Marx and Weber: Critics of Capitalism

written by Michael Löwy | January 21, 2010

IN SPITE OF THEIR UNDENIABLE DIFFERENCES, Marx and Weber have much in common in their understanding of modern capitalism: they both perceive it as a system where "the individuals are ruled by abstractions (Marx), where the impersonal and "thing-like" (*Versachlicht*) relations replace the personal relations of dependence, and where the accumulation of capital becomes an end in itself, largely irrational.

Their analysis of capitalism cannot be separated from a critical position, explicit in Marx, more ambivalent in Weber. But the content and inspiration of the criticism are very different. And, above all, while Marx wagers on the possibility of overcoming capitalism thanks to a socialist revolution, Weber is rather a fatalist and resigned observer, studying a mode of production and administration that seems to him inevitable.

The anti-capitalist critique is one of the main force-fields which run across Marx's work from the beginning to the end, giving it its coherence. This does not prevent the existence of a certain evolution: while the *Communist Manifesto* (1848) insists on the historically progressive role of the bourgeoisie, *Capital* (1867) is more inclined to denounce the ignominies of the system. The usual opposition between an "ethical" young Marx and a "scientific" one of the mature years is unable to account for this development.

Marx's anti-capitalism is based on certain values or criteria, generally implicit:

a) universal ethical values: freedom, equality, justice, self-accomplishment. The combination among these various human values builds a coherent whole, which one could name *revolutionary humanism*, that functions as the main guiding principle for the ethical condemnation of the capitalist system.

Moral indignation against the infamies of capitalism is obvious in all chapters of *Capital*: it is an essential dimension of what gives such an impressive power to the book. As Lucien Goldmann wrote, Marx does not "mix" value and fact judgements, but develops a dialectical analysis where explanation, comprehension and evaluation are rigorously inseparable.[1]

b) the viewpoint of the proletariat, victim of the system and its potential gravedigger. As Marx clearly asserted in his preface to *Capital,* this class perspective is at the root of his critique of bourgeois political economy. It is from this social viewpoint that values as "justice" are reinterpreted: their concrete meaning is not the same according to the situation and the interests of different classes.

c) the possibility of an emancipated future, of a post-capitalist society, of a communist utopia. It is on the light of the hypothesis — or the wager, according to Lucien Goldmann — of a free association of producers that the negative features of capitalism appear in all their enormity.

d) the existence, in the past, of more egalitarian, or democratic, social and cultural forms, destroyed by capitalist "progress." This argument, of Romantic origin, is present for instance in all Marx and Engels' writings on primitive communism, a form of communitarian life without commodity, State, or private property and without patriarchal oppression of women.

The existence of these values does not mean that Marx holds a Kantian perspective, opposing

a transcendental ideal to the existing reality: his critique is *immanent*, in so far as it is developed in the name of a real social force opposed to capitalism — the working class — and in the name of the contradiction between the potentialities created by the rise of productive forces and the limitations imposed by the bourgeois productive relations.

Marx's anti-capitalist critique is organized around five fundamental issues: the injustice of exploitation, the loss of liberty through alienation, venal (mercantile) quantification, irrationality, and modern barbarism. Let us examine briefly these issues, emphasizing the less known ones:

1) The injustice of exploitation. The capitalist system is based, independently of this or that economic policy, on the workers' unpaid surplus labour, source, as "surplus value," of all the forms of rent and profit. The extreme manifestations of this social injustice are the exploitation of children, starvation wages, inhuman labor hours, and miserable life conditions for the proletarians. But whatever the worker's condition at this or that historical moment, the system itself is intrinsically unjust, because it is parasitic and exploits the labor force of the direct producers. This argument takes a central place in *Capital* and was essential in the formation of the Marxist labor movement.

