

# Adorno on late capitalism

## Totalitarianism and the welfare state

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In his appraisal of mass societies, Theodor W. Adorno briefly discussed those changes in Western economies that had helped to transform the earlier liberal phase of 'free market' capitalism at the turn of the twentieth century. Responding in part to these changes, governments legislated into existence social welfare institutions and agencies that quickly became more or less permanent fixtures in their liberal democratic states. Even as he recognized that the welfare state had alleviated some of the inequities caused by capitalism, Adorno was also concerned about the loss of individual autonomy and spontaneity that seemed to accompany its emergence. He was very critical of the increasingly oppressive extension of bureaucratic state agencies into the private lives of individuals, warning that state control might reach totalitarian proportions, even in purportedly democratic countries. Observing that individuals were growing more and more dependent on the state as its powers increased, and noting their often servile deference to the rule of 'experts' and technocrats, Adorno feared that individuals would relinquish the independence which serves as a necessary condition for resistance to repression and economic exploitation.

A number of commentators have misleadingly maintained that Adorno viewed the welfare state as a variant of what an associate and co-worker at the Institute for Social Research was calling 'state capitalism'. Simply put, with his state capitalism thesis, Friedrich Pollock alleged that the command and mixed economies of the 1920s and 1930s marked the 'transition from a predominantly economic to an essentially political era'.<sup>1</sup> Initially, this state capitalism thesis will be contrasted with Adorno's own view of twentieth-century liberal democracies. Later in the article, I

shall assess Adorno's position in light of contemporary criticisms that have been levelled against his work. This evaluation of Adorno's work is not only necessary to correct the secondary literature; it will also provide the opportunity to flesh out Adorno's ideas about the relationship between the state and the economy – ideas which, though sketchy, nonetheless implicitly occupied an important place in his work as a whole. In addition, these ideas may help to reframe historical and theoretical considerations about the role that democratic political systems have played, and might yet play, in capitalist economies.

### **Pollock and Neumann on the Third Reich**

During the 1930s and 1940s, Pollock tried to account for what was being viewed as a new development within the capitalist economies of the West. With the command economy of the Third Reich, and the mixed economy of the United States (represented by the New Deal), a qualitative shift had taken place such that the earlier liberal phase of capitalism had been superseded by either totalitarian or non-totalitarian (formal democratic) variants of state capitalism. Production and distribution in the economies of these and other countries were increasingly being taken under direct political or state control. Acknowledging that industrial and business managers continue to play an important role in the newer phase, Pollock nonetheless maintained that the profit motive had been supplanted by the power motive in command or mixed economies. Of course, profits still accrue to producers under state capitalism, but they can now often be made only when goods are produced in accordance with the 'general plan' of a state or political party. Pollock further believed that by establishing wage and price controls,

the state also succeeded in controlling distribution either through direct allocation to consumers or via a 'pseudo-market' that served to regulate consumption.

Pollock recognized that his thesis was not new; a number of writers had already studied the ways in which liberal economies had increasingly come under the control of the state. At the same time, he also admitted that his state capitalism thesis could not be verified empirically in every respect. Constructed 'from elements long visible in Europe and, to a certain degree in America', the thesis was meant to serve only as a model, a Weberian 'ideal type'.<sup>2</sup> Moreover, although 'the trend toward state capitalism was growing ... in the non-totalitarian states', Pollock thought that relatively little work had been devoted to understanding the democratic form of state capitalism; a more comprehensive model still needed to be constructed for it.<sup>3</sup> Additional research was also required to determine whether democracy could survive under state capitalism. While control over the economy might remain in the hands of a small political group or faction, Pollock speculated that, in the long run, economic planning could be carried out more or less democratically.

Pollock's thesis generated some controversy among his co-workers at the Institute for Social Research. One of these was Franz Neumann, a lawyer and administrator for the Institute who later worked as an economist for the United States government during World War II. In his *Behemoth* – which offers a detailed analysis of economic conditions under the Third Reich – Neumann launched a qualified attack on Pollock's view that Germany could be described as state capitalist. He argued that Pollock's state capitalism thesis actually amounted to the claim that there was no longer any freedom of trade, contract, or investment under National Socialism; that Germany's market had been abolished; that the German state had complete control over wages and prices, eliminating exchange value; and that labour was now appropriated by a 'political act'.<sup>4</sup> Neumann called this thesis into question, showing that the National Socialists had no economic theory of their own, and rejecting the idea that Nazi Germany was organized along corporatist lines. He also demonstrated that private property and private control over capital had been retained in Hitler's regime.

At the same time, however, Neumann did concede that, in Nazi Germany, 'possession of the state machinery ... is the pivotal question around which everything else revolves'. And, for Neumann, this was 'the only possible meaning of the primacy of politics over

economics'.<sup>5</sup> On Neumann's assessment, the National Socialist economy had two general characteristics: it was 'a monopolistic economy – and a command economy', a conjunction for which Neumann coined the term 'totalitarian monopoly capitalism'. In other words, the German economy under the Third Reich was 'a private monopolistic economy, regimented by the totalitarian state'.<sup>6</sup> Recognizing, then, that aspects of a command economy had been put into place, Neumann proceeded to examine the extent of the German state's intervention in the economy, taking into account the state's direct economic activities, its control over prices, investments, profits, foreign trade and labour, and the role of the National Socialist Party.<sup>7</sup> He concluded that economic activity in the Third Reich had preserved much of its former autonomy. However, owing to the way in which the economy had been monopolized by large industrial and business concerns, profits could not be 'made and retained without totalitarian political power'.<sup>8</sup> This is allegedly what distinguished Nazi Germany from other Western states (though, given the growing monopoly on capital in these other states, one has to wonder why totalitarian political power arose only in Nazi Germany).

