Marx, Weber and the Critique of Capitalism*

by
Michael Löwy

Despite their undeniable differences, Marx and Weber have much in common in their appraisals of modern capitalism: they share a vision of the capitalist economic system as a universe where "individuals are directed by abstractions," (Marx), where impersonal relations and objects [*Versachlicht*] replace personal relations of dependence, and where the accumulation of capital becomes an end in itself and, by and large, irrational.

Their analysis of capitalism is inseparable from a critical posture—explicit in Marx, more ambivalent in Weber. But the content and inspiration of the critique are very different. And, whereas Marx banks on the possibility of overthrowing capitalism by workers of socialist persuasion, Weber is a fatalistic and resigned observer to the mode of production and administration that seem to him to be inevitable.

I

The anti-capitalist critique is one of the main strong points extending throughout Marx's work, and gives it its coherence. This does not prevent one from seeing a certain evolution in his thought: whereas the *Communist Manifesto* (1848) is insistent on the historically progressive role of the bourgeoisie, *Capital* (1867) is more prone to denouncing the ignobility of the system. Nothing could be more false than to oppose, as is so often done, a young "ethical" Marx to a mature, "scientific" Marx.

Marx's anti-capitalism is grounded in certain implicit values or criteria, the most frequent among them being:

(a) Universal ethical values: liberty, equality, justice, autonomy, self-accomplishment. The articulation between different human values constitutes a coherent whole; that one can design *a revolutionary humanism* that constitutes a principle benchmark for the ethical rejection of the

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(a) Universal ethical values: liberty, equality, justice, autonomy, self- accomplishment. The articulation between different human values constitutes a coherent whole; that one can design a revolutionary humanism that constitutes a principle benchmark for the ethical rejection of the

capitalist system. The moral indignation against the infamies of capitalism burst from every page of *Capital*; it is an essential dimension of that which makes the impressionable force of the work in its dual political and scientific dimension. As Lucien Goldmann has written, Marx did not "mix" the distinction between fact and value, but developed a dialectical analysis in which explication, understanding and valorization are rigorously inseparable.[1]

(b) The point of view of the proletariat, a victim of the system and its fossilizing potential. This class-based perspective inspires—as Marx clearly recognizes in the preface to *Capital*—his critique of bourgeois political economy. It is from this point of view that values like "justice" are reinterpreted: their concrete meanings differ according to the situation and interests of different classes.

(c) The possibility of an emancipated future, of a post-capitalist society, of a communist utopia. It is by the light of the hypothesis—or wager—of a free association of producers that the negative traits of capitalism appear in all their vastness.

(d) The existence, in the past, of more human social or cultural forms destroyed by capitalist "progress." This reference, of romantic origin, is especially present in the texts where Marx and Engels analyze primitive communism, a form of communal life without a market or state, and without private property and without the patriarchal oppression of women.

The existence of these values does not mean that Marx takes on a Kantian perspective, opposing a necessary transcendence to existing reality: his critique is *immanent*, to the extent that it is made with reference to a real social force which is opposed to capitalism—the working class—as well as to the contradiction between the possibilities created by the impulse of the productive forces and the limitations imposed by bourgeois relations of production.

The anti-capitalist critique of Marx is organized around five fundamental themes: the injustice of exploitation; the loss of liberty from alienation; venal quantification; irrationality; and modern barbary. Let's examine each of these points, emphasizing their lesser known aspects.

1) *Injustice and exploitation*. The capitalist system is grounded, independently of this or that political economy, on the unpaid surplus labor of workers,

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1) Injustice and exploitation. The capitalist system is grounded, independently of this or that political economy, on the unpaid surplus labor of workers,

giving rise to, through "surplus value," all forms of rent and profit. The extreme manifestations of this social injustice are the exploitation of children, miserable wages, inhuman working hours, and the sordid conditions of working class life. But these conditions of the laborer are a matter of a specific historical moment; the system itself is intrinsically unjust because of the parasitic exploitation of the labor force by direct producers. This theme occupies a decisive place in *Capital* and was essential in making the Marxist workers movement.

2) *The loss of liberty from alienation, reification, and commodity fetishism*. In the capitalist mode of production, individuals—laborers in particular—are dominated by their own products which take the form of autonomous fetishes and escape their control. It is a long and developed problematic in the writings of his youth, but it also emerges in the celebrated chapter on the fetishism of commodities in *Capital*.[2]

At the heart of Marx's analysis of alienation is the idea that capitalism is a type of disenchanted "religion," where objects in the market replace divinity: "The more the worker is externalized in his labor, the more the outside, objective world, which he himself creates, becomes powerful, the more he is self-impoverished and the more his internal world becomes poor, the less he possesses that is his own. It is the same with religion. The more man invests in God, the less he is able to retain his own self."[3] The concept of fetishism reinvents the history of religions in the form of primitive idolatry which itself already contains the same principle of all religious phenomena.

