersion of property between independent, predominantly agrarian producers as a social precondition for the functioning of the republican order. The position of the citizens as producers was thought to support the republican virtues that allowed for the precedence of the common good of society over particularistic private interests and thus secured the basis for the functioning of the republic. American society remained influenced by the ideals of an agrarian democracy well into the second half of the 19th century (Huston 1993). The interest in maintaining the economic preconditions for the republic – as seen by Jefferson – operated as a social mechanism in Steiner's sense.

The tension between these two strands of ideas – the demand for unlimited individual property rights on the one hand and the fear that wealth concentration caused by dynastic accumulation would be dangerous for democracy and violate equal opportunities on the other – was the dominant cleavage in conflicts over the regulation of inheritance law in the United States ever since the late 18th century. The debates tend to focus on arguments of equality of opportunity and possible negative effects from dynastic accumulation of wealth for democracy on the one hand and the defense of unlimited property rights on the other. The relevant social mechanisms that translate the principle of equality into social regularities are distinct from the ones in France and go beyond material and sentimental interests (2).

(2) One reason for this difference might be the weak representation of utilitarianism in France.

## IV.

A different picture still can be identified in Germany. In this country the formative conflict over the consequences of inheritance law was fought over the role of the institution of last will, i.e. the question to what extent testamentary freedom should be restricted. The actual restrictions of testamentary freedom through a forced share (*Pflichtteil*) can be located somewhere between those in France and the United States (3).

The dominant concern of the debate was, however, very distinct. The institution of last will has come to German law through the reception of Roman law and has generally been associated with *individual* property rights since it gives the property owner discretionary powers to dispose of his wealth arbitrarily. The legal tradition of Germanic law by contrast did not include the institution of last will. Property was automatically bequeathed within the family according to the succession order.

In this legal context the family is, like in France, a crucial reference point. The Germanic rejection of division of property by last will entails a property conception that interprets property as *family property* (4). This closeness to France, however, exists only with regard to the importance of family relations. It does not hold for the interpretation of the consequences deriving for family relations from the limitation of testamentary freedom. While in France the restriction of testamentary freedom was seen – especially after 1848 – predominantly as *destructive* to the family (Le Play 1864) the very same measure was understood in Germany as *supportive* of the family. This provides an interesting example for Steiner's point on the

(3) Before 1900 Germany did not have a unified civil code. Nevertheless the regulations on the forced share were quite uniform since they were mostly derived from Roman law. An exception were those states that adopted the French *Code civil*.

(4) The structure of the Germanic legal argument can be seen most clearly in Hegel's *Philosophy of Right* (1986). For Hegel, the basis of inheritance law was not the intention (*Wille*) of the deceased, but the family. This principal position had its roots in Hegel's notion of *Sittlichkeit* of the family and a corresponding concept of property. According to Hegel, the transfer of property *mortis causa* means nothing more than the entering of other family members into the "as such" (*an sich*) joint property (Hegel 1986, § 171). The new assignment of property rights is determined by the structure of the family and cannot be arbitrarily decided by the testator. This is because the arbitrariness of the testator stood

in conflict with the *Sittlichkeit* of the family. In consequence Hegel rejected, except in certain limited cases, the institution of the testament as a means to regulate the transfer of property *mortis causa*. The position advocated by Hegel received increasing backing in the early 19th century and replaced much of the influence of more liberal thought on the subject of testamentary freedom that prevailed in the 18th century (Klippel 1984, p. 128). This is not to say that the liberal position advocating testamentary freedom did not exist anymore in Germany. But the social mechanism emphasized in Germany focused on the potential threat for the family from the expansion of testamentary freedom. On a more general level it expressed a deep skepticism against the development of an unfettered individualism and showed the (ideological) importance of the family, conceived as a crucial institution of social organization due to its embodiment of *Sittlichkeit*.

importance of interpretation of legal provisions for the explanation of their attributed effects and their legitimation.

