Max Weber on capitalism, socialism and democracy

Alan Milchman

Teaches in the Political Science Department of Queens College, CUNY

Published online: 13 Dec 2007.

To cite this article: Alan Milchman (1988) Max Weber on capitalism, socialism and democracy, Socialism and Democracy, 4:2, 97-119, DOI: 10.1080/08854309008428017

To link to this article: http://dx.doi.org/10.1080/08854309008428017

Taylor & Francis makes every effort to ensure the accuracy of all the information (the “Content”) contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms & Conditions of access and use can be found at http://www.tandfonline.com/page/terms-and-conditions
Max Weber on Capitalism, Socialism and Democracy

Alan Milchman

Nearly seventy years after his death, Max Weber is recognized as one of the preeminent social and political theorists of modernity. In his famous essay on *The Protestant Ethic and the Spirit of Capitalism* (Weber 1958 and 1981), Weber traced the origins of modern Western rationalism in the period of the Renaissance and Reformation, and delineated the structure of the rational conduct of life (Lebensführung) integral to the bourgeoisie as the historical bearers of capitalism. In his monumental, though unfinished, *Economy and Society* (Weber 1978 and 1947), Weber analyzed the various forms assumed by the organization of the labor process in both agriculture and industry, from household production through the several forms of extracting a surplus from a dependent peasantry to the rational business enterprise based on capital accounting and wage labor (capitalism). It was in *Economy and Society* too that Weber analyzed the ways in which the rulers of a society can secure the acquiescence of those they rule, without which, in his opinion, a stable form of domination (Herrschaft) is impossible. It was here that Weber developed the typology of legitimate domination which is the basis of his political sociology: traditional, charismatic and legal-rational domination, the latter of which prevails in modernity.

The Weberian project, however, was not confined to the search for the political, economic and cultural roots of modernity, or to the most precise sociological description of the stage reached by the capitalism of his day. Rather, Weber was determined to elucidate the basic developmental tendencies of modernity, the logic and direction of capitalist development. In particular, Weber sought to reveal the fundamental characteristics of the human type to which modernity was giving birth. His preoccupation was the kind of life-conduct, the type of humankind (Menschentum) appropriate to late capitalism. The scope of this project was indicated as early as 1904, when Weber assumed the coeditorship of the *Archiv für Sozialwissenschaft und
Socialism and Democracy

Sozialpolitik, stating that its task would be to investigate "... the fundamental process of transformation experienced by our economic life and thereby our cultural existence as a whole through the advance of capitalism" (Weber 1904, p.1-2).

Until fairly recently, both liberals and Marxists viewed Weber's evaluation of capitalism as basically positive. Thus, for example, Talcott Parsons and Reinhard Bendix enthusiastically sought to turn Weber's sociology and developmental history into an unqualified affirmation of liberal capitalism. Parsons, who was most responsible for turning the work of Max Weber into a sociological "classic" in the post-war era, transformed Weber into a precursor of his own evolutionist theory of capitalism as the very embodiment of freedom and reason. In Parsons' view:

... for Weber the basic alternative to our system of free property and free labor was a feudal type of organization of economic life in which the freedom of the worker was traded for a combination of security and dependency. ... In terms of Weber's more general scheme ... the alternative to formal rationality in economic life as a stable routine economy is traditionalism (Parsons 1948, p. 304).

Reinhard Bendix, while rejecting Parsons' interpretation of Weber as an evolutionary theorist, nonetheless also insisted on Weber's commitment to "... the relative rationality and individualism inherent in a capitalist economy ..." (Bendix 1977, p.460). For Bendix, the only alternative to rational capitalism was "... some kind of reversion to patrimonialism" (ibid., p.461). In short, for Weber—as interpreted by Parsons and Bendix—capitalism alone could assure the flourishing of freedom and reason, the sole alternative to which was the atavistic recrudescence of irrationalism and despotism in the form of feudal/patrimonial traditionalism.

A symmetrical interpretation of Weber's view of capitalism, though with a different evaluative twist, has characterized the left, from Georg Lukács to the Frankfurt School, for whom Weber is the quintessential apologist for capitalist society. Thus, Lukács insisted that Weber, despite misgivings about certain aspects of capitalist culture; "... viewed the capitalist rationalization process as the workings of 'destiny' ... and thus ... showed capitalism to be necessary and inevitable" (Lukács 1980, p.607). Lukács argued that, as an advocate of capitalism, Weber constructed his sociology with a view to
demonstrating the purported impossibility of socialism and as an apologia for imperialism. According to Herbert Marcuse, Weber identified reason itself with capitalism:

He defined himself as a “bourgeois” and identified his work with the historical mission of the bourgeoisie; in the name of this alleged mission, he accepted the alliance with the organizers of reaction and repression. . . . The personal serves us here only as an illustration of the conceptual; it serves to show how the concept of reason itself, in its critical content, remains ultimately tied to its origin: “reason” remains bourgeois reason, and, indeed, only one part of the latter, viz. capitalist technical reason (Marcuse 1968, p.208).