Commentators on this debate between Pollock and Neumann often maintain that Adorno simply adopted Pollock's state capitalism thesis in his own analyses of developments in the West. For example, Helmut Dubiel believes that both Adorno and Max Horkheimer sided with Pollock, adapting his argument to their assessment of changes in the development of capitalism.<sup>9</sup> David Held agrees with Dubiel; and like Dubiel, Held also refers to *Dialectic of Enlightenment* by way of substantiation without quoting relevant passages from this work in order to support his view.<sup>10</sup> Nevertheless, Held also points out that Horkheimer and Adorno expressed ambivalence about this thesis in their later work. Referring to Adorno, Held notes that, 'Though the main principles which underpin his view of capitalism are compatible with Pollock's position, a reading of essays like 'Gesellschaft' [Society] (1966) and 'Spätkapitalismus oder Industriegesellschaft?' [Late Capitalism or Industrial Society?] (1968) suggest ... that while Adorno thought that class conflict and crisis can potentially be managed, he did not think that they would necessarily be managed successfully.'<sup>11</sup>

In his recent work on Neumann's and Otto Kirchheimer's critique of the liberal rule of law under the welfare state, William Scheuerman also refers to *Dialectic of Enlightenment* (again without quoting it directly) to substantiate his claim that Horkheimer and Adorno adopted Pollock's state capitalism thesis in

order to explain both the ‘totally administered world’ in non-totalitarian countries and ‘the Nazis’ success in overcoming all the tensions that had plagued earlier forms of capitalism’.<sup>12</sup> Theoretical and political differences subsequently emerged between Neumann and Kirchheimer in the eastern United States, and Pollock, Horkheimer and Adorno in the West – differences that ended in the break-up of the original Frankfurt School. In his own assessment of Adorno’s work, Douglas Kellner makes a similar point: ‘Although Pollock’s theses were sharply disputed by Grossmann, Neumann and the more orthodox Marxian members of the Institute ..., in various ways Horkheimer, Adorno and Marcuse built their theory of the transition to a new stage of capitalism on Pollock’s analysis, while developing their Critical Theory of contemporary society from this vantage point.’<sup>13</sup>

What is surprising about Kellner’s interpretation of Adorno is that Kellner also recognizes that Adorno was highly critical of Pollock’s thesis. In a letter to Horkheimer, cited by Kellner, Adorno wrote that Pollock’s essay ‘was marred by the “undialectical position that in an antagonistic society a non-antagonistic economy was possible”’.<sup>14</sup> Adorno maintained that Pollock’s thesis failed to take into account the crisis-ridden nature of capitalism in the 1930s. In fact, Pollock had argued that the newly politicized economic order could respond to all the problems that had arisen in the earlier liberal phase and resolve successfully all the economic difficulties it might confront – albeit possibly only through totalitarian means. In what follows, I want to present Adorno’s own discussion of the more salient features of late capitalism (or the phase of capitalism that succeeds its liberal ‘free market’ stage). I shall begin by examining Adorno’s earlier work and then present some of his later ideas on the connections between the economy and the state in the West.

### **Adorno and Horkheimer on ‘late capitalism’**

In *Dialectic of Enlightenment*, Horkheimer and Adorno wrote that life under capitalism was becoming completely administered, taken under control by various agencies, organizations and institutions in the West. They used the phrase ‘totally administered world’ to describe conditions in the newer economic phase, and warned of their oppressive effects. Yet it is not immediately apparent that the authors thought that administration in Western states was state capitalist in character. In fact, there are few passages in *Dialectic of Enlightenment* which confirm the view that Adorno and Horkheimer simply adopt wholesale Pollock’s state

capitalism thesis – even as an ideal type. Although the authors write in their introduction that individuals have become ‘totally devalued in relation to the economic powers, which at the same time press the control of society over nature to hitherto unsuspected heights’,<sup>15</sup> they do not claim that these economic powers have been taken under state control. Moreover, throughout the main body of the text, Horkheimer and Adorno were largely concerned with describing the impact of an ostensibly apolitical capitalistic economic ‘apparatus’ on the individual. It is the primacy of the economy, not of politics or ‘state capitalism’, that looms largest in their analysis.

Contrasting the ruling ‘cliques which ultimately embody economic necessity’<sup>16</sup> to the general directors (*Generaldirektoren*) who execute as ‘results ... the old law of value and hence the destiny of capitalism’,<sup>17</sup> Horkheimer and Adorno imply that the former operate more or less independently of the latter, and that economic (not political) laws govern both. In their chapter on the myth of Odysseus, the authors coin the phrase ‘totalitarian capitalism’ (*totalitärer Kapitalismus*)<sup>18</sup> to refer to the socio-economic conditions which they had described earlier as late (*spät*) capitalist.<sup>19</sup> Horkheimer and Adorno never used the phrase ‘state capitalism’ in their discussion of prevailing conditions in the West. Moreover, economic factors – not the allegedly political control of the economy by the state or by political parties, as in Pollock’s state capitalism thesis – occupy the better part of their attention.

