

# Capitalism in marx and weber



At the later nineteenth century many social and economical ideas were developed because of the past revolutions and the present conflict of individuals and organised assemblies. Capitalism, one of these ideas, leads bourgeoisie to dream of a capitalist society in order to advance their maintain lifestyle and gain wealth. This economic system which is dominated by private business and the principles of production are for profit works in side of the bourgeoisies.

The employees, working to these businesses, carry out the production but don't own it. They produce « commodities» as they are called by Marx, which belong to the employer in return for wage. Many thinkers of 19th and 20th century analysed Capitalism each in his own way. Karl Heinrich Marx (1818-1883) and Maximilian Carl Emil Weber (1864-1920) are two of the most important figures in the science of sociology who still inspire contemporary society with their ideas.

Despite their indisputable differences, Marx and Weber have much in common in their evaluation 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 replace personal relations of dependence, and where the accumulation of capital becomes an end in itself and irrational.

And whereas Marx is making anti-capitalism critique 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. The purpose of this paper is

to compare both Marx's and Weber's ideas and theories about Capitalism and then to evaluate their relevance in contemporary society.

Marx's and Weber's Ideas about Capitalism: Karl Marx (1818 – 1883) was the forefather to the great communist revolution that swept across a large part of the world in 19th Century. He is regarded as an economic and political philosopher and his most famous writings which still influence people until today are “ The Communist Manifesto” (1848) and “ Capital” (1867).

Throughout his work, Marx, is making an anti-capitalist critique which does not though prevent him from having a certain evolution in his thought.

Marx's anti-capitalism is grounded in certain implicit values or criteria and the basis for a Capitalist Society was economy.

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 (Michael Lowy). He considered capitalism to be a historically specific mode of production in which capital has become the dominant mode. He believed that the Forces (means) and the Relations of Production gave rise to unequal and antagonistic social classes.

Private property and the growth of surplus wealth formed the basis for the division of the societies into classes. He distinguished societies into two classes; the ruling class and the subject class; a class of producers and a class of non-producers. One's class was determined by his or her relation to the forces of production. Class of non-producers owned the forces of

production and class of producers owned only the labour power. According to Marx “ The executive committee of the bourgeoisie” as he describes the state in the Communist Manifesto is ruled by the economically powerful, the one’s who has private property.

According to Marx, the capitalist system was grounded, independently of the political economy, on the unpaid surplus labour of workers, giving rise to all forms of rent and profit, through “ surplus value”. 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. The ruling class increased at the expense of the subject class and a conflict of interest developed between them. This can be demonstrated by Marx’s view of the nature of ownership and production in capitalist societies.

According to Marx, in a capitalist economy, goods are the labour power; raw materials and machinery used to produce them are given an economic value. The employer buys labour power, Marx says: “ more accurately, I think, he buys the right to use the worker’s powers for a day”. Also, he argued that capital was owned by the capitalist class which produced nothing and gained its wealth from the exploitation of the mass of the population the labour. “ Those who produced lost the control of the product of their labour and the process of production” (Marx).

Marx developed the theory of alienation since he believed that workers through capitalism were alienated. According to this, things that naturally belong together are separated and because of some forces are not in

harmony. In his writings he mostly referred to the alienation of people from aspects of their “ human nature”. His theory is based upon his observation that under capitalism in rising industrial production, workers unavoidably lose control of their lives and selves because they can’t control their work. Consequently, workers never become autonomous.

Alienation exists in capitalism societies because in work each provides common wealth, but can only express this social aspect of personality through a production system that is not social, but privately owned. In 1844 Marx, through his work, tried to show how the alienation arises from private labour. He distinguished the alienation in labour under capitalism into four types; alienation of the worker from his self, alienation between workers, alienation of the worker from the product and alienation from the act of production itself.

To his write “ The Holy Family”, Marx says that capitalists and proletarians are equally alienated, but experience their alienation in different ways. Like the romantic critiques of modern bourgeois civilization, Marx thinks that capitalism introduces the mercenary quantification of social life; a profound deprivation of social relations and a moral regression to pre-capitalist social relations. Since capitalism, is regulated by exchange value and the calculation of profits and the accumulation of capital, tends to dissolve and destroy all qualitative value.

He also believed that the power of money is one of the most violent manifestations of capitalist quantification and through the mode of production it denatures all “ natural human qualities” in submitting to the

money standard. In a certain sense, capitalism is the omen 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 through depressions and crises into the factories.

The Great Depression of the 1930s is the best-known ‘ crisis’. According to Marx, competition forces capitalists to introduce labour-saving machinery; a point where production is no longer profitable, and where so much labour has been displaced that the working class does not have enough income to buy what is produced. So there is a crisis of ‘ overproduction’. Capitalist must put out of work the people who must have incomes to spend if capitalists are to make a profit. Workers must accept wages lower than value.