The conception, common to both liberal and Marxist critics, that Max Weber's view of modern capitalism was basically affirmative, has been sharply challenged by much of the scholarly work devoted to Weber over the past fifteen years. Indeed, one of the fruits of the present renaissance of Weber studies has been a new understanding of him as a thinker whose attitude to the basic developmental tendencies of late capitalism is much more ambivalent, pessimistic and even critical than the dominant interpretation would allow. Thus, according to Wolfgang Mommsen:

Weber was convinced that the rise of industrial capitalism . . . was closely tied to the irresistible progress of bureaucratization and rationalization. In the wake of the development of capitalism, bureaucratized and rationalized forms of social organization and of social conduct had been growing precipitously.

. . . Weber thought that the free societies of the West were undergoing a process of routinization and rationalization of all spheres of social life which would slowly but steadily lead to a paralysis of all individual initiative. At the end of this process one would no longer be able to speak of any sort of freedom at all. . . . Ultimately, capitalism is, according to Weber, “an iron cage” which tends to leave less and less room for spontaneous individual conduct (Mommsen 1983, p.300 and p.304).

To take but one more example from the recent Weber interpretations, Franco Ferrarotti has pointed to Weber's real ambivalence in the face of the triumph of Western rationality, which was an integral component of ascendant capitalism. Having celebrated the revolu-
tionary accomplishments of Occidental reason, Weber, according to Ferrarotti, also recognized its destructive potential:

... but at the very moment it [rationality] seems to be historically achieved, and at the point of becoming dominant, it reverses itself and takes on a negative connotation in the context of a totally administered society and a tendentially totalizing bureaucratic-coformal organization, which cheats the individual out of his rationality in order to set him in the name of efficiency in a "steel cage" (Ferrarotti 1982, p.643).

Recent Weber scholarship has also yielded a clearer understanding of the bases for Max Weber's opposition to socialism. Whereas the dominant interpretations of Weber have portrayed his hostility to socialism as having its basis in the view that socialism constitutes a repudiation of formal rationality (Parsons) or in a visceral hatred for the working class typical of the class conscious bourgeois (Lukács,Marcuse), Wolfgang Mommsen has shown that for Weber socialism—understood as a statified and nationalized economy—was the very apotheosis of formal rationality and bureaucratization; the culminating point of the "iron cage" (Mommsen 1985). Even Lukács' insight into the connection between democracy and imperialism in Max Weber's sociology (Lukács 1980, p.609), must be looked at anew in the light of recent Weber scholarship. Whereas Lukács focused exclusively on Weber as an apologist for imperialism, it may prove far more fruitful to trace out the implications of Weber's recognition that democracy provides the best foundation for the engagement in capitalist power politics (Machtpolitik) and global war.

In this essay, I shall argue that Max Weber's analyses of late capitalism, of the role of democracy in this epoch and of the prospects for socialism all contain important insights that constitute a valid heritage for socialists. This is not a question of turning Weber into a crypto-socialist. The whole of his work stands as an insuperable barrier to such an endeavor. However, the contemptuous dismissal of Weber, the virtual acceptance of the Parsonian reading of Weber (which simply contents itself with saying "no", where Parsons says "yes") that has characterized the socialist response to the German sociologist, robs socialism of insights and conceptual weapons with which to meet the challenge of totalitarian capitalism. By totalitarian
capitalism, I am not referring to a specific political form of capitalist class rule (Bonapartism, fascism), but to the basic structure of the capitalist mode of production once the change from the formal to the real domination of capital, from the formal to the real subsumption of labor under capital, has occurred. Marx traces this fundamental change in the operation of the law of value in the *Results of the Immediate Process of Production* (Marx 1976). While a discussion of this process is beyond the scope of the present essay, a few comments on its effects and implications are necessary because of their link to Weber’s own insights. In the phase of real domination of capital, the capitalist state becomes the veritable axis of the economy, virtually swallowing civil society itself. However, this does not mean that the state “commands” the economy. Indeed, the capitalist law of value “seizes” the state, and the state apparatus is directly subordinated to the imperatives and logic of the extraction, realization and capitalization of relative surplus value. The capitalist state is transformed into the crystallization of the law of value in the phase of real domination. Through the state, the law of value penetrates into every aspect of social life. The abstract rationality of the commodity form spreads from the process of material production to the whole of social being (politics, leisure, family, culture and science), which the capitalist state attempts to organize as a totalitarian whole. To this must be added the decisive role played by the capitalist state in the total mobilization of society for imperialist war. Once again, it is not a question of a specific political form, but of the vital necessity in an epoch of “wars and revolutions” (Lenin) for the capitalist state in any of its possible political forms to mobilize and organize the total life of the population so as to assure the sacrifices that victory on the battlefield requires. Weber, of course, had no conception of the changes in the operation of the law of value that led to totalitarian capitalism, but he clearly saw that political and social life was ineluctably moving in the direction of totalitarianism. Moreover, Weber was also convinced that the prosecution of imperialist war, which he saw as a primordial task of the late capitalist state, was better served by a state form based on parliamentary democracy and universal suffrage than one based on the rule of military/dynastic cliques and the exclusion of the masses from the formal participation in the political process. What is at stake here is the real possibility that a thinker outside the socialist camp can provide important elements for an appreciation of the fatal
logic of capitalist development, of the real role that democracy plays in enabling the capitalist state to carry out its vocation for war, and of the underlying bases for the failures of what Rudolf Bahro designates as "really existing socialism."