There are, however, two passages in *Dialectic of Enlightenment* which might lend credence to the claim that Adorno and Horkheimer adopted Pollock’s thesis. In their discussion of the culture industry, the authors make passing reference to the emerging welfare state in non-totalitarian countries, where ‘men in top posts maintain the economy in which the highly-developed technology has in principle made the masses redundant as producers’.<sup>20</sup> This somewhat ambiguous passage could be used to substantiate the interpretations cited earlier. In a later remark in their notes and drafts on the punitive techniques employed by ‘fascism’, Horkheimer and Adorno assert that the National Socialists punish both the body and the ‘soul’. In this, ‘fascism’ differs from what the authors (following Alexis de Tocqueville) call ‘bourgeois republics’, which generally punish the ‘soul’ alone. Horkheimer and Adorno explain that under fascism, ‘The concentration of control over all production brings society back to the stage of direct rule. When the market system is abolished in a nation, intervening intellectual operations, including law, also disappear.’<sup>21</sup> There is no ambiguity

in this passage. In contrast to bourgeois republics, the National Socialists exercised direct physical and psychological control over German citizens as they took control of the means of production. Neumann's arguments notwithstanding, the authors believe that the power motive had superseded the profit motive in Nazi Germany. It is, however, important to stress that Horkheimer and Adorno distinguished 'fascism' in this regard from non-totalitarian states. If Nazi Germany could be described as state capitalist in Pollock's sense of this term, the authors refrained from describing other Western states in this way.

In a 1942 essay, 'Reflexionen zur Klassentheorie' ('Observations on the Theory of Classes'), Adorno makes similar claims about the relationship between the economy and the state in the West. Although he does remark on the growing 'liquidation of the economy'<sup>22</sup> in his 'Observations', Adorno continues to stress its primacy. He never explicitly agrees with Pollock that state control over the economy is characteristic of the newer phase of capitalism. Observing the emergence of a new oligarchical ruling class in many Western states, Adorno argues that this class has disappeared 'behind the concentration of capital', which has reached such a 'size and acquired such a critical mass that capital appears as an institution, as an expression of the entire society'.<sup>23</sup> Owing in part to the concentration of capital, then, the ruling class was becoming 'anonymous', making it much more difficult to identify those in control. Here again, Adorno describes the capitalist economy as 'totalitarian', and its totalitarian character is due largely to the lack of competition under monopoly conditions.

However, it should also be noted that Adorno did speak of 'the immediate economic and political command of the great [*der Großen*] that oppresses both those who support it [the bourgeoisie] and the workers with the same police threat, imposes on them the same function and the same need, and thus makes it virtually impossible for workers to see through the class relation.'<sup>24</sup> In this passage, Adorno suggested that power in mass societies is wielded by both economic and political agents – though he did not explicitly claim that the former had been subordinated to the latter. In fact, in most passages in this essay, the reverse seems to be the case: politics follows the lead of economic developments (including changes in the relations of production). Adorno's view that economic factors continue to be primary in mass societies (or at least as primary as political factors), is bolstered by his claims about reification and the continued existence of classes. If Adorno had actually adopted Pollock's



Andy Fisher, Cleaning Machine # 1, 1998

state capitalism thesis, he would have been obliged to qualify carefully the idea he expresses throughout his work that, under the guise of exchange value, the market system has been extended to virtually all areas of human life, promoting reification. And he certainly would not have stated so baldly in a 1965 essay that '[p]rofit comes first' in mass societies.<sup>25</sup>

In *Behemoth*, Neumann had observed that, 'If one believes that Germany's economy is no longer capitalistic under National Socialism, it is easy to believe further that her society has become classless.'<sup>26</sup> Paraphrasing Neumann, one could also state that if Adorno had believed that non-totalitarian states were no longer capitalist, it would have been easier for him to deny the existence of classes. Yet Adorno did insist on the continued existence of classes in these states – as is clear from his remarks in 'Observations on the Theory of Classes'. Although the subjective awareness of belonging to a class had diminished, and the composition of classes in mass societies had changed, 'the division of society into exploiters and exploited not only continues to exist but gains in force and strength'.<sup>27</sup> The bourgeoisie, which once consisted of relatively independent entrepreneurs, lost much of its economic power as the earlier liberal phase was transformed by the concentration of capital (and the resulting decrease in competition). This led to the

formation of a new mass class comprising both the middle class and the workers. On Adorno's account, this change in the composition of classes under the later phase of capitalism confirms Marx's prediction about a society stratified into a 'few property owners and the overwhelming mass of the propertyless'.<sup>28</sup>

These ideas about the continued existence of classes are repeated throughout Adorno's work. In his 1965 essay, 'Society', for example, Adorno maintained that 'society remains class society',<sup>29</sup> because 'the difference between the classes grows objectively with the increasing concentration of capital'.<sup>30</sup> Three years later, in 'Late Capitalism or Industrial Society?', Adorno clearly linked his analysis of classes to the idea that the economic forces are primary. He claimed that if one were to assume that mass societies are industrial rather than capitalist in character, this might suggest that mass societies had become 'so thoroughly dominated by unanticipated technological developments that the notion of social relations ... has by comparison lost much of its relevance, if it has not become illusory altogether'.<sup>31</sup> By contrast, if, as Adorno believed, relations of production are paramount (and forces of production are 'mediated by the relations of production') then the industrial society thesis is not true in all respects because the capitalist system still predominates.<sup>32</sup> Recognizing that it had become difficult to apply Marxist criteria to existing conditions, Adorno nonetheless asserted that, judging by the criterion of ownership of the means of production, the class relationship was most obvious in North America.<sup>33</sup>

However, Adorno did concede that there was some truth to the claim that political control over the economy is growing. The idea that 'control of economic forces is increasingly becoming a function of political power is true in the sense that it can be deduced from the dynamics of the system as a whole'.<sup>34</sup> Expressed as a general tendency, then, state power is gaining ground – and, by implication, Nazi Germany becomes paradigmatic of trends that are more or less latent in other Western nations. Yet Adorno strongly limits this claim about political domination in non-totalitarian countries when he adds that there are also 'compelling facts which cannot in their turn be adequately interpreted without invoking the key concept of "capitalism"'. As Adorno continued to argue: 'Human beings are, as much as ever, ruled and dominated by the economic process.' Consequently, 'Now as much as ever, the societal process produces and reproduces a class structure'.<sup>35</sup> The state capitalism thesis is thus confirmed only in light of very general (economic) trends or tendencies in mass societies.

