Max Weber and Warren Buffett: Looking for the Lost Charisma of Capitalism

Alan S. Kahan

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Max Weber is considered one of the giants of modern social thought. His works are widely read on college campuses and are still the source of canonical quotation by sociologists, who revere him as a founding father of their discipline. In his own time he was a distinguished professor and exercised a modest amount of political influence in Germany, both before and after WWI. He died in 1920, in a period that, like ours, was characterized by rapid political, economic, and technological change.

Weber was fascinated by the relationship between economics and social change, and in particular by the rise of modern capitalism. His well-known classic, *The Protestant Ethic and the Rise of Capitalism*, is only one of his many reflections on capitalism. By giving capitalism a partly religious origin in *The Protestant Ethic*, Weber rejected Karl Marx's well-known view that religion and all other manifestations of social life are derived from a society's economic organization, rather than vice versa. Weber indeed criticized Marx often, and not just about religion, noting that Marx was unique in the annals of social thought for his inability to ever make a correct prediction. Marx and Weber's disagreements about economics and sociology should not, however, conceal the fact that Weber was perhaps a more systematically pessimistic critic of capitalism than even Marx.

Unlike Marx's work, however, Weber's criticism of capitalism has not attracted much in the way of efforts at refutation, perhaps because Weber's views of capitalism's historical origins have tended to absorb all critical reflection, leaving no room for thought about his analysis of modern

capitalism. This is significant, because to a far greater extent than Marx, Weber remains highly influential in the academy. This essay is meant at a first step towards criticizing Weber on capitalism. It will also set Weber and his genre of criticism of capitalism into its intellectual context in order to explain something about the origin of its errors.

Weber's Criticism of Capitalism

Despite his criticism of Marx, Weber's analysis of capitalism has much in common with that of the author of the *Communist Manifesto*. Like Marx, Weber's analysis of capitalism borrows some of its elements from what I have called the honeymoon period between intellectuals and capitalism in the 18th century, when intellectuals like Smith and Montesquieu saw commerce as the world's salvation from feudalism and religious fanaticism.¹ Like Smith or Marx, Weber sees in the market the "...archetype of all rational social action". As many Enlightenment thinkers had suggested, Weber argues that the market replaces robbery with trade. Indeed, in an example that could have come straight from Montesquieu, Weber suggests that originally markets and commercial exchange existed only between strangers, and further that in the early stages of human society trade was the only peaceful relationship that existed between strangers. Weber praises the invention of money, so often demonized by thinkers from Aristotle to Rousseau: in order to have value, money must be freely accepted by a large group of people, who cannot be forced to do so. The

A. S. Kahan (✉)
41 rue Violet,
75015 Paris, France
e-mail: askahan1@gmail.com

¹ On the honeymoon period, see Alan S. Kahan, *Mind vs. Money: The War Between Intellectuals and Capitalism* (New Brunswick: Transaction, 2010), pp. 65–98.

invention of money requires peaceful, voluntary, rational cooperation.

Moving on from their common roots in Scotch Enlightenment economics, Weber, like Marx, sees an inexorable rationality to the development of capitalism. Like Marx, Weber also talks a lot about classes and even class struggles (although unlike Marx Weber carefully distinguishes between *status*, not a product of one's relationship to the means of production, and *class*, which is derived from one's economic position). Struggle or, to use another term, competition, is part of a well-developed capitalism, according to Weber. "Capital accounting in its formally rational shape thus presupposes the *battle of man with man*." The seeming similarities between Marx and Weber have led to Weber being called "the bourgeois Marx".²

Unlike Marx, however, Weber did not think capitalism could be overthrown by a revolution. His analysis of capitalism was based not on class struggle, even though like Marx he saw class struggle as inherent to capitalism, but on rationality. According to Weber, capitalism is superior to every known economic system, even to socialism, because, *pace* Marx, capitalism is more rational than any other economic system. But capitalist rationality is a two-edged sword. It encourages efficient production, but it strongly discourages the development of individuality. Here is the source of Weber's opposition to capitalism, which is rooted in a certain conception of individuality, a conception derived from Weber's own identity as an intellectual.