2) The loss of liberty through alienation, reification, commodity fetishism. In the capitalist mode of production, the individuals — and in particular the laborers — are submitted to the domination of their own products, which take the form of autonomous fetishes (idols) and escape their control. This issue is extensively dealt with in Marx's early writings, but also in the famous chapter on commodity fetishism in *Capital*.*[2]*

At the heart of Marx's analysis of alienation is the idea that capitalism is a sort of disenchanted "religion," where commodities replace divinity: "The more the workers estranges himself in his labour, the more the estranged, objective world he has created becomes powerful, while he becomes impoverished . . . The same happens in religion. The more man puts things in God, the less he keeps in himself . . .[3] The concept of fetishism itself refers to the history of religion, to the primitive forms of idolatry, which already contain the principle of all religious phenomena.

It is not by chance that liberation theologians, such as Hugo Assmann, Franz Hinkelammert and Enrique Dussel, extensively quote from Marx's writings against capitalist alienation and commodity fetishism in their denunciation of the "market idolatry."[4]

3) The venal (mercantile) quantification of social life. Capitalism, regulated by exchange value, the calculation of profits and the accumulation of capital, tends to dissolve and destroy all qualitative values: use values, ethical values, human relations, human feelings. Having replaces Being, and only subsists the monetary payment — the *cash nexus* according to the famous expression of Carlyle which Marx takes up — and the " icy waters of egoistic calculation" (*Communist Manifesto*).

Now, the struggle against quantification and Mammonism — another term used by Carlyle — is one of the key *loci* of Romanticism.[5] Like the Romantic critics of the modern bourgeois civilization, Marx believed that capitalism has introduced, in this respect, a profound degradation of social relations, and an ethical regression in relation to pre-capitalist societies:

> At last, the time has come in which all that human beings had considered as inalienable has become the object of exchange, of traffic, and may be alienated. It is a time when the very things which before were conveyed, but never bartered; given, but never sold; conquered, but never purchased — virtue, love, opinion, science, conscience etc. — when, in short, everything has finally become tradable. It is a time of generalized corruption, universal venality or, to speak in terms of political economy, the time when

anything, moral or physical, receives a venal value, and may be taken to market to be appraised for its appropriate value.[6]

THE POWER OF MONEY is one of the most brutal expressions of this capitalist quantification: it distorts all "human and natural qualities," by submitting them to the monetary measure: "The quantity of money becomes more and more the unique and powerful property of the human being; at the same time that it reduces all being to its abstraction, it reduces itself in its own movement to a quantitative being."[7]

4) The irrational nature of the system. The periodical crises of overproduction that shake the capitalist system reveal its irrationality — "absurdity" is the term used in the *Manifesto:* the existence of "too many means of subsistence" while the majority of the population lacks the necessary minimum. This global irrationality is not contradictory, of course, with a partial and local rationality, at the level of the production management of each factory..

5) Modern barbarism. To some extent, capitalism is the bearer of historical progress, particularly by the exponential development of the productive forces, creating therefore the material conditions for a new society, a world of freedom and solidarity. But, at the same time, it is also a force of social regression, in so far as it "makes of each economic progress a public calamity."[8] Considering some of the most sinister manifestations of capitalism such as the poor laws or the workhouses — those "workers Bastilles" — Marx wrote in 1847 the following surprising and prophetic passage, which seems to announce the Frankfurt School: "Barbarism re-appears, but this time it is created inside civilization itself and is an integral part of it. This is the leprous barbarism, barbarism as the leper of civilization."[9]

All these criticisms are intimately linked: they refer to each other, they presuppose each other, and they are combined in a global anti-capitalist vision, which is one of the distinctive features of Marx as a communist thinker.

On two other issues — which are today of the greatest topicality — Marx's anti-capitalist critique is more ambiguous or insufficient:

6) The colonial and/or imperialist expansion of capitalism, the violent and cruel domination of the colonized people, their forced submission to the imperatives of capitalist production and the accumulation of capital. One can perceive in Marx a certain evolution in this respect: if, in the *Manifesto,* he seems to celebrate as a progress the submission of the "peasant" or "barbarian" (sic) nations to the bourgeois civilization, in his writings on the British colonization of India the somber aspect of the Western domination is taken into account — but still considered as a necessary evil.