Although David Held is correct when he claims that there is an 'ambivalence' in Adorno's later work with regard to Pollock's state capitalist thesis, this ambivalence is not confined to the later work.

Adorno's 'ambivalence' appears again in his response to Ralf Dahrendorf's criticisms of his 'Late Capitalism' essay. For Adorno, there could be little disagreement that mass societies were tending towards political domination. Adorno also explained that this growing political control over the economy in the West was itself the outgrowth of economic conditions. If this economically driven trend towards political domination continued, and 'political forms of contemporary society were radically compelled to follow economic ones, contemporary society would, to put it succinctly, steer directly towards forms that are defined meta-economically – that is, towards forms which are no longer defined by classical exchange mechanisms'.<sup>36</sup> Yet Adorno did not believe it was inevitable that this tendency – and he emphasized here that he was speaking explicitly of a tendency, as opposed to a fully realized state of affairs – would be realized fully in every state. Only if it were, would a state capitalist reading of the 'totally administered world' be substantiated. Hence Scheuerman's remarks about the administered world's totalitarian political character are not confirmed by Adorno's assessment of prevailing conditions in the West.

At the end of his essay on late capitalism, Adorno offers a number of equally brief but interesting remarks about the factors responsible for state intervention in the economy. He describes such intervention as 'immanent to the system' – a form of 'self-defence'.<sup>37</sup> Since he immediately preceded this remark with a discussion of relations of production (or class relations) under late capitalism, Adorno could be understood as implying that state intervention (in the form of a mixed economy or state planning) represents a defence against class conflict. If this implication is correct, Adorno appears to take up the view that state intervention was initiated – at least in part – as a response to social conflicts (real or potential). While this view is problematic – and I shall explain why later in the article – it is a fairly common one. For Adorno, state intervention in the economy serves to counter the threat arising from those 'as yet unrevolutionized relations of production' whose power is 'greater than in the past'.<sup>38</sup>

### **The logic of state intervention**

Citing Hegel's *Philosophy of Right*, Adorno maintains that the relationship between the state and the economy is a dialectical one. For Hegel, the state is the dia-

lectual outcome of the interplay of laws and interests in civil society (*bürgerliche Gesellschaft*) where individuals satisfy their particular needs and interests by way of exchange in the economic system (and through other forms of association). Intervening in civil society ‘from the outside with the help of the police’, the state ultimately ends by subverting the economy.<sup>39</sup> Here the ‘police’ – which, for Hegel, included public authorities concerned with alleviating poverty – helps the state to ‘actualize and maintain the universal contained within the particularity of civil society’ by mediating between private relations (the family) and the state. The control exercised by the police ‘takes the form of an external system and organization for the protection and security of particular ends and interests en masse, inasmuch as these interests subsist only in this universal’.<sup>40</sup> By means of the ‘police’, then, the universal interests of the state succeed in prevailing over the particular interests of civil society, including economic interests.

However, Adorno did not claim that this Hegelian account of state intervention in the economy could be used to describe existing conditions in non-totalitarian mass societies. Correspondingly, he implicitly rejected the application of Pollock’s state capitalism thesis to such conditions:

If it has long been argued on the basis of interventionism and, even more, of centralized planning, that late capitalism is far removed from the anarchy of commodity production and is therefore no longer capitalism, one must respond that the social fate of individuals is just as precarious as it was in the past.

Pointing to critics who have shown that the liberal market never worked in the way its liberal apologists claimed – that it was never a truly ‘free’ market – Adorno thinks it ironic that this critique of liberalism has been ‘revived in the thesis that capitalism is not really capitalistic’.<sup>41</sup> In contrast to this thesis, Adorno not only argues that the economic system has survived owing in part to state intervention; he also claims that such intervention has actually served to ensure the continued primacy of the capitalist economy: ‘What is extraneous to the [socio-economic] system reveals itself as constitutive of the system, even the political tendency itself. With interventionism, the resistive power of the system is confirmed.’<sup>42</sup>

At the same time, Adorno also reiterates the remarks he had made earlier in the essay when he acknowledged that state intervention tendentially confirms ‘the crisis theory of capitalism’. It does so because ‘the telos of state intervention is direct political domination



Andy Fisher, *Cleaning Machine # 2*, 1998

independent of market mechanisms’.<sup>43</sup> Aided by the police and the military, and abetted by public authorities (such as state welfare agencies and institutions), the state begins to assume greater economic functions under a system of total administration. Yet this growing trend towards political domination has never been fully realized in most Western states. Continuing with his interpretation of Hegel in his response to Ralf Dahrendorf, Adorno writes that by ‘evoking powers from out of itself – the so-called corporations and police’ – civil society attempts to ‘function integrally’ so as not to ‘fall to pieces’. Although Hegel saw this ‘as something positive, in the mean time we have learned most thoroughly from fascism ... what the renewed transition to direct domination can mean’.<sup>44</sup> Hegel’s account of the transition to political domination helped to explain changes transforming liberal capitalism in one Western country: Nazi Germany. This account – which sees the state backed in part by the terrorist tactics of the police and military – thus had a limited application, even though, once again, it could also serve to explain totalitarian tendencies in other Western nations.