A re-evaluation of the Weberian oeuvre along the lines I am proposing is especially important at a time when so many social and political theorists who consider themselves socialists are re-committing themselves to the "Enlightenment project" based on the triumph of Western rationality, and to a vision of "socialism" integrally linked to the institutions of pluralistic, mass democracy. This tendency, which can be seen in the work of Jürgen Habermas, Agnes Heller, and Jean Cohen for example, is based on a rejection of the genuinely radical core of Marx and Engels' analyses of the catastrophism which is integral to capitalist development and of the real class content of modern democracy. Thus, Habermas has argued that the Marxian theory of value is incompatible with the real development of "welfare-state" capitalism (Habermas 1987), and that late capitalism has succeeded in overcoming the tendency to catastrophic economic crises that Marx insisted was inherent in value production (Habermas 1975). Moreover, the Habermasian distinction between system and life-world, has led the German social theorist to argue that an a priori ground for the continued existence of a "public sphere" autonomous from the capitalist state and economy characterizes late capitalism no less than the epoch of the Enlightenment, and provides a basis for the reform of the system (Habermas 1987). Rejecting Marx and Engels' strictures on the class nature of democracy, Agnes Heller has argued that "... formal democracy is precisely the great invention ensuring continuously the democratic character of the state. ..." (Heller 1978, p.868), which for her is the guarantee of the rule of the people. Jean Cohen, combining elements of both Habermas' and Heller's theories has insisted that civil society, which for Marx is the realm of exploitation, class antagonism and alienation, is the locus of pluralism and autonomy, and as such constitutes the very institutional basis of socialism (Cohen 1982)! Weber's seminal insights into the dark side of capitalist development and of Occidental reason, its totalitarian tendencies, and his understanding of the indispensability of democracy to imperialist power politics, can be of real value in refuting the arguments of this new reformism. It is with this end in mind that I turn to a fuller elaboration of Max Weber's analyses of capitalism, socialism and democracy.
Weber's Analysis of the Developmental Tendencies of Capitalism

Paradoxically, Weber's critique of late capitalism can only be understood against the backdrop of his firm commitment to what he saw as bourgeois values. In his inaugural address at Freiburg University in 1895, Weber left no doubt as to his underlying value position: “I am a member of the bourgeois classes. I feel myself to be a bourgeois, and I have been brought up to share their views and ideals” (Weber 1980 A, p. 444 / 1980 B, p. 20). What were these bourgeois ideals to which Weber remained committed throughout his life? Weber's fundamental commitment was to freedom and individualism, and to the creativity and dynamism to which they gave rise. His was a devotion to the ideals of the Enlightenment, to a Faustian vision of man confidently striding forth on the world stage. The Weberian ideal had been embodied in the ethic of rational world mastery of the Calvinist “man of the calling” (Berufsmensch). Heroic struggle to reshape the world was central to the Weberian ideal, as was the view of international politics as a battlefield on which the mettle of the competing nation-states is tested. (Here Lukács’ bitter comments on Weber's apologia for imperialism and Machtpolitik are certainly to the point.)

In the service of these bourgeois values, Max Weber waged a tireless and bitter struggle against all forms of patriarchalism and traditionalism on the social, political and cultural terrain. From his youthful studies of the East-Elbian agricultural laborers to the campaigns against the Junker camarilla which held sway at the Kaiser's court during World War One, Weber's scorn was always directed at the feudal-patriarchal reaction which saw bourgeois individualism and reason as its mortal enemy. In this sense, it is a mistake to see Weber's criticisms of late capitalism as proceeding from any sort of romantic anti-capitalism of the kind that flourished in Germany at the end of the nineteenth century. Romantic anti-capitalism as represented for example by Ferdinand Tönnies, the Stefan George Circle, Paul Ernst or the youthful Georg Lukács is characterized by a longing for the pre-capitalist past, for the patriarchal world of Gemeinschaft before the irruption of bourgeois individualism, instrumental rationality and Gesellschaft. Weber's passionate critique of late capitalism did not stem from any nostalgia for a lost pre-capitalist past. Quite the contrary. Weber celebrated the rise of capitalism with its victory of rational action over traditional action, of Gesellschaft over Gemeinschaft, of bourgeois values over patriarchalism. Rather, as
we shall see, his rejection of the world of late capitalism proceeded from the firm conviction that the very logic of capitalist development itself inexorably led to the destruction of the eminently bourgeois values to which he was committed.

Weber’s contribution to an understanding of the developmental tendencies of late capitalism can be grouped into four areas. First, his insight into the economic limits to capitalist development. Second, his understanding of rationalization as reification. Third, his vision of capitalism swallowed up by bureaucratization. And fourth, his conception of the type of humankind to which late capitalism gives rise.

In his detailed studies of the Russian revolution of 1905, Weber provided important elements (unfortunately only in passing) for an understanding of what he saw as the economic preconditions for individualism and dynamic capitalism, as well as the economic limits to capitalist growth. Weber clearly linked the prospects for the freedom and individualism which he saw as characteristic of dynamic capitalism to unfettered imperialist expansion:

The historical origin of modern freedom has had certain unique preconditions which will never repeat themselves. . . . First, overseas expansion. In the armies of Cromwell, in the French constituent assembly, in our whole economic life even today this wind is felt from across the oceans (Weber 1980 B, p. 64).

