capital accounting takes the form of continuous exhaust calculations of the probable risks and chances of profit, supplemented by continuous output calculations to verify the actual resulting profit or loss. The final (or periodically estimated) revenues generated by the capitalist firm are supposed to exceed its capital, that is, the estimated value of its fixed means of profit making (buildings, machinery, raw materials, products, reserves of cash, and so on).

This tendency for the limited-liability enterprise to adhere to the logic of continuous rational capital accounting — a rare and usually discontinuous achievement outside the modern Occident — is contingent upon the fulfillment of several crucial conditions. It is appropriate to mention at least four such conditions within this context. First, and most obviously, autonomous, share-granting capitalist enterprises tend to enhance their calculated expectations of profit by striving to exercise exclusive control over the utilized physical means of production. Typically, capitalist enterprises’ central organization of these means have entailed the spatial separation of households from the site of production or commerce. Although this development is not without precedent (Weber mentions the case of the oriental bazaar), this spatial concentration of the forces of production provides a radical contrast with the nonmodern situation. Formerly, commercial or productive enterprises were constituted as part of the wider oikos, or household, of the prince or landowner or town (as in the ergasteria of the Piraeus). Subsequently, upon the legal detachment of corporate from personal wealth, by contrast, the corporate monopoly and spatial segregation of productive capital has come to prevail completely in modern economic life.

Weber insists, secondly, that this corporate monopoly and geographic concentration of the physical means of production depends upon a market system of formally free, but actually dominated, labor power. In contrast, say, to the feudal system or the slave plantations of antiquity, the modern bureaucratic corporation operates on the basis of the selection of its labor power. This implies that the capitalist mode of production tends to minimize workers’ appropriation of jobs and opportunities for earning; conversely, this mode of production minimizes the legal appropriation of workers by owners. Through its powers of hiring and firing, and under pressure from competition with other employers, the modern capitalist enterprise seeks to organize labor power in accordance with its rationally calculated pursuit of profit. “Exact calculation,” Weber adds, “is only possible on a basis of free labor.” Under conditions in which entrepreneurs enjoy freedom to hire and fire workers, and in which workers are employed for wages and salaries, operational efficiency through capital accounting tends to be maximized. Under these conditions, capital investment in the labor force of the enterprise is relatively lessened (compared, say, with former practices of purchasing and maintaining slaves and their dependents).

Moreover, according to Weber, the institution of nominally free conditions of labor enhances the power of management to select its labor power according to labor’s ability and willingness to work. As a consequence, strict capital accounting establishes a novel and less visible “system of domination” (Herrschaftsverhältnis). The bureaucratic enterprise strives to effect the permanent enslavement of work-
perimen tally exact natural sciences—an scien tific process that, as it were, builds a decisive “meta-calcublarity” into an already calculating production and distribution process. These and other examples of mechanically rational technology indicate that, under modern conditions, technical progress has come to be largely oriented to the furtherance of bureaucratically calculated profit making. Conversely, these examples indicate that profit-making enterprises become progressively more reliant upon mechanized sources of power, machinery, and administration. From a technical point of view, Weber argues, this mechanization process is understandable. Rational technical means are highly productive. They also serve to discipline (and save on) labor power and, in general, to maximize the uniformity and calculability of performance of the bureaucratic organization.

Weber proposes, finally, that the modern corporation’s achievement of the highest possible degree of efficient capital accounting is dependent upon an ensemble of politico-legal conditions that, in principle, are estimable with at least some degree of certainty. The problem of whether the modern bureaucratic state could—or even should—satisfy this certainty condition is of great concern to Weber.

The bureaucratic nation-state

Weber’s well-known emphasis upon the modern state as a specific form of bureaucratic domination complements his general insistence that the bureaucratization of the modern world was not a simple consequence of capitalist activity. The emergence and triumph of rational capitalistic enterprises cannot be explained through economic reasoning alone. The processes of bureaucratization that now grip modern life by no means have a uniform, singular history or logic of development. Weber thus insists that modern forms of state cannot be analyzed as “superstructural” vis-à-vis the primary determinations of economic conduct. He radically rejects the view that state institutions are parasites engendered by internal contradictions of social power. State bureaucracy is not the result of the division of modern society into classes and class struggles. Nor is it function simply that of securing the formal acceptance of the rules of a configuration of social (that is, class) power. Nor, finally, would the abolition of the real historical agents—classes in struggle—signal its necessary disappearance.