This destruction of values (sometimes literal destruction of commodities) makes it possible for the economy to begin moving again. (Cf. Mill, Principles IV. 4. v-viii. ). At last, Marx suggests that the basic contradiction in the capitalist economic system would lead to its eventual destruction. The proletariat would overthrow the bourgeoisie and grab the forces of production, the source of power. « The worker becomes all the poorer the more wealth he produces, the more his production increases in power and range. The worker becomes an ever cheaper commodity the more commodities he creates.

With the increasing value of the world of things proceeds in direct proportion to the devaluation of the world of men. Labour produces not only commodities; it produces itself and the worker as a commodity — and does

so in the proportion in which it produces commodities generally» Marx (1844). The new society of communism will contain no contradictions, no conflicts of interests and will therefore be unchanging. Another 19th century German social theorist is Max Weber who like Marx has criticized Capitalism through his work.

Although they both were working on the same subject, Max Weber has a different position on capitalism which is more ambivalent and contradictory. Rejecting all socialist ideas, Weber considered market exchange, rather than production, as the defining feature of capitalism. Often he seems to be inclined towards a resigned acceptance of the inevitability of bourgeois civilization. In his work, “ The Protestant Ethic and the Spirit of Capitalism”, Weber argues the strong relationship between “ the Protestant ethic” and the “ spirit” of capitalism.

He seems to convey that capitalism has no place outside of religious influenced orders. He talks about the work ethics of men who follow the “ Protestant ethic”. When looking at the emergence of capitalism, Weber looks closely at the all of the cultural aspects of the state that could influence the economic structure. He says that “ if the state is to exist, the dominated must obey the authority claimed by the powers that be” (1918: 111). Weber, unlike Marx, ignores exploitation and he is not interested in crisis.

In addition, he has little sympathy for the struggles of the proletariat and division of labour and does not call colonial expansion into question.

However, Weber is aware of a profound contradiction between the awkwardness of modern, formal rationality-of which the bureaucracy and

private enterprises are the most typical manifestation-and that of the autonomy of the active subject. In Weber's studies the phenomenon under investigation is the emergence of capitalism, which he thinks took place only in Western Europe in early modern times, being exported to other countries by invasion from Europe.

The parts of early modern Europe in which capitalism originated had a religion more favourable to rational calculation than other 'control' cultures, in which capitalism did not originate. Weber's method of 'ideal types' is not sufficiently analytic. His model of bureaucracy embodies the notion of division of labour, and also the notion of authoritarian subordination: but it is quite possible for a division of labour to be organized by a set of people acting as a 'collective', relating as equals.

What brings up to date Weber's pessimistic and resigned diagnosis of modernity is the denial of the illusion of progress so powerful in European consciousness from the beginning of the 20th century. This pessimism is inseparable from a critical vision of the nature of capitalism and of its dynamic of rationalization and modernization. Weber's critique of Capitalism is until today helping sociologists and economists to understand how the current society works.

Parkin suggests that Weber has two theses which he never clearly distinguishes, what Parkin calls the 'strong' thesis that Calvinism caused capitalism and the 'weak' thesis that Calvinism did not obstruct the development of capitalism. He believed that the spirit of capitalism to accrue more money (or to accumulate capital, as Marx said), is the most supreme



and ultimate objective in life. Quoting Weber “ 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. ” Antony Giddens in his Introduction to The Protestant Ethic and the Spirit of capitalism (1985) says Weber’s work can be seen as a specific historical thesis, claiming a correlation between Calvinism and entrepreneurial attitudes, or a causal analysis of the influence of Puritanism upon capitalist activity. It can also be viewed as an interpretation of the origins of the key components of modern Western society as a whole or even as part of an attempt to identify divergent courses in the rationalization of culture.

A supreme expression of modern rationality in view of an end 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 insists constantly upon the irrationality 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. Through his work someone can find two types of rationality which are in conflict: that which is purely formal and instrumental (Zweckrationalitat), and that, more substantial, which corresponds to the “ natural state of things,” and related to values (Wertrationalitat).

The subordination of an end, the human being, to a means-enterprise, money, the market; is ideas discussed in the Marxian problematic of alienation. Another aspect in Weber's critique of the substance of the capitalist system is the submission to an all-powerful mechanism and imprisonment by the system that we have created ourselves. These theme places emphasis on the loss of liberty, the decline of individual autonomy.

Weber dares to assign the meaning of " value and time judgments" and proves that with the accomplishment of the spirit of modern capitalism we are obliged to give up the " Faustian universality of man. " The modern economic order, tied to the technical conditions of mechanistic 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. " Capitalism, for Weber, is the most advanced economic system ever developed over the course of human history.

Weber linked capitalism with the advance of the business corporation, public credit, and the further advance of bureaucracy of the modern world.