However, according to Weber, these possibilities for unfettered overseas expansion were then coming to an end. As a result, he pointed to the unavoidable prospect of a slowing down “of the tempo of technical economic ‘progress,’” the triumph of “‘rent’ over ‘profit,’” “in connection with the exhaustion of all ‘free’ soil and ‘free’ markets” (Ibid., p.63). For Weber this meant a future of economic stagnation and life and death struggles between the great powers.

Two points need to be made about Weber’s view of the economic limits to capitalist development. There is a startling resemblance between Weber’s conception of the factors necessary to capitalist expansion and of the elements producing economic stagnation, and the conceptions of the Marxist theorists Rosa Luxemburg (The Accumulation of Capital) and Fritz Sternberg (Der Imperialismus). Both Luxemburg and Sternberg saw the bases for capitalist expansion in the existence of virgin land and non-capitalist markets on which to realize the surplus-value extracted from the proletariat. Both saw the
exhaustion of non-capitalist markets through the division of the world between the imperialist metropoles as inaugurating an epoch of economic stagnation and imperialist world wars.

Weber's conception of an economic limit to capitalist development is also linked to his views on the causes of the decay of ancient Greco-Roman civilization (Weber 1976 / 1924). His studies of ancient civilization reveal a conception of a society first experiencing a phase of economic dynamism and expansion, an ascendant phase, which reaches its culminating point and is then followed by a phase of economic stagnation, a phase of decadence. While the specific contradictions which ultimately limit economic expansion differ from society to society, Weber's social theory is certainly based on a conception of ascendant and decadent phases in the life of a society. There is surely a resemblance here to Marx's theory of progressive and reactionary phases in the history of each mode of production, the former characterized by a period when a determinate set of production relations are the condition for the growth of the productive forces, and the latter characterized by a period when these same relations of production have turned into a fetter on the development of the forces of production. Weber's views on the economic limits to capitalist development would seem to lend support to the catastrophism which is fundamental to the Marxist analysis of capitalism and provide a further impetus for a real Marx-Weber dialogue.

In his *Protestant Ethic*, Weber described late capitalism as "a monstrous cosmos into which the individual is born, and which presents itself to him . . . as an unalterable order of things in which he must live" (Weber 1958, p.54 / 1981, p. 45). He pictures late capitalism as becoming a world of "mechanized petrification" (Ibid., p.182 /p.189). This vision of the "iron cage" is portrayed as the final outcome of the process of rationalization which has been integral to the development of capitalism. The rationalization of all aspects of social, political, economic and cultural existence, which is one of the hallmarks of capitalism, and which originally permitted the bourgeoisie to break the shackles of feudalism and patriarchalism, now constitutes an insuperable obstacle to the exercise of all freedom and creativity. For Max Weber, rationalization has become reification. Social relations, the creations of man, have become thingified and frozen, seemingly chaining man to his own creations. In his wartime essays on "Parliament and Government in a Reconstructed Germany,"
Weber graphically described the reified world towards which late capitalism was tending:

An inanimate machine is mind objectified. Only this provides it with the power to force men into its service and to dominate their everyday working life as completely as is actually the case in the factory. Objectified intelligence is also that animated machine, the bureaucratic organization, with its specialization of trained skills, its division of jurisdiction, its rules and hierarchical relations of authority. Together with the inanimate machine it is busy fabricating the shell of bondage which men will perhaps be forced to inhabit some day, as powerless as the fellahs of ancient Egypt (Weber 1978, p. 1402/Weber 1980B, p. 332).

This Weberian vision of a reified world arising on the basis of the rationalization of life orders bears a clear relation to Marx's conception of capitalism as a reified social formation based on commodity fetishism, a world where man's own creations take the form of things. Indeed, the concept of reification so central to the Hegel-Marx tradition in the twentieth century (e.g. Georg Lukács, Ernst Bloch, the Frankfurt School) owes nearly as much to Max Weber as it does to Karl Marx. Recent studies by Bryan Turner and Jürgen Habermas (Turner 1981, Habermas 1984) have clearly shown the direct filiation between Weber's concept of rationalization as reification and Lukács and the Frankfurt School's theoretical elaborations—despite the publicly dismissive and hostile attitude of these latter towards Weber. Lukács, at any rate, belatedly acknowledged his intellectual debt in his discussions with a group of German Marxists in 1967:

... I do not at all regret today that I took my first lessons in social science from Simmel and Max Weber and not from Kautsky. I don't know whether one cannot even say today that this was a fortunate circumstance for my own development (Pinkus ed. 1974, p.100).

With an acuteness matched by few other social theorists, non-Marxist or Marxist, Max Weber understood that capitalism would be engulfed by bureaucratization. An economic system characterized by an unceasing dynamism in its ascendant phase would be shackled by that "animated machine," bureaucracy, and condemned to stagnation.

For Weber, bureaucracy and capitalism were inseparable. Indeed, "... today capitalism itself sets the pace for bureaucratization..."
of the economy” (Weber 1976, p. 365 / 1924, p.277). Given the link that Weber saw between monocratic bureaucracy and formal rationality, as well as his conviction as to the technical superiority of bureaucratic organization over traditional organization, it is clear why he would grasp the fact that capitalism generates bureaucratization:

Though by no means alone, the capitalistic system has played a major role in the development of bureaucracy. Indeed, without it capitalistic production could not continue. . . . Its development, largely under capitalistic auspices, has created an urgent need for stable, strict, intensive, and calculable administration (Weber 1978, p.224/1947, p.129).