Individual autonomy was a central value for Weber: "That which seems to us of value in human beings, autonomy, the profound drive upward, toward the intellectual and moral goods of mankind, that is what we want to... support..."³ This autonomy is embodied to the highest degree in charisma. What is charisma? For Weber, it is "An *extraordinary* quality of a person, regardless of whether this quality is actual, alleged, or presumed." It is not restricted to intellectuals or priests or aristocrats. Even entrepreneurs may possess it. Weber was sarcastic about academics who thought otherwise: "Inspiration in the field of science by no means plays any greater role, as academic conceit fancies, than it does in the field of mastering problems of practical life by a modern entrepreneur".⁴

It is this extraordinary charismatic individual whom Weber respects, both for his abilities and his enthusiasm: "For nothing is worthy of man as man unless he can pursue it with passionate devotion." Mere rational, utilitarian calculation is evidently not enough to earn Weber's esteem. In his endorsement of passionate devotion Weber himself, for all his emphasis on the rise of rationality, incarnates the bohemian, Romantic spirit characteristic of intellectuals, even those with the most outwardly tame and academic appearance. This bohemian spirit is at the root of Weber's admiration for charisma and for "passionate devotion" to a cause. Weber was not a bourgeois Marx. "Weber was less a bourgeois than a... intellectual for whom the autonomy of the individual was an indispensable principle, and it was from this perspective that he approached the nature of capitalism..."⁵

Capitalism, in Weber's view, is antithetical to the kind of personality and individuality he values. This is because in order to rationally organize an economy, to develop a free market and a free enterprise system in the modern world, it is necessary to create a bureaucracy. And for Weber it is bureaucracy, whether or not that bureaucracy is found in socialism, à la Hayek, or in a large corporation, that is the road to serfdom: "Bureaucratic organization is... about to produce the iron cage of future serfdom in which men will live helplessly... if they consider an efficient, that is to say rational, bureaucratic administration... as the only and ultimate ideal..." This quotation is often taken to refer to the State, rather than to the corporation, but in fact it is equally characteristic of both, in Weber's view. Capitalism requires rational rules in order to maximize its economic efficiency. It surrounds the individual with bureaucracies which formulate and implement those rules. The new iron cage which surrounds us is built out of them. A socialist alternative would only reinforce the bars, because it would require still more rules and more bureaucracy.⁶

Whose fault is the reign of bureaucracy? No one's. It is the natural, rational result of the development of modern technology and rational economic organization. Capitalism is the highest economic expression of human rationality, and thus the most bureaucratic and most dangerous to human values, according to Weber. Here Weber turns his back on the lessons taught by Smith and the Scots. Money, according to Weber, leaves us without any moral defenses against the demands of rational efficiency: "Money is the most abstract and 'impersonal' element that exists in human life. The more the world of the modern capitalist economy follows its own immanent laws, the less accessible it is to any imaginable relationship with a religious ethic of brotherliness". In other

² Weber, *Economy and Society: An Outline of Interpretive Sociology*, ed. by Guenther Roth and Claus Wittich (New York: Bedminster Press, 1968), vol. 1, p. 93, vol. 2, pp. 635–37, 640; Wolfgang J. Mommsen, *The Political and Social Theory of Max Weber: Collected Essays*. Tr. by Michael Steinberg (Chicago: University of Chicago Press, 1989), p. 53. Mommsen's essays are a good introduction to Weber's thought.

³ Mommsen, *The Political and Social Theory of Max Weber*, pp. 66, 112. Weber, cited in Fritz Ringer, *Max Weber: An Intellectual Biography*, (Chicago: University of Chicago Press, 2004), p. 45.

⁴ Weber, *From Max Weber: Essays in Sociology*, Ed. and Tr. by H.H. Gerth and C Wright Mills (New York: Oxford University Press, 1946), p. 136.

⁵ Weber, *From Max Weber*, pp. 135–36, 295; Mommsen, *The Political and Social Theory of Max Weber*, p. 66.