In these other nations, the widening gap between property owners and the propertyless was one of the factors responsible for state intervention – in the form of social security and the limited redistribution of wealth (but also, one might add, in the form of bureaucratic,

police and military control). Adorno thus implied that state intervention was initiated in part in order to stave off radical or revolutionary class conflicts. However, the idea that the welfare state represents a political response to real or potential class conflict is somewhat problematic. On Christopher Lowe's account of the development of the 'big government' characteristic of the welfare state, the latter did not originate primarily in the 'need to solve social problems' but rather 'in the need to establish the institutional conditions and forms for the accumulation, re-investment and organizational control of the capital gathered as markets were unfettered'. In short: 'Capitalism created big government in order for government to help create the conditions for expanded capital.'<sup>45</sup>

The economic historian Herman Van der Wee agrees with the main lines of Lowe's assessment. Before World War II, the state had been intervening in the economy not to solve social problems, but to 'ensure that profits and incomes were restored to orderly levels'.<sup>46</sup> After World War II, John Maynard Keynes's policy of 'full employment, social security, income redistribution, and mutual co-operation' was adopted in many Western countries as a means to the end of economic growth. Although the form and degree of state intervention never conformed entirely to what Keynes had recommended, the policies of this British economist did help to encourage earlier trends. To varying degrees, postwar countries like Britain, Sweden, the United States, France and Italy 'went over to economic planning in order to be able to specify extra-high growth rates and ensure they were achieved'.<sup>47</sup> Moreover, such intervention was supported not only by left-wing political parties concerned with social and economic inequalities; parties on the right and centre themselves 'defended the principle of a sizeable extension of government intervention into economic life, and they gained considerable support from industrialists, bankers, and intellectuals'.<sup>48</sup>

Van der Wee also observes that the tendency towards state intervention in the economy appears to be reversing itself. Keynesian theory assumed 'optimally sized firms' and 'a competitive market'.<sup>49</sup> But, as mixed economies developed in the West, the growth of multinationals (and the resulting decline in competition under monopoly conditions) called these assumptions into question. Recent economic conditions are substantially different from the ones Keynes originally described. After the 1974–75 economic crisis, 'the enthusiasm for planning and central consultation waned and most governments turned back to the concepts of orthodox monetarism'.<sup>50</sup> Explaining

that there were other, deeper, causes for this retrenchment, Van der Wee cites growing world criticism as one of these causes – including the Frankfurt School among the critics of the welfare state. Adorno and his colleagues acknowledged that the technical civilization which was supposed to achieve Utopia in socialist societies was in fact attained by the mixed economies during their postwar development into welfare states. Yet this technical welfare civilization had little or no emancipatory potential and in fact tended to alienate rather than satisfy. Moreover, it integrated the working class totally into its value system, so that the traditional social basis for revolution was lost. Lastly it created an educated elite which, through the co-operation between the bureaucratic state apparatus and the technostructure of big business, was able to establish and perpetuate its own power.<sup>51</sup>