Though generated by capitalism, in a dialectical reversal, bureaucratization—according to Weber—was engulfing capitalism. For Weber, this phenomenon was reminiscent of the fate of antiquity:

Thus in all probability some day the bureaucratization of German society will encompass capitalism too, just as it did in Antiquity. We too will then enjoy the benefits of bureaucratic “order” instead of the “anarchy” of free enterprise, and this order will be essentially the same as that which characterized the Roman Empire and—even more—the New Empire in Egypt and the Ptolemaic state (Weber 1976, p. 365–366 /1924, p.277).

For Max Weber, unhappily, the future probably belonged to bureaucracy, with its ineluctable tendency to smother all creativity and dynamism, fastening humankind into petrified social relations reminiscent of the decline of the ancient world.

What would such a frozen world, erected on a capitalistic basis, look like? According to Weber:

To have a true image of the Later Roman Empire in modern terms, one must imagine a society in which the state owns or controls and regulates the iron, coal, and mining industries, all foundries, all production of liquor, sugar, tobacco, matches, and all the mass consumption products now produced by cartels. In addition the state would have enormous domains, would run workshops to produce military supplies as well as goods for bureaucrats, would own all ships and railways, and would conclude state treaties to regulate wool imports. One must imagine the whole complex managed according to the rules of bureaucratic organization. . . . If we imagine
all this, under a militaristic . . . regime, then we have summoned up the state of things under the Later Roman Empire, the only difference being that the technological basis was not then so far advanced (Weber 1976, p.365 /1924, p.277).

Of course, in fact, such a bureaucratized society resting on a capitalistic basis would differ from the ancient empires not only because of its infinitely higher technological level, but even more importantly because it was subject to the capitalist law of value—the veritable essence of capitalism, to which Weber always remained blind. Nonetheless, such a society, as Weber pictures it—minor details aside—looks very much like the “General Cartel” that Rudolf Hilferding anticipated in his *Finance Capital*. In fact, Weber’s description is a brilliant anticipation of the German war economy of 1914–1918, which Lenin aptly described as state capitalism. Indeed, given our experience of a war economy in two global holocausts, of the fascist “Behemoth,” of the statified form of a capital-producing economy, it is reasonable to see Weber’s description as a remarkable insight into the physiognomy of late capitalism.

What made the prospect of bureaucratization all the more frightening to Max Weber was his conviction as to its irreversible character. In “Parliament and Government in a Reconstructed Germany,” Weber made this point crystal clear:

Bureaucracy is distinguished from other historical agencies of the modern rational order of life in that it is far more persistent and “escape-proof.” History shows that wherever bureaucracy gained the upper hand, as in China, Egypt and, to a lesser extent, in the later Roman empire and Byzantium, it did not disappear again unless in the course of the total collapse of the supporting culture. Yet these were still, relatively speaking, highly irrational forms of bureaucracy: “Patrimonial bureaucracies.” In contrast to these older forms, modern bureaucracy has one characteristic which makes its “escape-proof” nature much more definite: rational specialization and training (Weber 1978, p.1401 / 1980B, p.330–331).

According to Wilhelm Hennis, the “central question” for Max Weber was the type of humankind (Menschentum) that was produced by modernity (Hennis 1983). In short, what human type would inhabit the “cage of bondage” that seemed the likely outcome of the dialectic of capitalist development?
For Weber, the inexorable rationalization and bureaucratization that were inseparable from the development of capitalism would destroy the very bases for the "man of the calling," the Berufsmensch, characterized by a Faustian will to world mastery and the incredible dynamism that made possible the bourgeois revolutions. In his place would appear the man of order, the Ordnungsmensch:

... men who need "order" and nothing but order, who become nervous and cowardly if for one moment this order wavers, and helpless if they are torn away from their total incorporation in it. That the world should know no men but these: it is in such a development that we are already caught up . . . (Weber 1924 A, p.414).

Weber's vision of a world inhabited solely by men who crave order and defer to authority is surely too pessimistic, but it just as certainly captures the world that the rulers of late capitalist society are trying to create. Moreover, in a world that has known Auschwitz, Hiroshima and the Gulag, the spectre of Weber's men of order is one that socialists cannot afford to overlook.

The "monstrous cosmos" of late capitalism was also inhabited by another—though related—human type according to Max Weber: the specialist or Fachmann. Weber's Fachmenschen are the narrow specialists, incapable of real thought or passion; the cramped and cribbed products of an extreme division of labor and purely quantitative science: "[s]pecialists without spirit, sensualists without heart; this nullity imagines that it has achieved a level of civilization never before achieved" (Weber 1958, p.182 / 1981, p.189). Weber's Fachmann, the proud creation of late capitalist education, science and administration, is the antithesis of the creativity and dynamism of the Berufsmensch.