It is only in *Capital*, particularly in the chapter on primitive accumulation of capital, that one finds a really radical critique of the horrors of colonial expansion: the submission or extermination of the indigenous people, the wars of conquest, the slave trade. These "horrifying barbarisms and atrocities" — which according to Marx, quoting M.W. Howitt, "have no parallel in any other era of universal history, in any other race, however savage, brutal, pitiless and shameless" — are not simply presented as the cost of historical progress, but clearly denounced as an "infamy."[10]

7) The *Manifesto* rejoices with the domination of nature made possible by the expansion of capitalist civilization. It is only later, particularly in *Capital*, that the aggression of the capitalist mode of production against the natural environment is taken into consideration. In a well known passage, Marx suggests a parallel between the exhaustion of labor and of land by the destructive

logic of capital:

> Each progress of the capitalist agriculture is not only a progress in the art of exploiting the worker, but also in the art of plundering the soil; each short term progress in fertility is a progress in the long term destruction of the basis of this fertility. (. .) Capitalist production thus only develops . . . but at the same time exhausting the two springs from which flow all wealth: the land and the laborer.

One can see here the expression of a really dialectical view of progress — also suggested by the ironical way the word is used — which could be the starting point for a systematic ecological thinking, but this was not to be developed by Marx

QUITE DIFFERENT is Max Weber's approach. His attitude towards capitalism is much more ambivalent and contradictory. One could say that he is divided between his identity as a bourgeois which fully supports German capitalism and its imperial power, and his statute as an intellectual, sensitive to the arguments of the Romantic anti-capitalist *Zivilisationskritik* so influential among the German academic mandarins at the beginning of the 20th century. From this viewpoint, he could be compared to another split — if not schizophrenic — German bourgeois/intellectual: Walther Rathenau, Prussian and Jew, capitalist entrepreneur and sharp critic of the mechanical civilization.

Rejecting any socialist idea, Weber does not hesitate, on some occasions, to use apologetic arguments in defense of capitalism. This is particularly obvious in his description, in *The Protestant Ethic and the Spirit of Capitalism,* of the origins of capitalism as the result of Protestant work ethic, i.e. the combination of hard work, methodic economic activity, frugal life and the reinvestment of savings: a description which is very close to the idealized self-image of the bourgeois! Usually he seems to lean towards a resigned acceptance of bourgeois civilization, not as desirable, but as inevitable. However, in some key texts, which had a very significant impact on 20th century thought, he gives free rein to a insightful, pessimistic and radical critique of the paradoxes of capitalist rationality. According to the sociologist Derek Sayer, "to a certain extent his critique of capitalism, as a life negating force, is sharper than Marx's."[11] This is an exaggerated assessment, but it is true that some of Weber's arguments touch at the foundations of the modern industrial/capitalist civilization.

Obviously, the issues raised by Weber are quite different from those of Marx. Weber ignores exploitation, is not interested in economic crisis, has little sympathy for the struggles of the proletariat, and does not question colonial expansion. However, influenced by the Romantic or Nietzschean *Kulturpessimismus*, he perceives a deep contradiction between the requirements of the formal modern rationality — of which bureaucracy and private enterprise are concrete manifestations — and those of the acting subject's autonomy. Distancing himself from Enlightenment's rationalist tradition, he is sensitive to the contradictions and limits of modern rationality, as it expresses itself in capitalist economy and state administration: its formal and instrumental character and its tendency to produce effects that lead to the reversal of the emancipatory aspirations of modernity. The search for calculation and efficiency at any price leads to the bureaucratization and reification of human activities. This diagnosis of modernity's crisis will be, to a large extent, taken over by the Frankfurt School in its first period (Adorno, Horkheimer, Marcuse).

What is striking in Weber's pessimistic/resigned assessment of modernity is its refusal of the

illusions of progress which were so powerful in the European consciousness at the beginning of the 20th century. Here is, for instance, what he said in one of his last public interventions in 1919: "It is not the flowering of Summer that is waiting for us, but a polar night, icy, somber and rude."[12] This pessimism is inseparable from a critical view of the nature itself of capitalism and its dynamics of rationalization/modernization.