⁶ Weber, *Economy and Society*, vol. 2, p. 637; Mommsen, *The Political and Social Theory of Max Weber*, pp. 54, 69, 117. *From Max Weber*, p. 214.

words, the more efficient, the more rational, capitalism becomes, the more it becomes impersonal, inhuman, immoral. Weber thus reproduces some of Marx's analysis of how money turns everything into a commodity and dehumanizes people and relationships. "The reason for the impersonality of the market is its matter-of-factness, its orientation to the commodity and only to that. Where the market is allowed to follow its own autonomous tendencies, its participants do not look toward the persons of each other but only toward the commodity; there are no obligations of brotherliness or reverence." Money dehumanizes us, alienates us, makes it impossible for us to act in a moral way. "The 'free' market, that is, the market which is not bound by ethical norms, ... is an abomination to every system of fraternal ethics." In Weber's eyes the market is even less ethical or human than slavery. At least the relationship between master and slave is a personal one, unlike the relationship between the individual with a mortgage and the bank which has bought that mortgage as part of a bundle of securities.⁷

Weber is thus, at the very best, ambivalent about capitalism. On the one hand it *is* rational and productive, and brings peace rather than war between strangers who are now trading partners. On the other hand capitalism is based on strife between man and man, and destroys the basis for human ethics and human individuality. In any case, there is little choice about capitalism in the modern world. No one can do without bureaucracy and its rational rules, because, for all our complaints, it is more efficient than any alternative. Once it has come into the world it is "practically unshatterable". And every step of the way it becomes more efficient, more rational, less human. "Its specific nature, which is welcomed by capitalism, develops the more perfectly the more the bureaucracy is 'dehumanized', the more completely it succeeds in eliminating from official business love, hatred, and all purely personal, irrational and emotional elements which escape calculation. This is... its special virtue." The special virtue of capitalism, thus, is to be amoral. Weber's bureaucratic rationality is the nightmare version of Adam Smith's invisible hand. Both are pervasive, both work with the utmost efficiency, regardless of anyone's intentions, both make morality irrelevant to a large portion of human life.⁸

And the same goes for charisma. In Weber's view, both capitalism and rationality are inescapable in the modern world. There is "no room for alternative ways of life" which might lead to other ways of pursuing one's individuality and cultivating one's charisma. Weber dismissed mysticism and new spiritual movements, with which he was personally

familiar, both from his family circle and from contact with such movements in early twentieth-century Germany, e.g. the Stefan Georg circle. In the modern world "...one can, in principle, master all things by calculation. This means that the world is disenchanted." No magic, no gods, not even any heroes are left to us—only money or technology is left to replace them. To use the image of an American, Henry Adams, whose ideas often came close to Weber's, the power of the Virgin Mary, irrational, unfathomable, and strong, had been replaced by the power of the electrical Dynamo, which was mathematically predictable and even stronger. In Weber's terms, modern capitalism is essentially anti-charismatic. Adams and Weber agreed that within capitalism, the heroic period of commerce and capitalism was coming to an end, and the heroic, charismatic entrepreneur becoming extinct.⁹

Weber's Missing Charisma

Really? Is the charismatic capitalist entrepreneur an extinct breed? Prof. Weber, please meet Bill Gates. And that's Carl Icahn, Jack Welch, and Warren Buffett standing to his right.... But Weber is to be forgiven, to some extent at least, for his apparent blindness. For one thing, it is not as if he denied the existence of the charismatic capitalist. He was quite familiar with the type, having an American railroad baron, Henry Villard, in his family tree. Weber acknowledged the charisma of such men. But, according to Weber, "The structure and spirit of this robber capitalism differs radically from the rational management of an ordinary capitalist large-scale enterprise and is most similar to some age-old phenomena".¹⁰ In other words, while there are aspects of capitalism, aspects of entrepreneurship, that demand and call forth charismatic personalities of the sort Weber admires, these are precisely the aspects of capitalism that are in decline in its modern version. According to Weber, modern capitalism has no place for railroad barons or Rockefellers any more, and their kind is doomed to die out.