Although Weber defended capitalism against its socialist critics of the period, he saw its rationalizing tendencies as a possible threat to traditional cultural values and institutions, and a possible ' iron cage' which limits human freedom. 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 petrification, adorned by a kind of convulsive vanity.

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. (Web source) For the future of Capitalism, Weber believed that once capitalism has come into being and is well established the factors which led to its existence need not be the ones that keep it in existence, and there may be others that tend to destroy it. Comparing Marx's and Weber's Views Both Marx and Weber were conspirator by the changes in society at the time of industrialization.

Birnbaum(1953) says that both were influenced by the " historicist tendency in of German social thought ". While Marx was seeking a revolution, Weber was content to explore the reasons why capitalism had developed. Both saw society moving in a direction unbecoming for the people, but while Weber saw no alternative, Marx was sure that things would have change. Their analysis about class was partly the same since they agreed that the new entrepreneurial class did not come from pre-capitalist erchant classes of Medieval Europe. Lowith (1985) says that both Marx and Weber were essentially philosophical sociologists because they were both following the basic principle of their work in the face of problems of human existence and they questioned the totality of the contemporary life situation under the rubric of capitalism. Then again their ideas are completely different. Weber and Marx each had their own beliefs as to how capitalism began and where it was headed.

They both make reference to religion in order to attempt to come to terms with this irrationality but for Marx the origin of capitalism does not return us to a religious ethic of thrift the reference to religion nevertheless plays an important role for understanding the logic of capitalism as " inversion. "

Weber's view was that religion answered man's need for a coherent account

<https://assignbuster.com/capitalism-in-marx-and-weber/>

of his situation in contrast with Marx's view that ideas are a reflection of one's class position. In both cases humans are dominated by their own products- money under capitalism, God under religion.

Marx and Weber in Contemporary Society Today, more than a century since these ideologists were alive, their ideas continue to influence. Marx's ideas about the capitalist system particular are said to have a place in contemporary society. Ian Hunt (director of the Centre for Applied Philosophy-Flinders University, Southern Australia) believes that Marx's theories on the exploitative nature of the capitalist employment relationship apply today in the form of climate and energy issues and " the problem of the despotic form of the employer-employee relationship under capitalism".

Simon Tormey (co-director of the Center for the Study of Social and Global Justice, Nottingham University) suggests that Marx's theory of class struggle is extremely prevalent in today's current business world. " There are workers there who have been denied trade union representation, who have been denied holiday pay, health care, and other benefits," he said. " Go into any business and you will see owners and workers — the owners cannot do without the workers and they want to pay them as little as they can for the most amount of product/output; the workers want the most they can get.

This is class struggle". Marx's writings on issues such as communication and interpretation contributed in part to a rising cultural studies movement, had a great influence on the way people thought about culture and many modern cultural theorists follow his ideas. However, " Marx was convinced that communism would replace capitalism but we don't really see much of a

communist movement emerging anywhere today,” Tormey said. His prediction of a communist world proved wrong but “ As long as there are capitalists, Marx will remain relevant. (Hunt)

Weber has a big influence in contemporary society as well. His theoretical tradition remains a popular perspective from which to examine religion, ideology, and the processes of change in these cultural systems. Weber has often been a source of inspiration in contemporary sociology for interpretive, ethnographic and historical approaches to religion. Many have argued that the manner in which religion and ideology are conceptualized has resulted in what sometimes appears to be an overly subjective view of their nature and functioning.

For example, Peasants are said to believe in God because they see supernatural acts in nature; soldiers are said to believe in fate because they risk an early death. Inspired by Weber’s thesis concerning the relations between inner-worldly ascetic religious values and the spirit of capitalism, numerous inquiries have examined the ideological components of Puritanism, its social origins, and its consequences on the rise of science, its legitimation of revolutionary dissent, and the qualities of religious rationality.

Continental sociologists have often been critical of their Anglo-American colleagues for tension too heavily Weber’s interest in the subjective. Yet it can be said that Weber’s emphasis on the Protestant ethic, on the spirit of capitalism, and on meaning all underscore an interest in the subjective. Sociological theories of the 1940s and 1950s tended to represent culture as a hierarchy of values that was incorporated by higher-order religious values

and was internalized by the person, thereby giving unity and direction to the person's behaviour.

View of religion and ideology rather different from that advanced by Weber. Religion is seen not as a set of internalized values that influences an individual's moods and motivations but rather as a codified set of concepts and categories that is evident in discourse, reinforced by practical commitments, and advanced in institutional settings.

Perhaps there were in many places conditions that could easily have led to the development of capitalism, if conditions had been only slightly different – and perhaps the difference needed was one thing in one place, another thing in another. If what is needed in such situations is just a slight difference, perhaps historians will never be able to discover what slight difference it was that precipitated the development. Weber and Marx tried to identify these conditions and in some points they might have found them but the time will show whereas their ideas were right or not.