However, the controversy over whether German inheritance law should be rooted in Germanic or Roman law had not only the family as its reference point. Instead, there existed a political agenda hidden behind this scholastic conflict that points to social reformist interests (Schröder 1981, 161ff). The proponents of the Germanic position intended to pave the way to using inheritance law for social reform by assuring that it was not the uninhibited individual whose rights ranked highest in inheritance law, but that the interests of society had a superior value. Adolph Samter (1879, p. 253), a member of the *Verein für Socialpolitik*, articulated this view by referring to a “double principle” of property that was expressed in the limitation of testamentary freedom: property was not only individual, but was also social in character. By limiting testamentary freedom it would become possible for the state to interfere with private transfers *mortis causa* in order to enhance the common good of society. This connected debates on testamentary freedom with those on social reformist ideas, developing since the 1840s, that looked at inheritances as a source for generating the means which could be used to solve the *soziale Frage* (social question).

## v.

The comparative perspective on transfers *mortis causa* shows similarities with regard to institutionalizing the principle of equality as a *dispositif social* in France, Germany and the United States. It also demonstrates, however, the distinctiveness of social mechanisms in each of the three countries. More than can be expected based on Steiner’s article, interests in the organization of the political order and in correcting social inequalities were crucial for the “translation” of the legal provision into social practices – not material interests and sentimental interests alone. This is relevant not just for the sake of completeness but because the latter two references add a political dimension to the enactment of the principle of equality in inheritance law that goes beyond the private sphere. It connects it to political and social reforms that have accompanied the transfer of property *mortis causa* throughout the 19th and 20th centuries. The principle of equality in inheritance law has not only become a dominant practice because it expresses the prolongation of affective relations through material transfers (Steiner, p. 145) but also based on changing political attitudes and social responsibilities. The reference point was not only family interest but the realization of the common good.

What can we learn more generally from the historical investigation of transfers *mortis causa* for the question of non-market transfers? Most importantly, the practices of non-market transfers must find non-economic reference points that provide legitimacy for social regulations and guide



actor's behavior. These non-economic reference points are not purely individual but are rooted in socially accepted (though contested) principles. Even the position not to interfere in transfers *mortis causa* is legitimated either by concerns for the family (Thiers 1848; Le Play 1864) or by the principle of individual freedom (Kent 1971 [1826-1830]). Steiner expresses this with reference to Tocqueville when he writes that the departure from aristocratic sentiments does not “*déboucher sur un pur égoïsme, limité à l’horizon de l’individu propriétaire*” (p. 133).

This is remarkable in the following sense: the bequest of property is an economic transaction. Economic means are transferred from one person to another. If inheritances were a contractual relationship we could assume that in a modern, functionally differentiated society the private interests of the parties involved would be sufficient to legitimize these transfers. But, as Philippe Steiner emphasizes, the regulation of inheritance is “*justifié par l’intermédiaire du don, et des motifs autres que ceux qui ont cours sur le marché*” (p. 143). Why is this? Because bequests are not a contractual relationship. By definition there is no *quid pro quo* in bequests: the heir does not give anything in return for what he or she receives. Individual achievement plays no role. The allocation of bequests is based on ascription. This makes inheritances problematic within the normative context of a modern liberal society. In consequence the transfer of property *mortis causa* must remain “thickly embedded” and cannot be functionally differentiated from normative concerns the same way market transfers can. Instead the notion of equality remains a crucial reference point in the justifications for the specific institutionalization of transfers *mortis causa*. It is anchored in intestate law as well as through restrictions of testamentary freedom for the distribution of inheritances within the family (equal division among siblings). Equality also remains the normative reference point when it is argued that the wide dispersion of wealth should protect equality in the polity and allow for equal opportunities. Since equality is not built into the mode of transfer itself – as it is in the market mechanism – it is introduced through regulative principles and thereby contributes to the legitimacy of bequests.

How do transfers *mortis causa* differ from organ transplants? My suspicion is that these two forms of non-market transfers are not at variance so much because the (surviving) family views them differently (Steiner, 18f) but rather because organ transplants are lacking much of the political and socio-economic implications that are characteristic for transfers *mortis causa*. The danger of looking at bequests from the perspective of the problems associated with organ transplants is to underestimate the political dimension of the regulation of transfers *mortis causa*.

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