However, something more than blindness is behind Weber's apparent ignorance of the continued role of charisma in modern capitalism. This can be demonstrated from the work of the recently-deceased (2007) Alfred H. Chandler, widely acknowledged as the greatest historian of American business in the twentieth century. At Harvard in the 1950s Chandler was a

⁷ Weber, *From Max Weber*, p. 331; Weber, *Economy and Society*, vol. 2, pp. 636–37; Mommsen, *The Political and Social Theory of Max Weber*, pp. 58, 66, 69.

⁸ Weber, *From Max Weber*, pp. 228–31, 334.

⁹ On Adams, besides his own works and letters, see James P. Young, *Henry Adams: The Historian as Political Theorist* (Lawrence: University of Kansas Press, 2001). Mommsen, *The Political and Social Theory of Max Weber*, p. 110; Weber, *From Max Weber*, p. 139.

¹⁰ Weber, "The Meaning of 'Value Freedom' in the Social and Economic Sciences", cited in Harvey Goldman, "Economy and Society and the Revision of Weber's Ethics", *Max Weber's Economy and Society: A Critical Companion*. Ed. by Charles Camic, Philip S. Gorski, and David M. Trubek (Stanford, CA: Stanford University Press, 2005), p. 36.

student of Talcott Parsons, Weber's leading American disciple, and became familiar with Weber through him. Chandler's Pulitzer and Bancroft prize-winning work, *The Visible Hand: The Managerial Revolution in American Business*, follows Weber's analysis almost slavishly—despite the fact that Weber is never mentioned in the book's 600+ pages.

Weber's theoretical presence is evident in every argument in *The Visible Hand*, and the entire book is devoted to showing how, from the middle of the nineteenth century, the “modern business enterprise”, based on rational organization and administration, became the dominant form of capitalism in America, and a little later in the world. For Chandler, the modern business enterprise is based on creating a “managerial hierarchy” which succeeds in “administrative coordination”. It is better administrative coordination, not personal genius or creativity, that leads to corporate success in modern capitalism, according to Chandler. There is no more room for charisma in his account of modern management than there is in Weber's.

Guenther Roth has suggested that Weber's story of the decline of the charismatic entrepreneur was more plausible in his day than ours. But Chandler came 50 years later, and Chandler, who pioneered the case-study method at the Harvard Business School, can hardly be accused of ignorance of either the history or practices of modern capitalism. Why does the Weberian account of capitalism, even when carried out by an historian as knowledgeable and intelligent as Chandler, ignore the persistence, and the persistent success, of charisma in modern capitalism? More broadly, why do so many intellectuals, each in their own inimitable way, conclude that capitalism, however rational and efficient it might be, is antithetical to those values of the human spirit they hold dearest? It is not by accident

Despite Weber, there is no reason that charisma and rationality, innovation and bureaucracy, cannot coexist, either within the modern firm or within the structure of a market economy. Weber thinks capitalism has given the upper hand to bureaucracy in its eternal struggle against charisma. However that is not necessarily the case, since capitalism also continually provides new opportunities for competitive innovation and its accompanying charisma. An alternative neo-Weberian view of modern market capitalism would be to see it as an economic system that incorporates both charismatic *and* bureaucratic traits, in which there is eternal conflict between the two, but in which neither is likely to achieve long-term hegemony. Capitalism fosters rationality, the mother of bureaucracy, *and* it fosters entrepreneurship, the mother of charisma. If rationality can enslave, competition can liberate. Competition provides ever-new openings for charisma, and leads to the downfall of bureaucracies that, however efficiently they may administer, produce inefficient responses to market demand. Thus the market, rather than destroying charisma, preserves it against

the anti-competitive tendencies of large bureaucratic firms. Once again, the invisible hand turns strife into harmony, or at least into a result good for the greatest number, as well as for the charismatic few.