Weber has designated these narrow specialists "the last men" (Weber 1981, p.189), though the term does not appear in Talcott Parsons' English translation of the Protestant Ethic. The term "last men" is evocative of Friedrich Nietzsche, and Weber's use of it is clearly deliberate. For Nietzsche, the last man is the ultimate conformist product of a decadent society; with his incapacity to feel real passion and to create, and with his cowering before authority and his worship of leaders, the last man combines the most odious features of both Weber's Fachmann and Ordnungsmensch. If Max Weber
looked to Nietzsche for the characteristics of the type of humankind that was emerging in his age, he significantly made his appearance the product of the logic of late capitalism, providing a materialist basis for his philosophical anthropology.

Men of order, narrow specialists, this is Max Weber's apodictic judgment on the fate of man in capitalist society. Weber recognized, as few socialists to this day have, that the very logic of capitalist development brings about the destruction of the bourgeois values that originally presided at its birth and launched it on its ascendant phase. Indeed, the infernal dialectic of capital production eliminates not merely bourgeois values, but their historical bearer, the bourgeois himself, in the form of the dynamic “man of the calling,” replacing him with the last man. If we add to Weber's insight Marx's understanding that capitalism is essentially a mode of production based on the law of value, in which surplus-value is extracted from a wage-laboring class, and in which the capitalist is the functionary or personification of capital, then it is clear that the elimination of bourgeois values and their bearers is in no way the destruction of capitalism or of the capitalist. Only the abolition of value production can eliminate the scourge of capitalism! Meanwhile, the very social structure, based on the law of value, which historically gave birth to the bourgeois and his individualist values, in the course of its own development eliminates him and confers the function of personifying capital on the state bureaucrat and corporate manager.

Weber and the Prospects for Socialism

In the Marxian vision, socialism is a classless society in which exploitation and the rule of man over man have been abolished. In Weberian terms, such a society would be free of domination (Herrschaft). For Max Weber, such a society was illusory. The preceding historical development—demographic, economic, technical and cultural—prohibited it. A society based on the fruits of industrial development could not dispense with the formal rationality, instrumental reason and bureaucratization which were inseparable from domination. Weber made his opinion as to the illusory character of such a society particularly clear in a letter written in 1908 to his friend Robert Michels, then a partisan of revolutionary syndicalism:
... all theories that the rule of men over men could be overcome by any kind of socialist social system or by any other subtle forms of democracy were utopian (quoted in Mommsen 1984, p. 104).

It is clear that whatever the ethical implications of a utopian outlook were for Weber, it meant a flight from the real world and an abdication of responsibility. For Weber, the only result of efforts to establish such a society would be to extend the sway of bureaucratization or to open the way to feudal-traditional reaction. If socialism, understood as the end of domination, was dismissed as unreal by Max Weber, what kind of “socialism” did he see looming on the horizon? What type of society did he think he was opposing when he tirelessly resisted the proponents of “socialization” at the end of World War One?

Max Weber’s concept of socialism took the form of an ideal-type construction based primarily on two features: It is a “planned” or administered as opposed to a “market” economy; it is characterized by state ownership or nationalization of the means of production. However, Weber recognized that want satisfaction based on a planned economy, though it may be substantively rational, involves a sacrifice of formal rationality; therefore, in his opinion, a socialized economy concerned with the efficient and rational (in the formal sense) utilization of the means of production and labor resources would necessarily have recourse to market mechanisms (prices, wages). Inasmuch as the Weberian concept of socialism rests on state ownership, it is concerned only with juridical forms, and overlooks the actual relations of production. In contrast to Marx and Engels, who penetrate beneath juridical forms to the abolition of wage-labor itself as the basic content of socialism, Weber’s concept of socialism is less concerned with production than with distribution and legal forms. In this respect, Weber’s ideal-typical construction of socialism is very close to the classic positions of “orthodox” Marxism, from Kautsky to Stalin, even as it is antipodal to that of Marx himself.

For Max Weber, rational socialism, based on present day technology, would not change the basic condition of the working class:

The expropriation of all the workers from the means of production may in practice take the following form: Management is in the hands of the administrative staff of an organization. This would be true very particularly also of any rationally organized socialist econ-
Not only would such rational socialism as Weber conceived it leave intact the separation of the workers from the means of production, it would perforce also retain wage-labor. In terms of Karl Marx's analysis of capitalism as a mode of production based on the expropriation of the workers from the means of production and the social relation of wage-labor to capital, and regulated by the operation of the law of value, it seems clear that Weber's rational socialism is, in fact, a stafified form of capitalism.

Socialism, for Weber, is also firmly based on that other hallmark of late capitalism: bureaucratization. Given the role of modern technology and specialized knowledge, Weber was convinced that bureaucratization was indispensable:

In this respect, it makes no difference whether the economic system is organized on a capitalistic or a socialistic basis. Indeed, if in the latter case a comparable level of technical efficiency were to be achieved, it would mean a tremendous increase in the importance of professional bureaucrats (Weber 1978, p.223–224 / 1947, p.128).

According to Weber, then, with socialism based on the separation of the worker from the means of production and bureaucratization, "[i]t is the dictatorship of the official, not that of the worker, which . . . is on the advance" (Weber 1924 A, p.508).