Certainly, the modern bureaucratic state is compelled to engage in what Weber calls “economically oriented action.” And it is no less evident, especially in his political writings, that Weber insists on analyzing the conditions of social power and conflict within which contemporary states are always and already embedded. Weber nevertheless reasons against the modern “over-estimation of the economic,” which represents—falsely—the nation-state as a mere parasitic superstructure, as the political organization of the dominant classes. The break with the tradition of classical Marxism is strongly evident at this point. Against Hegel, Bauer, and Ruge, for example, Marx had consistently defended the thesis that the modern state was bound to the unfettered logic and power of civil society. The modern bourgeois state was seen as without historical precedence, inasmuch as it was restricted to mere “formal” and “negative” activities. Its powers

ceased where the depolitized hustle and bustle of commodity production and exchange processes commenced. Emancipated from the yoke of politics, the capital-dominated civil society became the natural foundation upon which the modern state rested and to which it had to react. Precisely because the bourgeoisie was the leading source of revenues from taxation and loans, the liberal bourgeois state had become nothing more than the form of organization that this class adopted for the purposes of guaranteeing its property and interests. This state was an insurance pact of the bourgeoisie both against the proletariat and against itself, that is, against the persistent anarchy of individual capitalist interests. As the most famous (and, in Weber’s time, still influential) 1848 formulation had it, this state was “but a committee for managing the common affairs of the whole bourgeoisie.”

According to Weber, this kind of singular emphasis upon the determining power of the economic is not without some justification. The strictly economic explanations proposed by historical materialism successfully produce insights into the unique importance of economic activity within those events that constitute modern life. Historical materialism’s monistic type of thinking, its attempt to provide one-sidedly economic explanations of the modern state, nevertheless produces a host of embarrassing difficulties. For example, socio-political events that cannot be explained through recourse to economic hypotheses are dismissed as accidental or insignificant; occasionally, the concept of “the economic” is defined so broadly that all questions of political organization and power are falsely subsumed under that definition; at other times, the magisterial primacy of the economic factor is falsely preserved through the claim that political institutions are creations (and also functional defenders of the interests) of identifiable class groupings. These difficulties, Weber proposes, are generated by historical materialism’s fetish of the economic, which results, in turn, from its failure to respect the self-imposed limits of ideal-typical analysis. Any empirical science of concrete reality (Wirklichkeitswissenschaft) must rely upon ideal-typical categories that aid the selection and meaningful analysis of an infinite multiplicity of ever-changing social and political phenomena that can never be known in toto. The confident will to totalized knowledge displayed among both the defenders and the critics of historical materialism disregards this decisive methodological point. Conversely, the materialist conception of history forgets that its knowledge of the modern capitalist economy constructs this reality through definite and simplifying categorical forms: “The distinction between economic and ‘non-economic’ determinants of events is invariably a product of conceptual analysis.”

Consistent with this rejection of unreflective and one-sidedly “economicist” accounts of modern life, Weber denies that capitalism somehow created ex nihilo a bureaucratic state system dominated by specialist officials, jurists, and politicians. The modern bureaucratic state is not a necessary effect of modern capitalism. The formation of this state, rather, has been compelled more by the need of emerging power blocs to create, within a context of power politics, standing armies disciplined and administered through law and funded by a regularized system of public finance. Under nonmodern conditions, Weber proposes, the
self-equipment and self-provisioning of those who fought (for example, the armed citizenry of ancient cities, the militias of the early medieval cities and feudalism) were typical. Under modern conditions, by contrast, the warfare generated by domestic disturbances and distant enemies has compelled the formation of permanent, centralized, and technically efficient armies. In opposition to the nonmodern principle of self-equipped, privately managed armies, the commanders of the modern state concentrate the material means of violence in their own hands. This process was initiated (for example) in the Italian cities and seignories, among the monarchies, and in the state of the Norman conquerors. In each case, modern standing armies came into being with the establishment of princely households. These households maneuvered to expropriate the tools of war from the hands of all those (self-providing and self-equipment soldiers, officers, and limited-share companies, such as the “Maezen” of the Middle Ages) who had hitherto managed warfare in private ways.