Similarly, Weber's view hints at one possible way of arriving at harmony, or at least détente, between intellectuals and capitalism. Charisma can be preserved or even encouraged in capitalist societies. The conditions of capitalism, based on free competition, allow charisma to rise to the fore better than any previous society, because, as Weber notes, capitalism is more democratic than previous societies (another attitude he inherited from the eighteenth-century honeymoon between intellectuals and nascent capitalist society). Intellectuals, fond of democracy, and dedicated to the kind of individualism embodied in charisma, might thus have reason to be fond of capitalism as well. Even if the charisma of Jack Welch is superficially different from charisma of a Sartre or a Chomsky, at bottom they have something in common that is encouraged by a capitalist society. This is true even if, as Weber suggests, capitalism tries to rationally cage the charismatic individual.

Origins of an Error

But this was not an attitude Max Weber was capable of adopting, although the potential for it exists in his thought. Weber was not personally a man inclined to make compromises, intellectual or political, nor was he inclined to see the world as one in which a compromise or rather a harmony between competing elements was possible. He borrowed from John Stuart Mill the idea that “polytheism” was the natural condition of the modern world. By “polytheism” Mill and Weber meant that in modern Western culture many different possible ideals and ultimate commitments were available, and the individual had a free choice among the competition. But whereas for Mill, as for Adam Smith, from out of this beneficial struggle among ideals there came progress and harmony, for Weber an invisible hand producing order out of chaos was out of the question. Rather, “it is not finally a question everywhere and always of alternatives between values, but of irreconcilable deadly struggle, as that between ‘God’ and ‘Devil’”.¹¹ Between these there are no relativizations and compromises”.¹¹ Weber was not capable of compromise himself, nor of seeing it at work in society. As a result, he misunderstood polytheism, seeing in the ancient Greek tales only the strife, and not the harmonious universe that was supposed to be the product of the strife. He unconsciously projected some of his own commitments onto the world in general. As one commentator puts it,

¹¹ Weber, “The Meaning of ‘Value Freedom’” in Goldman, “Economy and Society”, *Max Weber's Economy and Society*. Ed. Camic, Gorski, and Trubek, p. 51.

Weber's view of history is that history is "an eternal struggle between 'charismatic' innovation and bureaucratic 'rationalization'". This is the argument made by Harvey Goldman about Weber's work generally, and it is particularly apt with regard to Weber's view of capitalism.¹²

Weber could not imagine capitalism as an economic system that values equally, or at least simultaneously, rationality and charisma (even though that was the Holy Grail he was looking for throughout his political thought, as can be seen in his essay on "Politics as a Vocation"). If Weber can imagine corporate buccaneers like Gould or Icahn or Murdoch, albeit consigning them, rather prematurely, to the dustbin of history, he cannot possibly imagine Bill Gates, or *a fortiori* Warren Buffett. Bill Gates, the wholly rational geek who built not a better mousetrap, but a multinational corporation, and became a charismatic figure in doing so, is a contradiction in Weber's terms. But even worse is Warren Buffett, the Sage of Omaha. "Sage", after all, is a term usually applied to a philosopher or religious figure. It carries with it a kind of charisma that Weber would have found impossible to associate with a man whose career has been devoted to long-term investment, the very opposite of the robber baron. Neither Warren Buffett nor Bill Gates may be the typical chief executive of a Fortune 500 corporation. They are household names, unlike their peers. But many of those CEOs may indeed be highly charismatic individuals, even if their charisma is unknown to the general public—a situation not without its parallels in the intellectual world. But even if most of them were as anonymous and uncharismatic as Weber would have expected them to be, that would not be proof that capitalism and charisma are incompatible. Charisma is never the property of a majority in any walk of life, according to Weber. What is significant is that personal charisma is a persistent aspect of modern capitalism, not only in association with the perhaps not-so-archaic robber baron type, but with the most modern possible type of entrepreneur, that is in the world of high tech and the world of stock market investment. Weber, unconsciously committed to seeing everything in strife-covered glasses, could not see how rational modern capitalism might embody what he was looking for. But that should not stop us from doing so.