Max Weber was resolutely opposed to socialism because, in his view it could only be the culminating point of the bureaucratic ossification endemic to late capitalism, the lock on the cage of bondage that capitalism had forged:

A progressive elimination of private capitalism is theoretically conceivable. . . . let us assume that some time in the future it will be done away with. What would be the practical result? The destruction of the steel frame of modern industrial work? No! The abolition of private capitalism would simply mean that also the top management of the nationalized or socialized enterprises would become bureaucratic. Are the daily working conditions of the salaried employees and the workers in the state-owned Prussian mines and railroads really perceptibly different from those in big business en-
terprises? . . . State bureaucracy would rule *alone* if private capitalism were eliminated. . . . This would be similar to the situation in ancient Egypt, but it would occur in a much more rational—and hence unbreakable—form (Weber 1978, p. 1401–1402 / 1980 B, p.331–332).

For Weber, then, socialism was the continuation and perfecting of the worst aspects of late capitalism; indeed, the triumph of precisely those aspects of capitalism which had destroyed the bourgeois values of freedom and individualism to which Weber had always adhered.

Weber's treatment of the prospects for socialism is certainly flawed by the content of his ideal-type, by his curt dismissal of the very possibility of a society without domination, and perhaps most of all by his inability to see that it is the very development of technology unleashed by capitalism that has made labor time as the measure of wealth (the law of value) obsolete and irrational (both substantively and formally!). Moreover, Weber neither saw that the individualism and freedom which he thought were embodied in the bourgeoisie were themselves distorted and in large part a sham, nor that the only true foundation for real freedom and individualism lay in a classless society. Nonetheless, Weber's analysis of the prospects for socialism provides important insights for socialists. His understanding that nationalization and socialization on the basis of the separation of the workers from the means of production would constitute a dictatorship of the officials and not a dictatorship of the proletariat (Weber 1924 A, p.508) is an insight that socialists would do well to make their own. Indeed, it was just such an insight, based on the concrete experience of the proletarian revolution in Russia, that animated Lenin's struggle in the final years of his life. In the early 1920s, Lenin recognized that one of the main threats to socialism proceeded from bureaucratization, from a state machine that seemed to have escaped the control of the working class. This struggle against bureaucracy assumed, in his view, the character of a struggle that would decide the very fate of socialism. Quite apart from his untimely death, and the limited range of options which he saw in the face of this peril, Lenin tended to identify the bureaucratic scourge with Russian backwardness and feudal remnants, failing to see that it was the purest product of the capitalist rationalization process in its most advanced form. Max Weber's clarity on this last point serves to highlight the importance of a realistic appraisal of the danger that bureaucratiza-
tion poses to the very project of socialism. Weber's whole discussion of the stimulus to bureaucratization provided by a "socialization" in which the separation of the workers from the means of production was perpetuated contains a warning to all who would seek to reorganize society on the foundation of state ownership of the economy, and constitutes a stinging rebuke to the architects of those systems of "really existing socialism" which are organized on the basis of such a model.

Max Weber's Analysis of Democracy

In his political sociology, Max Weber made a sharp distinction between direct or absolute democracy and mass democracy, the latter including modern representative and constitutional democracy.

Direct democracy, for Weber, was the exclusion of domination. Its features included an assembly of all the members of the community, which would strictly limit the delegation of its powers to officials. Where such a delegation of power was necessary, it would involve a short term of office, the power of recall at any time, rotation of office holders or selection by lot, and a mandate strictly defined by the assembly (Weber 1978, p.289 / 1947, p.169). The necessary conditions for such a direct democracy included a community of a modest size, equality of status of its members, and simplicity of governmental functions. It seemed clear to Weber that direct democracy was incompatible with an industrial society. A large population, a complex technical and social division of labor, with its accompanying specialization, and class and status divisions, made it impossible for direct democracy to exist in a capitalist society according to Weber. (Interestingly, however, Weber saw the Soviets or Workers Councils, with their members subject to immediate recall and subject to an imperative mandate, as a form of direct democracy under mass conditions and in an industrial society) (Ibid., p. 293 /p. 172).

It was mass democracy, then, which characterized capitalism for Max Weber. He was not the first social theorist to recognize the link between capitalism and mass democracy. Tocqueville and Burkhardt had preceded him, and Pareto and Mosca were his contemporaries. However, where the former emphasized the corruption and cultural decline that accompanied democracy, and the latter feared
that democracy would end the rule by elites, Weber's emphasis was on the fact that democracy actually increases the concentration of power in the hands of the few. In this sense, Weber was close to Marx and Engels, who also recognized the connection between constitutional democracy and the dictatorship of the bourgeoisie.

For Max Weber, Caesarism is an integral component of the mass democracy that characterizes late capitalism. In her biography of her husband, Marianne Weber quotes a conversation that Max had just after the war with the German General Ludendorff on the real nature of democracy:

_Weber._ In a democracy the people choose a leader whom they trust. Then the chosen man says, “Now shut your mouths and obey me. The people and the parties are no longer free to interfere in the leader's business.” _Ludendorff._ I could like such a “democracy.” _Weber._ Later the people can sit in judgment. If the leader has made mistakes—to the gallows with him! . . . (Marianne Weber 1975, p. 653).