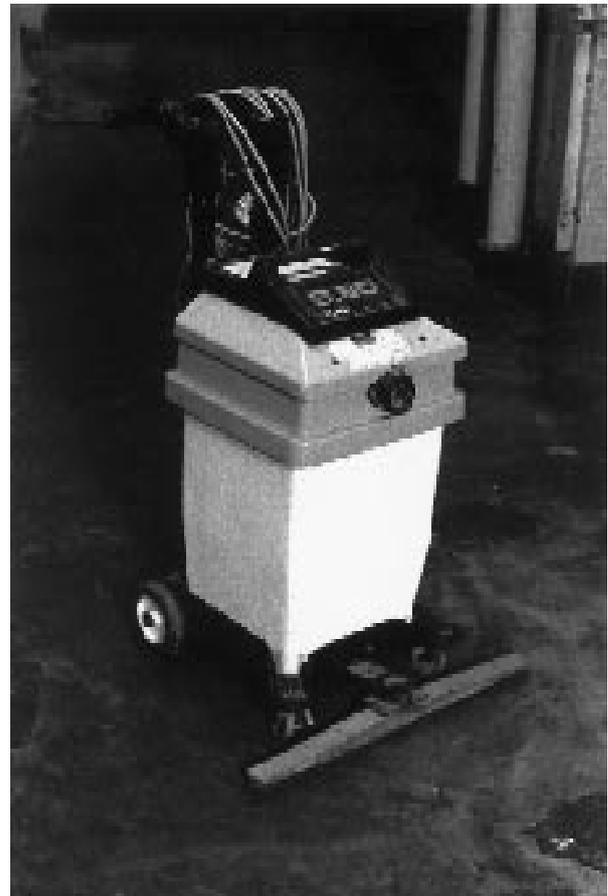
### Technology and Utopia

Van der Wee's assessment of Critical Theory can be contested on a number of grounds. It is certainly not the case that critical theorists believed 'technical' civilization *per se* would achieve 'utopia'. Furthermore, the influence Van der Wee ascribes to their critique is highly questionable – was this critique really one of the deep 'causes' of the return to orthodox monetarism? Van der Wee is certainly right to point out that critical theorists had strong reservations about the welfare state. However, he fails to note that their criticism is dialectically inflected. This is especially true of Adorno's work. In 'Late Capitalism or Industrial Society', for example, Adorno wrote: 'In the highly industrialized parts of the world it has been possible – at least, Keynes notwithstanding, as long as new economic disasters do not occur – to prevent the most blatant forms of poverty.' Yet Adorno also added that the highly bureaucratized Keynesian welfare state had cast a 'spell' over its citizens – a spell that 'is strengthened by greater social integration'.<sup>52</sup> Given developments in Nazi Germany and the Soviet Union, Adorno was understandably critical of the tendency towards state control over the economy. Such control 'necessarily reinforces the totalitarian tendencies of the social order, and is a political equivalent for and adaptation to the total penetration of the market economy'.<sup>53</sup> Moreover, as this control grows, individuals become increasingly dependent on state institutions for the satisfaction of their needs – especially when they require protection against uncertain or crisis-ridden economic tendencies. Writing about Nazi Germany, Neumann had already explained that what accounted for the general acquiescence of individuals to political

domination were pre-existing economic and political factors: 'National Socialism did not create the mass-men.... The transformation of men into mass-men is the outcome of modern industrial capitalism and of mass democracy.' Monopoly capital and mass democracy had 'imprisoned man in a network of semi-authoritarian organizations controlling his life from birth to death', and transforming 'culture into propaganda and saleable commodities'.<sup>54</sup>

Similar economic and political conditions also explained acquiescence to the welfare state in other Western countries. If citizens view themselves as passive clients of the welfare state which often robs them of their autonomy and human dignity, Adorno thought this reaction was 'marked to the last detail by the conditions under which they live'.<sup>55</sup> For Adorno, pre-existing economic conditions (in particular, the growing monopolization and centralization of capital, and the extension of the exchange principle to areas of life that had formerly been immune or resistant to it) were the primary factors shaping individual reactions in non-totalitarian Western countries. In addition, the bureaucratic organization of democratic states, which had long preceded the creation of the welfare state, also had a role to play in fostering attitudes and responses to political domination and dependence on the state. While a truly free society would not be able to dispense with political and economic administration, in mass societies 'administrations have tended under constraint towards a greater self-sufficiency and independence from their administered subjects, reducing the latter to abstractly normed behavior'.<sup>56</sup>

Once again, it was largely the potential threat of totalitarianism that motivated Adorno's critique of the welfare state. In the Soviet Union, 'the desire for more rapid economic growth ... brought about a dictatorial and austere administration'.<sup>57</sup> And, of course, despite the economic 'successes' of Hitler's regime, its control over the economy had been accompanied by growing physical and psychological control over its citizens. Serving as a largely unexamined end-in-itself, without reference to the needs and interests of the population at large, the goal of economic growth for its own sake had been reached with equally irrational means: totalitarian dictatorship. In less totalitarian societies, the tendency towards political domination also pointed 'in the direction of objective irrationality'.<sup>58</sup> The all-too-obvious defects in the market economy have served to legitimate increasing state control not only over the economy but also, by extension, over citizens. Such control is unflinchingly reinforced by the culture industry: 'The methods of centralized control



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with which the masses are nevertheless kept in line, require a degree of concentration and centralization which possesses not only an economic, but also a technological aspect, for instance – as the mass media exemplify – the technical possibility of controlling and coordinating [*gleichschalten*] the beliefs and attitudes of countless people from some central location – something which requires nothing more obtrusive than the selection and presentation of news and news commentary'.<sup>59</sup>

Although he continued to support the Marxist view that the economy is the primary 'motor' driving historical developments, Adorno could nonetheless not ignore the tendencies towards political domination in non-totalitarian countries. His brief and often indirect criticisms of state control over individuals often serve to supplement his criticisms of the reifying effects of capitalism. Conceding in 'Observations on the Theory of Classes' that the living standards of most workers had improved under late capitalism, Adorno also acknowledged that the 'bloody dehumanization' of earlier forms of economic oppression and exploitation had 'faded'. But if it is true that, with the end of such dehumanization, the 'figure of the worker who comes home drunk at night and beats up his family has become extremely rare', it is now also the case that 'his wife has more to fear from the social worker

who counsels her than she does from him'.<sup>60</sup> The administrative apparatus of the welfare state contributes to less overt – and for that reason, all the more powerful – forms of dehumanization that take over where economic exploitation leaves off.

The latest form of dehumanization is manifested in economic and political powerlessness. Arguing that poverty had been alleviated in the West 'so that the system would not be torn apart', Adorno nonetheless insisted that the theory of impoverishment had actually been confirmed by such powerlessness: the proletariat and the bourgeoisie were now almost completely dominated by the 'system'.<sup>61</sup> Individuals in the new mass class had become 'simple objects of administration in monopolies and their states'.<sup>62</sup> In part a consequence of those socio-economic conditions that had brought the welfare state into being, the impotence of individuals with regard to the system gives them little choice but to conform with prevailing standards, stereotypes and modes of behaviour, and to comply with the dictates of that 'expert opinion' to which political administrations themselves defer. In 'Culture and Administration', Adorno wrote that, rather than 'making conscious decisions', individuals tend to 'subjugate' themselves 'to whatever has been preordained'. Spontaneity also declines 'because total planning takes precedence over the individual impulse, predetermining this impulse in turn, reducing it to the level of illusion, and no longer tolerating that play of forces which was expected to give rise to a free totality'.<sup>63</sup> In another essay, 'Individuum und Organisation', Adorno targeted bureaucratic organization in general (be it in the welfare state or industry). As it invades private life either directly or indirectly, such organization 'radically threatens people because it always tolerates less freedom, immediacy and spontaneity and tends to reduce those who are essential components in society to simple atoms'.<sup>64</sup> Adorno often used the phrase 'cogs in the wheel' to describe individuals in the totally administered world.