It is not an accident that in their writings the theologians of liberation—Hugo Assmann, Franz Hinkelammert, Enrique Dussel—draw largely on Marx against capitalist alienation and fetishism in their denunciation of "the idolatry of the market."[4]

3) *The venal quantification of social life*. Capitalism, which is regulated by exchange value and the calculation of profits and the accumulation of capital, tends to dissolve and destroy all *qualitative* value: use value, ethical value, human relations and sentiments. *Having* replaces *Being*, and consists of mere cash payments—the "cash nexus," according to Carlyle that Marx appropriated for his own use—and the "glassy waters of egoistic calculation."

Now, the battle against quantification and *Mammonism* (again a term from Carlyle) is one of the principle leitmotifs of romanticism.[5] Like the romantic

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critiques of modern bourgeois civilization, Marx thinks that capitalism introduces, in this sense, a profound degradation of social relations and a moral regression to pre-capitalist social relations: "there came a time at last when what all that these men had looked upon as inalienable became an object of exchange, of trade, from which they would be estranged. It is the time when the same things which until then were communicated, exchanged, bartered; supplied but never sold; acquired but never bought—virtue, love, opinion, science, conscience, etc.—where everything will at last pass into commerce. It is the time of general corruption, of universal venality, or, speaking in political economic terms, the time when everything, moral or physical, having become market value, is carried to the market to be appreciated for its fair value."[6]

The power of money is one of the most brutal manifestations of capitalist quantification: through the mode of production it denatures all "natural human qualities" in submitting to the money standard. "The *quantity* of money becomes more and more the unique and *powerful* property of man; at the same time that it reduces all being to its abstraction, it is reduced by its own logic to quantitative being."

4) *Irrationality*. The periodic crises of overproduction that jolt the capitalist system unveil its irrationality—"absurdity" is the term used in the *Manifesto*: there are "too many means of subsistence," even though the majority of the population lacks necessary means of subsistence. This global irrationality is not contradictory, of course, with a partial and local rationality, at the level of production management in each factory.

5) *Modern barbarism*. In a certain sense, capitalism is the harbinger of historical progress, exemplified by the exponential development of productive forces, thereby creating the material conditions for a new society with solidarity and freedom. But, at the same time, it is also a force of *social regression* in the sense that it "makes from each economic progression a public calamity."[7] Considering certain of its manifestations—the most sinister among them being the poverty laws or the workhouses, the "Bastilles of the workers"—Marx writes in 1847 this powerful and prophetic passage which seems to presage the Frankfurt School: "barbarism reappears, but this time it is engendered in the very core of civilization and becomes an integral part of it. It is the leprous barbarism, barbarism which is the leper of civilization."[8]

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All these critiques are intimately related: they are mutually exchanged, they reciprocally presuppose themselves, and they are articulated in an *organized anti-capitalist vision*, which is one of the distinctive traits of the reflection of Marx as a remade communist thinker.

On two other questions—which today are of the greatest relevance—the anti-capitalist critique of Marx is more ambiguous or insufficient:

6) The colonial expansion and/or imperialism of capitalism, the violent and cruel domination of colonized peoples, their submission by the preemptory force of the imperatives of capitalist production and the accumulation of capital. One observes here a certain evolution in Marx's thought: if in the *Manifesto* he seems to celebrate in progress the subjugation of "barbaric (*sic*), peasant nations" to bourgeois civilization, in his writings on British colonialization in India the somber aspect of western domination is evoked, but as a necessary evil.

It is only in *Capital*, notably in the chapter on the primitive accumulation of capital, that one finds a truly radical critique of the horrors of colonial expansion: the enslavement or extermination of indigenous peoples, wars of conquest, and the trading of blacks. These "cruel acts and abominable atrocities,"—which, according to Marx (approvingly citing M. W. Howitt), "do not have a parallel in any other era of world history, in any other savage race, as gross, pitiless, and as shameless as it was"—are not simply converted into profits and the loss of historical progress, but are properly denounced as an "infamy."[9]

The *Manifesto* rejoices in the domination over nature made possible by the expansion of capitalist civilization. It is only later, specifically in *Capital*, that the aggression of the bourgeois mode of production against the natural environment is evoked. In one famous passage, Marx suggests a parallel between the exhaustion of labor power and that of the sun by the destructive logic of capitalism: "Each progression of capitalist agriculture is a progression not only of the art of exploiting the laborer, but also the art of depleting the earth's soil; each progression in the art of augmenting its fertility for a time is also a progression in the ruination of its durable sources of fertility. . . . Capitalist production therefore develops the technique and the combination of the process of social production that exhausts at the same time the two sources from which are obtained all wealth: *the earth and the laborer*."[10] Here one sees the sketch of a vision of an immanent dialectic of progress—the

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ironic way the term is used is simply an expression—which signals the ecological problematic, but which was unfortunately not developed by Marx.