One can distinguish two aspects — intimately linked between them — in Weber's critique of the substance itself of the capitalist system:

1) The inversion between means and ends. For the spirit of capitalism, of which Benjamin Franklin is an ideal- typical figure — almost chemically pure! — to win money, to gather more and more money (to accumulate capital would say Marx) is the supreme good and the ultimate aim in life:

> The pursuit of riches is fully stripped of all pleasurable, and surely all hedonistic aspects. Accordingly, this striving becomes understood completely as an end in itself — to such an extent that it appears as fully outside the normal course of affairs and simply irrational, at least when viewed from the perspective of the 'happiness' or 'utility' of the single individual. Here, people are oriented to acquisition as the purpose of life: acquisition is no longer viewed as a means to the end of satisfying the substantive needs of life. Those people in possession of spontaneous (*unbefangene*) dispositions experience this situation as an absolutely meaningless reversal of 'natural' conditions (as we would say today). Yet, this reversal constitutes just as surely a guiding principle of [modern] capitalism as incomprehension of this new situation characterizes all who remain untouched by [modern] capitalism's tentacles."[13]

Supreme expression of modern aim- oriented rationality — Weber's *Zweckrationalität* or, according to the Frankfurt School, instrumental rationality — capitalist economy reveals itself, from the viewpoint of the "substantive needs of life." or of human happiness, as "simply irrational" or "absolutely meaningless."[14] Weber returns several times to this issue in *The Protestant Ethic,* always insisting on the *irrationality* — his emphasis — of the logic of capitalist accumulation: a comparison between the spirit of capitalism and economic traditionalism — for whom business is simply "indispensable to life" — "renders obvious the *irrationality*, from the viewpoint of one's personal happiness, of this way of organizing life: people live for their business rather than the reverse."[15]

Of course Weber believes that this "absurd" and "irrational" system has its own formidable rationality: his remarks show nevertheless a deep critical distance towards the spirit of capitalism. Obviously two forms of rationality are in conflict here: one, the *Zweckrationalität*, purely formal and instrumental, whose only aim is, in capitalism, production for production, accumulation for accumulation, money for money; the other, more substantial, which corresponds to the — pre-capitalist — "natural conditions," and refers to values (*Wertrationalität*) such as: people's happiness, the satisfaction of their needs.

This definition of capitalism as irrational is not without certain affinities with Marx' ideas. The subordination of the aim — the human being — to the means — the enterprise, money, commodity — is an argument that comes very near to the Marxist concept of alienation. Weber was conscious of this similarity, and refers to it in his 1918 conference on Socialism: "All this [the impersonal functioning of capital] is what socialism defines as the 'domination of things over the human beings.' which means: the means over the aim (the satisfaction of the needs)."[16] This explains, by the way, why Lukacs' theory of reification in *History and Class Consciousness* (1923) is based on both Marx

and Weber.

2) The submission to an all powerful mechanism, the imprisonment in a system which oneself has created. This issue is intimately related to the former one, but it emphasizes the loss of freedom, the decline of individual autonomy. The *locus classicus* of this criticism is to be found in the last paragraphs of *The Protestant Ethic*, doubtless the most famous and influential passage of Weber's work — and one of the rare moments where he permitted himself what he calls "value and faith judgements."

First of all Weber considers, with a resigned nostalgia, that the triumph of the modern capitalist spirit requires the "renunciation of the Faustian multi- dimensionality of the human species." The acknowledgment of the rise of the bourgeois era has, for Goethe — as for Weber — the meaning of a " farewell to an era of full and beautiful humanity."[17]