### **The question of civil society**

Despite these remarks about the damaging effects of the welfare state's administrative apparatus, Adorno's critique of the welfare state is extremely sketchy; it also involves generalizations that cannot always be substantiated and that sometimes limit the force of Adorno's arguments. It is to be hoped that the newer left-wing critiques of the welfare state will be able both to learn something from Adorno's analysis and to surpass it. Like Pollock, Adorno also underestimated the degree to which capitalist economic systems had

always relied on the state: through laws which created 'corporate, collective institutions of capital investment and mobilization', as well as through 'the legal forms of financial institutions and instruments, of market mechanisms such as stock and commodity exchanges, of laws and court decisions, limiting unionization by workers, and of police and military forces to defend the property of the wealthy and the emergent corporations'.<sup>65</sup> Moreover, notwithstanding his important analysis of the new mass class in Western states, Adorno failed to identify emerging areas of conflict which are not entirely class-bound (even though such conflicts are often far more bound to class than their protagonists are prepared to admit).

Such areas of conflict are said to arise within 'civil society'. Apart from his brief reference to Hegel's notion in 'Late Capitalism or Industrial Society?', Adorno did not give critical consideration to the non-market and non-state organizations and associations that also comprise civil society. Although civil society 'is always on the verge of extinction' under totalitarian dictatorships, it has not been extinguished completely in Western states. As John Keane writes, 'The persistence of (ailing) representative democratic mechanisms, the concrete possibilities of legally establishing independent associations and movements, and the ongoing tensions between capitalist and state bureaucracies – among other factors – ensure that these systems do not 'converge' with their Soviet-type counterparts'.<sup>66</sup> However, even though he acknowledged that Western states had not succumbed completely to totalitarian tendencies, Adorno was very sceptical about the potential for radical resistance to prevailing economic and political conditions (and it is doubtful that Adorno would have considered the demands of new social movements to be 'radical'). He seemed to overlook the democratic potential that some contemporary writers claim to find in the civil societies of the West. In fact, the culture industry often confirmed Adorno's worst fears: social integration was being fostered at an alarming rate, compromising the possibility of resistance to the totalizing tendencies of the administered world.

Once again, for Adorno, it was the dominance of the exchange principle – and not of the political system – that was largely responsible for undermining the potential for resistance in the West. In arguing against Adorno's views, then, it is not sufficient to point to the existence of formally democratic political institutions, or to the possibilities of legally instituting non-market and non-state organizations and associations. Since Adorno believed that individuals in the West had

fallen under the spell of the exchange principle, what needs to be shown is either that Adorno was simply wrong about the primacy of economic factors and their effects on individuals, or that the economically engendered ‘spell’ is much more limited in its effects than Adorno claimed. While Adorno concurs with Keane that political systems in the West are not entirely totalitarian in character, Keane’s view of the welfare state as ‘undermining the commodity form’, thereby weakening its ‘grip on civil society’,<sup>67</sup> is questionable when it is recognized that the lion’s share of the lives of citizens in the West is exhausted in activities of production and consumption which serve the economic system either directly or indirectly. Keane also fails to recognize that the welfare state itself primarily serves economic functions that are largely consonant with the interests of the owners of the means of production. And, unlike Jürgen Habermas, who now generally rejects Adorno’s views about the primacy of the economy, Keane does not take into account the fact that the equality of citizens formally guaranteed by the welfare state has been achieved ‘only at the price of autonomy’.<sup>68</sup>

Haunted by the memory of Nazi Germany, and wary of the totalitarian tendencies visible in other countries in the West, Adorno was understandably less convinced than many contemporary writers that Western states would continue to leave spaces open for dissent and radically transformative action. Moreover, the tendencies towards political domination that Adorno observed might well impede (or, at the very least, arrest) the development of both formal democracy and more participatory forms of government concerned with satisfying the needs and interests of all individuals. In his private remarks to Horkheimer about Pollock’s state capitalism thesis, Adorno wrote that, in contrast to Kafka, who ‘represented the bureaucratic hierarchy as hell’, Pollock himself had succeeded in transforming hell ‘into a bureaucratic hierarchy’.<sup>69</sup> Although Adorno’s scattered criticisms of the welfare state occasionally appear to corroborate a more nuanced version of Pollock’s hell-become-hierarchy thesis – inasmuch as tendencies towards political domination can be found in non-totalitarian states – far more important in Adorno’s work were the underlying economic conditions responsible for the creation of the welfare state. For Adorno, the Charybdis of welfare state administration and control was unquestionably overshadowed by the Scylla of reification and ‘massification’ under late capitalism. To circumvent the political whirlpool, one must first bypass the economic monster.

## Notes

All translations from texts for which the German edition is cited are by the author.