II

Everything else is the problematic of Max Weber. His position on capitalism is much more ambivalent and contradictory. One may say that he is torn between his *bourgeois* condition which is identified with the destiny of German capitalism and its imperial power, and his *intellectual* identity, sensitive to the arguments of the romantic, anti-capitalist *Zivilizationkritik* so influential on German university mandarins at the turn of the century. From this point of view he is comparable to another bourgeois intellectual of that era in Germany who was also torn—if not schizophrenically—between bourgeois and intellectual persuasions: Walter Rathenau, a Prussian and a Jew, entrepreneur capitalist and critic of mechanistic civilization.

Rejecting all socialist ideas, Weber did not hesitate occasionally to employ apologetic arguments in favor of private capital. More often he seems to be inclined toward a resigned acceptance of the inevitability of bourgeois civilization. Yet, in certain key texts, which have been among the truly great imports in the history of 20th century thought, he gives free reign to a lucid critique, pessimistic and profoundly radical, of the paradoxes of capitalist rationality. According to the sociologist Derek Sayer, "to a certain extent his critique of capitalism, like a negative life-force, is more incisive than that of Marx."[11] This judgment is somewhat excessive, but it is true that the Weberian argument touches on the very foundations of modern industrial/capitalist civilization.

It goes without saying that the themes of this critique are quite distinct from those of Marx. Weber ignores exploitation, he is not interested in crisis, has little sympathy for the struggles of the proletariat and does not call colonial expansion into question. And yet, similar to the Nietzschean or romantic *Kulturpessimismus*, he is aware of a profound contradiction between the unreasonableness of modern, formal rationality—of which the bureaucracy and private enterprises are the most typical incarnation—and that of the autonomy of the active subject. Taking a distance from his relation to the rationalist tradition of the Enlightenment, he is perceptive of the contradictions and limitations of modern rationality as it manifests itself in the capitalist economy and in bureaucratic administration: its formal and

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instrumental character, and its tendency to produce effects that lead to the overturning of the emancipatory aspirations of modernity. Research into the calculability and efficiency of all goals leads to the bureaucratization and reification of human activities. It is this diagnosis of the crisis of modernity that will slowly return through its appropriation by the Frankfurt School (e.g., Adorno, Horkheimer and Marcuse).[12]

What informs Weber's pessimistic and resigned diagnosis of modernity is the refusal of the illusion of progress so powerful in European consciousness from the beginning of the 20th century. As he wrote in one of his final public interventions in 1919: "it is not the blossoming of summer for which we wait, but all at once a night which is polar, glacial, somber and harsh."[13] This pessimism is inseparable from a critical vision of the nature of capitalism and of its dynamic of rationalization and modernization.

One can distinguish two aspects, narrowly linked to one another, in Weber's critique of the substance of the capitalist system:

1) *The inversion of means and ends*. For the spirit of capitalism—of which Benjamin Franklin is a chemically pure ideal-typical example—to accrue money, always more money (or to accumulate capital, as Marx said), is the most supreme and ultimate objective in life: "money has been considered up to this point as something in and of itself which appears entirely transcendent and absolutely irrational under the relation of 'benefit' of the individual or the 'advantage' that one may get to try and possess. Gain has become the end man proposes for himself; it no longer governs him as a means to satisfy his material needs. This reversal of what we may call the natural state of things, so absurd from a naive point of view, is clearly one of the characteristic *leitmotives* of capitalism and it remains entirely foreign to all people who have not taken its breath."[14]

A supreme expression of modern rationality in view of an end—*Zweckrationalität* or, according to the Frankfurt School, instrumental rationality—the capitalist economy reveals itself, from the point of view of the material needs of human individuals, or simply from their benefit, as "absolutely irrational." Weber often returns to this theme in the *Protestant Ethic*, insisting constantly upon the *irrationality* (his emphasis) of the logic of capitalist accumulation: "considering the point of view of personal welfare, it expresses how irrational is this direction where man exists for the purpose of his enterprise and not the reverse."[15]

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Just as the treatment of the "naive" point of view that cannot perceive the absurdity of the system—without accounting for its formidable economic rationality—his remarks put the spirit of capitalism profoundly into question. From all the evidence, two types of rationality are in conflict here: that which is purely formal and instrumental (*Zweckrationalität*), which has as its sole objective production for the sake of production, accumulation for accumulation's sake, money for money's sake, and that, more substantial, which corresponds to the "natural state of things," and related to *values* (*Wertrationalität*): that which deals with human welfare and the satisfaction of their material needs.