On the other hand, capitalist rationality creates a more and more constraining and coercive context: "The Puritan *wanted* to be a person with a vocational calling; today we are *forced* to be." The modern — capitalist — economic order, with its technical conditions of mechanical and machine production, "determines the style of life of all individuals born into it, *not* only those directly engaged in earning a living." This constraint, Weber compares it with a sort of prison, or "iron cage," where the system of rational production encloses the individuals: "According to Baxter [a Puritan preacher — ML] the concern for material goods should lie upon the shoulders of his saints like 'a lightweight coat that could be thrown off at any time.' Yet fate allowed a steel-hard casing (*stahlhartes Gehäuse*) to be forged from this coat."[18]

The expression became famous. It strikes by its tragic resignation, but also by its critical dimension. There are different interpretations or translations for the words *sthahlhartes Gehäuse:* for some it is a "casing" for others a "shell" or a "cell." But it is probable that Weber borrowed the image of an "iron cage of despair" from the English Puritan poet Bunyan.[19] In any case, it seems to describe, in the *Protestant Ethic*, the reified structures of capitalist economy as a sort of steel-hard prison — rigid, cold and pitiless.

Weber's pessimism leads him to fear the end of all values and ideals, and the advent, under the aegis of modern capitalism, of a "mechanized ossification, embellished with a sort of rigidly compelled sense of self-importance."[20] He foresees the process of reification as extending, from the economic sphere, to all areas of social life: politics, law, culture.

Well before the Frankfurt School, Karl Löwith had already grasped, in his brilliant 1932 essay on Weber and Marx, the "dialectics of reason" at work in the Weberian critique of capitalism, and its affinity with the Marxian one:

> The peculiar irrationality formed within the process of rationalization (…) also appears to Weber in terms of this relation between means and ends, which for him is the basis for the concepts of rationality and freedom — namely, in terms of a reversal of this relation. (…) Means as ends make themselves independent and thus lose their original 'meaning' or purpose, that is, they lose their original purposive rationality oriented to man and his needs. This reversal marks the whole of modern civilization, whose arrangements, institutions and activities are so 'rationalized,' that whereas humanity once established itself within them, now it is they which enclose and determine humanity like an 'iron cage.' Human conduct, from which these institutions originally arose, must now in turn adapt to its own creation which has escaped the control of the creator.

> Weber himself declared that here lies the real problem of culture — rationalization towards the irrational — and that he and Marx agreed in the definition of this problem but differed in its evaluation. (...) This paradoxical inversion — this 'tragedy of culture,' as Simmel has termed it — becomes most clearly evident when it occurs in exactly the type of activity whose innermost intention is that it be specifically rational, namely, in *economically* rational activity. And precisely here it becomes plainly apparent that, and how, behavior which is purely purposive-rational in intention turns inexorably into its own opposite in the process of its rationalization.[21]

TO CONCLUDE: what Weber, unlike Marx, did not grasp, is the domination, over human activities, of exchange value. The mechanisms of valorization and the automatisms inscribed in the commodity exchange lead to a monitarization of social relations. The sociologue from Heidelberg does not conceive the possibility of replacing the alienated logic of self-valorizing value by a democratic control of production.[22]

Both Weber and Marx shared the idea of a substantial irrationality of the capitalist system — which is not contradictory with its formal or partial rationality. Both refer to religion to try to understand this irrationality.

For Weber, what one has to explain is the origin of this irrationalism, this "reversal of natural conditions," and the explanation he proposes refers to the decisive influence of certain religious representations: the Protestant ethic.

For Marx, the origin of capitalism does not relate to any religious ethics, but to a brutal process of plundering, murder and exploitation, which he describes with the term "the primitive accumulation of capital."[23] The reference to religion plays, however, a significant rôle in explaining the logic of capitalism as "reversal." It is not a causal relationship, as in Weber, but rather a structural affinity: irrationality is an intrinsic, immanent and essential feature of the capitalist mode of production as an alienated process, and as such it has a structural resemblance with religious alienation: in both cases, the human beings are dominated by their own products — respectively Capital (money, commodities) and God.