1. Friedrich Pollock, ‘State Capitalism: Its Possibilities and Limitations’, *Studies in Philosophy and Social Research*, vol. IX, no. 2, 1941, p. 207.
2. *Ibid.*, p. 200.
3. *Ibid.*, p. 223.
4. Franz Neumann, *Behemoth: The Structure and Practice of National Socialism, 1933–1944*, Octagon Books, New York, 1963, p. 222.
5. *Ibid.*, p. 260.
6. *Ibid.*, p. 261.
7. See *ibid.*, p. 293.
8. See *ibid.*, p. 354.
9. Helmut Dubiel, *Theory and Politics: Studies in the Development of Critical Theory*, trans. Benjamin Gregg, MIT Press, Cambridge MA and London, 1985, p. 81.
10. David Held, *Introduction to Critical Theory: Horkheimer to Habermas*, University of California Press, Berkeley and Los Angeles, 1980, p. 63.
11. *Ibid.*, p. 64.
12. William E. Scheuerman, *Between the Norm and the Exception: The Frankfurt School and the Rule of Law*, MIT Press, Cambridge MA and London, 1994, p. 124.
13. Douglas Kellner, *Critical Theory, Marxism and Modernity*, The Johns Hopkins University Press, Baltimore MD, 1989, pp. 62–3.
14. *Ibid.*, p. 78.
15. Theodor W. Adorno and Max Horkheimer, *Dialectic of Enlightenment*, trans. John Cumming, Continuum, New York, 1972, p. xiv.
16. *Ibid.*, p. 37.
17. *Ibid.*, p. 38.
18. *Ibid.*, p. 55.
19. *Ibid.*, p. 54.
20. *Ibid.*, p. 150.
21. *Ibid.*, p. 228.
22. Theodor W. Adorno, ‘Reflexionen zur Klassentheorie’, in *Soziologische Schriften I*, Suhrkamp Verlag, Frankfurt am Main, 1972, p. 385.
23. *Ibid.*, p. 380.
24. *Ibid.*
25. Theodor W. Adorno, ‘Society’, trans. Fredric Jameson, *Salmagundi*, vol. 3, nos. 10–11, 1969–70, p. 148.
26. Neumann, *Behemoth*, p. 365.
27. Adorno, ‘Reflexionen zur Klassentheorie’, p. 377.
28. *Ibid.*, p. 380.
29. Adorno, ‘Society’, p. 149 (translation altered).
30. *Ibid.*, p. 150.
31. Theodor W. Adorno, ‘Late Capitalism or Industrial Society?’, in V. Meja, D. Misgeld and N. Stehr, eds, *Modern German Sociology*, Columbia University Press, New York, 1987, p. 232.
32. *Ibid.*, p. 242.
33. *Ibid.*, p. 236.
34. *Ibid.*, p. 237.
35. *Ibid.*
36. Theodor W. Adorno, ‘Diskussionsbeitrag zu “Spätkapitalismus oder Industriegesellschaft?”’, in *Soziologische Schriften I*, p. 583.
37. Adorno, ‘Late Capitalism’, p. 244 (translation altered).
38. *Ibid.*, p. 243.
39. *Ibid.*, p. 244 (translation altered). When Adorno speaks of the state as intervening in the economy ‘from the

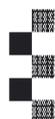
- outside', he adds that such intervention is also 'a part of society's immanent dialectics'. By way of explaining the apparent paradox, Adorno refers to Marx, for whom the revolution of relations of production was at one and the same time 'compelled by the course of history' and 'effective only through an action qualitatively differentiated from the unity of the system' (ibid., p. 244; translation altered).
40. G.W.F. Hegel, *Philosophy of Right*, trans. T.M. Knox, Oxford University Press, Oxford, 1976, p. 152.
  41. Adorno, 'Late Capitalism', p. 244 (translation altered).
  42. Ibid., pp. 244–5 (translation altered).
  43. Ibid., p. 245.
  44. 'Diskussionsbeitrag', p. 584.
  45. Christopher Lowe, in an unpublished response to David Belkin's 'The Left and Limited Government', *Socialist Forum*, June 1996.
  46. Herman Van der Wee, *Prosperity and Upheaval: The World Economy, 1945–1980*, trans. Robin Hogg and Max R. Hall, University of California Press, Berkeley and Los Angeles, 1986, p. 283.
  47. Ibid., p. 35.
  48. Ibid. p. 287.
  49. Ibid., p. 315.
  50. Ibid., p. 320.
  51. Ibid., p. 334.
  52. Adorno, 'Late Capitalism', p. 239.
  53. Adorno, 'Society', p. 151.
  54. Neumann, *Behemoth*, p. 367.
  55. Theodor W. Adorno, 'Individuum und Organisation', in *Soziologische Schriften I*, pp. 451–2.
  56. Adorno, 'Society', p. 151.
  57. Adorno, 'Late Capitalism', p. 243.
  58. Ibid., p. 237.
  59. Ibid., p. 243.
  60. Adorno, 'Reflexionen zur Klassentheorie', p. 389.
  61. Ibid., p. 385.
  62. Ibid., p. 386.
  63. Theodor W. Adorno, 'Culture and Administration', trans. Wes Blomster, *Telos* 37, 1978, p. 105.
  64. Adorno, 'Individuum und Organisation', pp. 443–4.
  65. Lowe, in his unpublished response to Belkin's 'The Left and Limited Government'.
  66. John Keane, 'Introduction', in *Civil Society and the State: New European Perspectives*, ed. John Keane, Verso, London and New York, London and New York, 1988, p. 5.
  67. Ibid., p. 7.
  68. Jürgen Habermas, *Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy*, trans. William Rehg, MIT Press, Cambridge MA, 1996, p. 418.
  69. Rolf Wiggershaus, *The Frankfurt School: Its History, Theories and Political Significance*, trans. Michael Robertson, MIT Press, Cambridge MA, 1994, p. 282.

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