While it is difficult to verify the accuracy of Weber's comments, there is no doubt that they capture the essence of his understanding of the Caesaristic component of mass democracy in our time. Decisions are made by leaders, according to Weber; the role of the people is to give their “devotion” and “trust” to them (Weber 1978, p. 268 / 1947, p. 155). The Caesaristic leader, whose power is enhanced by the devotion of the masses conferred in a plebiscitary fashion, is, according to Weber, the quintessential demagogue. “Since the time of the constitutional state, and definitely since democracy has been established, the ‘demagogue’ has been the typical political leader in the Occident” (Weber 1948, p.96 / 1980 B, p.525 ). Caesarism and demagoguery, for Weber, constitute the necessary condition for effective power under modern circumstances, for the capacity of a polity to fulfill its tasks as a power-state on the global battlefield. And this tendency to the strong state, far from being in contradiction to democracy, is, for Weber, its direct result.

This kind of “Plebiscitarian leader democracy,” as Weber termed it, rested on a basis of parliamentarism. Parliamentary democracy, according to Weber, was the most effective means to assure that dynamic leaders, real Caesars, came to power—and to remove them, when they had lost the trust and devotion of the masses:
For Weber, parliamentary democracy was anything but the realization of the principle of self-determination of the people. This was, in his opinion, mere ideological trash. Its main purpose consisted in bringing politicians with genuinely charismatic qualifications... into power (Mommsen 1974, p.87).

In addition to assuring a succession of dynamic leaders, mass democracy, for Max Weber, was also the most effective means by which to integrate the mass of the population behind the state. Only in this way, as two World Wars have demonstrated, is it possible to impose the sacrifices on the population that imperialist power politics requires. Weber clearly understood that the institutions of formal democracy were important factors in unifying the mass of the population behind the war programs of Lloyd George in England and Woodrow Wilson in the U.S. during World War I. One of the keys to the victory of the Anglo-Saxon powers lay in the capacity of their plebiscitary leaders to demand and win sacrifices from the population that the military and court camarilla in Berlin would never receive. In that sense, the very capacity of the late capitalist state to survive on the global battlefields of international politics depends on democracy!

While Max Weber saw in “leader democracy” a means to preserve a remnant of dynamism in a bureaucratized world, it is not this aspect of his analysis of democracy that constitutes a heritage for socialists. Rather, it is Weber’s understanding that representative democracy accentuates the power of the few, that mass democracy is the essential means to providing Caesaristic leaders with their power, and that constitutional democracy provides the best means of mobilizing the masses behind a policy of Machtpolitik, that socialists must incorporate into their theoretical arsenal. Where so many on the left today sing the praises of representative democracy, make themselves the ideological spokesmen for it, and totally fail to come to grips with the real function of mass democracy in late capitalism, Weber’s realism, shorn of his own illusions about the creativity of plebiscitary leaders, can provide needed elements with which to reforge a socialist critique of this phenomenon.

Conclusion

The current Max Weber renaissance is quite literally reshaping our understanding of the great German sociologist. Old interpretations are being systematically overturned, and a new awareness of the
actualité of Max Weber, of his insight into the fate of man in the epoch of late capitalism, is emerging. Part of this necessary reinterpretation of the Weberian oeuvre is the beginning of a real Marx-Weber dialogue (Antonio and Glassman, 1985). Thus far, however, too often this “dialogue” has suffered because the Weberians frequently do not distinguish between Marx and his epigones, on the one hand, and because of a lack of interest in such an endeavor amongst Marxists, on the other hand. The aim of the present essay is to contribute to the real beginning of a Marx-Weber dialogue in the socialist camp. Many of the tendencies which for Weber constitute the dark side of capitalism, and which have turned modernity into an iron cage of bondage, can only really be grasped on the basis of an understanding of the transformation in the operation of the law of value brought about by the change from the formal to the real domination of capital. In that sense, Weber’s insights must be completed by a study of Marx’s economic manuscripts of the early 1860s, which have only recently been published in the new MEGA edition, manuscripts out of which Engels created the versions of Capital, Volumes II and III, through a rigorous (and sometimes questionable) process of cutting and selecting. At the same time, however, Weber’s understanding of the powerful and potentially irreversible character of the tendencies towards bureaucratization and totalitarianism integral to late capitalism provides a rigorous antidote to the efforts of left social theorists like Habermas and Heller to strip Marxism of its insistence on the catastrophic nature of capitalism. Therein lies the real value of a Marx-Weber dialogue.

NOTES

1. Talcott Parsons’ English translation of The Protestant Ethic reads: “The capitalistic economy of the present day is an immense cosmos . . .” Weber’s original is ungeheuer Kosmos. Now, while ungeheuer can mean huge or immense, it also means monstrous, frightful or atrocious, and these last connotations are certainly present in the mind of the reader of the original, even as they were undoubtedly in Weber’s mind when he penned those words. Parsons has simply denuded Weber’s powerful phrase of a key component of its very meaning, leaving the reader with the bland image of a capitalism which is “big.”

2. Where Max Weber says “die ‘letzten Menschen’ dieser Kulturentwicklung” (“the ‘last men’ of this cultural development”), Parsons has “the last stage
of this cultural development," dropping Weber's quotation marks, which are a clear reference to Nietzsche (with all of the resonance carried by the term "last men"), thereby banalizing what for Weber was an exceedingly powerful image.

3. This is surely the thrust of Agnes Heller's judgment that "...formal democracy can indeed be transformed into a socialist one without being altered by an iota." (Heller 1978, p.868).

BIBLIOGRAPHY


Alan Milchan