This expropriation of the means of violence by centralizing state elites was combined with similar developments in the realms of law and administration. Again, the decisive step in each case was taken by princes, who maneuvered to expropriate the legal and administrative powers of formerly autonomous groups: the clergy, the humanistically educated literati, trained jurists, the court nobility and gentry, and so on. Within the field of law, these expropriations reflected an increasing dependence of the emerging modern state and its administration upon a legal system dominated by jurists with specialized training in rational, calculable law. This was a highly complex and heterogeneous process. The sources of this bureaucratized law, for example, extended as far back as Roman jurisprudence, itself uniquely implicated within a city-state structure that had developed into an imperial power. Roman legal practice, Weber argues, decisively placed the trial procedure under the jurisdiction of bureaucratically trained experts. This early rationalization of legal procedure at the same time weakened modes of adjudication bound to sacred tradition; such modes had often been supplemented (with respect to single case disputes, as in the Athenian courts) by “charismatic” justice (for example, oracles, prophetic dicta) and various types of informal judgments. In place of this particularism of traditional justice, law became systematized and calculable. After the defeat of Rome, rationalized legal procedures were preserved by the medieval church. Its administration continued to rely upon fixed rules for the discipline of both its own members and the laity. Through the princely expropriation of this rationalized “legal” administration, the emerging modern state became increasingly dependent upon bureaucratized justice. The alliance between this state and formal, calculable jurisprudence was also indirectly favorable to the growth of capitalism. The new system in which capitalistic entrepreneurs engaged in the rationalized calculation of profit was thoroughly incompatible with commercial claims and transactions decided by a competition in reciting formulas (as was the case in China, for example). In other words, bourgeois transactions thrived upon a technical, calculable body of legal rules, whose predictability was in principle no less that than that of a machine.

By the sixteenth century, this mechanization of justice was complemented by the bureaucratic reorganization of administration. The ascendancy of princely absolutism over the estates, or so Weber argues, distinctly depended upon the simultaneous formation of an expert, bureaucratically officialdom comprising the administrator of finances, the military officer, the trained jurist. In this centralizing process, the officials of the feudal era, usually self-financing vassals invested with high judicial and administrative rank, were stripped of their former possession of the tools of administration. In their place, the princes appointed salaried officials, now fully separated from the tools of their trade. This bureaucratization of administration, Weber points out, is directly analogous to the capitalist expropriation of independent forms of production. The modern state does not monopolize the means of production – this is the unique historical achievement of the differentiated capitalist corporation within the sphere of civil society. Rather, within a given territory the bureaucratic state comes to monopolize the material means of organization (violence, law, and administration). From the standpoint of state governors, all independent sites of violent, legal, and administrative power must be wiped out. In this unprecedented centralizing process, the bureaucratic nation-state necessarily separates its military, legal, and administrative workers from the material means of administrative organization. Waged and salaried state employees are proletarianized. They neither own nor personally control the state’s means of violence, law, and administration. The state, Weber concludes, “has combined the material means of organization in the hands of its leaders, and it has expropriated all autonomous functionaries of estates who formerly controlled these means in their own right. The state has taken their positions and now stands in the top place.”

As a consequence of this expropriation process, the activity of politics becomes more and more synonymous with the organized and trained struggle for power within and between bureaucratic nation-state apparatuses. Under modern conditions, political action cannot be identified as the striving for a good ethical life: The meaning of politics, rather, tends to become identical with the struggle for control over the state, understood as a territorially delimited and compulsory system of continuously administered power. Those who strive for mastery over this system seek to represent themselves as its legitimate bearers and, therefore, to monopolize wholly its special means of operation, particularly violence. Especially in the contemporary period of formal democracy and the mass franchise, struggles for legitimate command over the state take place through strategies designed to woo, organize, and strictly discipline the masses. This bureaucratization of public life is facilitated by the growing interdependence of the capitalist press and the state, and by the expansion of machine politics guided by professionally trained politicians and party officials. Formal democratic political life is increasingly structured by unprincipled bureaucratic parties, whose function (in addition to that of providing jobs for their own staff) is to direct the process of “vote grabbing” under the tutelage of party bosses and professional politicians.

The growing influence of the bureaucratic political party – technically superior in its capacity to organize the apathy and “consent” of the legally enfranchised masses – also signals the decline of legislatures as the originating points of state policy making. With the exception of cabinet members and a few insurgents, members of legislatures become yes-people, who are expected to cast their votes