Exploring the elective affinities between the Weberian and the Marxist criticisms of capitalism, and combining them in an original way, Lukacs produced the theory of reification, and Adorno/Horkheimer the critique of instrumental reason — two of the most important and radical theoretical innovations of 20th century's Western Marxist thought.[24]

Footnotes

1. L. Goldmann, "Le Marxisme Est-il une Sociologie?" in *Recherches Dialectiques* (Paris: Gallimard) 1955.

2. It is true, as Ernest Mandel observed, that there is an evolution between the *Manuscripts of 1844* and the economic writings of the later years: the passage from an anthropological to an historical concept of alienation. See E. Mandel, *La Formation de la Pensée Economique de Karl Marx* (Paris: Maspero) 1967.

3. K. Marx, *Manuscrits de 1844* (Paris: Ed. Sociales) 1962, pp. 57-58.

4. H. Assmann, F. Hinkelammert, *A Idolatria do Mercado. Ensaios Sobre Economia e Teologia (* S.Paulo: Editora Vozes) 1989. See also the fascinating text by Walter Benjamin — largely inspired by Weber — "Kapitalismus als Religion," *Gesammelte Schriften*, (Suhrkamp Verlag) 1991, Band VI, pp. 100-103

5. See M. Löwy and Robert Sayre, *Romanticism Against the Current of Modernity* (Durham, N.C.:Duke University Press) 2000. Carlyle is one of the typical representatives of the Romantic/conservative critique of capitalism.

6. Karl Marx, *Misère de la philosophie* (Paris: Ed. Sociales) 1947, p.33.

7. K. Marx, *Manuscrits de 1844,* pp. 101, 123.

8. K. Marx, *Le Capital,* Livre I (Paris: Garnier Flammarion) 1969, p.350.

9. K. Marx, "Arbeitslohn," 1847, *Kleine ökonomische Schriften* (Berlin: Dietz Verlag) 1955, p. 245.

10. K. Marx, *Capital*, pp. 557-558, 563.

11. D. Sayer, *Capitalism and Modernism. An excursus on Marx and Weber* (London: Routledge) 1991, p. 4.

12. M. Weber, *Le savant et le politique*, 1919 (Paris: C. Bourgeois) 1990, p. 184. In a comment on this phrase, Enzo Traverso writes: "Against the *Fortschrittsoptimismus* of many of his contemporaries, both liberals and socialists, which contemplated with satisfaction the march of history towards what they considered as a natural and inevitable progress, his warning was of pitiless clear-sightedness." See E. Traverso, *L'histoire déchirée. Essai sur Auschwitz et les intellectuels*, (Paris: Ed. du Cerf) 1997, p. 47.

13. M. Weber, *The Protestant Ethic and the Spirit of Capitalism,* translated by Stephen Kalberg, (Los Angeles: Blackwell) 2002, p. 17 (slight correction by me ML).

14. *Ibid.*

15. *Ibid.* p. 31. See also p.37.

16. Max Weber, "Der Sozialismus," in *Schriften für Sozialgeschichte und Politik (*Reclam) 1997, p. 246.

17. M. Weber, *The Protestant Ethic…*, p. 123.

18. *Ibid.* p. 123

19. See. E. Tiryakian, "The Sociological Import of a Metaphor. Tracking the Source of Max Weber's 'Iron Cage'," in P. Hamilton (ed.), *Max Weber. Critical Assessment* (London: Routledge, 1991) vol. I, 2. Pp. 109-120.

20. M. Weber, *The Protestant Ethic…*, p. 124.

21. Karl Löwith, *Max Weber and Karl Marx* (London: George Allen & Unwin) 1982, pp.47-48.

22. See on this Jean-Marie Vincent, *Max Weber ou la democratie inachévée,* (Paris: Ed. du Felin) 1998, pp. 141, 160-161.

23. Marx does not ignore the affinities between capitalist accumulation and the Puritan ethics, although he does not give it the same importance as Weber. In his *Grundrisse* he refers to the "connexion" (*Zusammenang)* between capitalism and English puritanism or Dutch Protestantism.

24. I developed this viewpoint in my paper "Figures of Weberian Marxism," in *Theory and Society. Renewal and Critique in Social Theory*, vol. 25.3, June, 1996, pp. 431-446.