This definition of the irrationality of capitalism is not without certain similarities with the ideas of Marx. The subordination of an end, the human being, to a means—enterprise, money, the market—is a theme that is endlessly discussed in the Marxian problematic of alienation. Weber was conscious of this, one can observe, in his conference in 1918 on socialism: "all of this (the impersonal functioning of capital) is therefore that which socialism defines as 'the domination of things by human beings,' that is to say: of the means over the objective (the satisfaction of needs)."[16] It is no accident that Lukács's theory of reification in *History and Class Consciousness* is supported as much by Weber as by Marx.

2) *The submission to an all-powerful mechanism and imprisonment by that system that we have created ourselves.* This theme is intimately tied to the previous one, but it places emphasis on the loss of liberty, the decline of individual autonomy. The *locus classicus* of this critique is in the final paragraphs of *The Protestant Ethic*, without doubt the most celebrated passage and the most influential in Weber's oeuvre—and one of the rare moments where he dares to assign the meaning of "value and time judgments."

All at once Weber proves, with a resigned nostalgia, that with the triumph of the spirit of modern capitalism we are obliged to give up the "Faustian universality of man." Awareness of the bourgeois era's arrival, according to Goethe, brings "a sense of departure; of a renouncement of an age of opulence, and human good."

In another sense, capitalist rationality creates a context that is increasingly *restrictive*: "the puritan wanted to be a person of needs—we are *forced* to be." The modern economic order, tied to the technical conditions of mechanistic

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production "determines, with an irresistible force, the lifestyle of the ensemble of individuals born in this mechanism—and not only those things that directly concern economic acquisition." Weber compares this constraint to a kind of prison where the system of rational production of goods imprisons individuals: "according to the view of Baxter, the appearance of material wealth should wear like a light coat on the shoulders of saints which at any moment can be shrugged off. But fate has transformed this coat into a steel cage."

The image has made good. It is striking for its tragic resignation, but also for its critical dimension. Many interpretations and translations of the expression "iron cage" (*stahlhartes Gehäuse*) exist: For some, it has been likened to a "prison cell," whereas for others it has been more like a shell (*carapace*) weighing one down as if he were a snail. Yet it is more probable that Weber borrowed the image from the "iron cage of despair" from the English Puritan poet Bunyan.[17] In any case, the *Protestant Ethic* seems to describe the reified structures of the capitalist economy as a shell or prison, cold and implacable as steel.

Weber's pessimism makes him fear the end of all vision and all idealism, and the succession, under the aegis of modern capitalism, of a "mechanical petrifaction, adorned by a kind of convulsive vanity."[18] It is a question of the progress of reification which extends itself, out of the economic sphere to the various other domains of social activity: the state, rights and culture.[19]

Well before the Frankfurt School, Karl Löwith was aware, as in his brilliant essay of 1932 on Weber and Marx, that the "dialectic of reason" was evidence for the Weberian critique of capitalism and its affinity with the Marxian problematic:

> Weber himself declared that here lies the real problem of culture—rationalization toward the irrational—and that he and Marx agreed in the definition of his problem but differed in his evaluation. . . . This paradoxical inversion . . . 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

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inexorably into its own opposite in the process of its rationalization.[20]

III

In conclusion, what Weber, in contrast to Marx, did not know was the domination of exchange value over human activity. The mechanisms of valorization and automation inscribed in market exchanges leads to the monetarization of social relations and a "depoeticization" of the world—that is to say, as the market becomes a prosaic aspect of life there is a withering of experience and of "*poiesis*."[21] The Heidelberg school of sociology may not have conceived the possibility of replacing the autocratic logic that was self-valorizing with a democratic form of production.[22]

More that Marx and Weber part on the idea of the substantial *irrationality* of capitalism—that it is not contradictory with respect to its formal or partial rationality. Both make reference to religion in order to attempt to come to terms with this irrationality.

For Weber, it is the origin of this *irrationalism*, of this "reversal of that which we call the natural state of things" that we need to explain, and he proposes to make reference to "a series of intimate sentiments tied to certain religious representations": the Protestant ethic.[23]

For Marx the origin of capitalism does not return us to a religious ethic of thrift, but rather to the brutal process of expropriation and pillage that he designates by the term *primitive accumulation of capital*. The reference to religion nevertheless plays an important role for understanding the logic of capitalism as "inversion." But, we saw above, for him it is a matter less of a *causal determinant* as in Weber that of a *structural affinity*: irrationality is an intrinsic characteristic, immanent and essential of the capitalism mode of production as an *alienated* process similar in its structure to religious alienation. In both cases humans are dominated by their own products—money under capitalism, God under religion.

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