At this point we must return to the question of why Weber, Chandler and their ilk have seen capitalism as forcibly opposed to charisma. If some of the reasons for this are to be found in Weber's personal inability to compromise, they go well beyond one individual's personal traits. These character traits are typical not only of Max Weber, but to a certain degree of the intellectual class as a whole. The reason for this is rooted in the Bohemian attitude typical

of the intelligentsia since the middle of the nineteenth century.

The bohemian attitude typical of intellectuals is based on pride in independence and autonomy. Autonomy is a crucial value for intellectuals, who need to be as free and independent as possible in order to speak their language of critical discourse, free from interference by authority. This means not just freedom from interference by political or religious authority, but freedom from the authority of the marketplace. Indeed, as freedom from political and religious restraint became increasingly common in Western societies, freedom from the demands and desires of the vulgar crowd who make up the marketplace has seemed to many intellectuals of ever-greater importance. That the entrepreneur or investor, sensitive above all to the market, could be charismatic is naturally ridiculous from this perspective.

The bohemian attitude leaves little room for recognition of how a life within capitalist society could possibly be worthwhile. From the beginning of modern bohemia in the 1830s, artists used the word "bourgeois" as a term of abuse, the most insulting in their vocabulary. It meant "slave." This attitude is epitomized by the French poet, Surrealist, and later Communist, Louis Aragon: "Ah, bankers, students, workers, officials, servants, you are the cock-suckers of the useful, the masturbators of necessity. I shall never work. My hands are pure." This is extreme, I admit. However, even the most externally conformist intellectuals, such as Max Weber or Alfred H. Chandler, share the bohemian attitude to some degree. They insist on the value of autonomy and independence, on the importance of charisma and on the absence of charisma from the workings of the modern firm and modern capitalism.¹³

The bohemian attitude is at the root of much intellectual opposition to middle-class lifestyles. For example, most intellectuals think that being employed by a large corporation (without tenure) must be a terrible thing. The corporate employee is unable to maintain the attitude of autonomy necessary to being an intellectual—or so many intellectuals think. Intellectuals cannot comprehend how anyone could possibly accept such a life. It may be rational, but it is not sufficiently autonomous for a self-respecting human being, much less for a charismatic personality. To be employed by a large corporation is to be less than fully autonomous, hence less than fully able to speak the language of critical discourse, hence less than fully rational, hence transformed into a "thing," hence "alienated." Intellectuals have nothing but contempt for those who in their view have surrendered

¹² See Goldman, "Economy and Society", *Max Weber's Economy and Society*. Ed. Camic, Gorski, and Trubek, pp. 47–8, 52–4, 56, 62–4.

¹³ Louis Aragon, "Fragments d'une conférence", in *Révolution Surréaliste*, 15 July 1925, p. 24, cited in Jerrold Siegel, *Bohemian Paris, Culture, Politics, and the Boundaries of Bourgeois Life, 1830–1930* (Baltimore: John Hopkins, 1999), p. 11.

their autonomy, who have “sold out,” words commonly employed both by artists and academics for those who enter the business world. Middle management is the intellectual’s nightmare (which is why, despite the best efforts of Stanley Fish, intellectuals will always look down on Deans and still more on Assistant Deans). The bohemian attitude makes ordinary life in capitalist society unintelligible from an ordinary intellectual’s perspective. Weber, however, was an extraordinary intellectual. He understood capitalism as a form of rationality, which is after all another part of the intellectual’s own identity. But in the final analysis he could not accept the equation of the intellectual life and the life of the marketplace, and thus he saw rationality and charisma as unalterably opposed.

Yet Weber’s preference for charisma over reason seems paradoxical. Shouldn’t an intellectual prefer reason? Isn’t a well-educated bureaucrat the ideal philosopher-king? No, because the bureaucrat lacks the bohemian spirit of autonomy. Weber defines the intellectual as the opposite of the bureaucrat—and thus naturally charismatic. Bureaucrats demand routine; intellectuals demand innovation. Bureaucrats have a narrow education, based on modern technologies. They are experts. Intellectuals have a broad culture. Weber, a good intellectual, does not think much of the educational “certificates”, i.e. degrees, the bureaucrats get. “For the ‘intellectual’ costs of educational certificates are always low, and with the increasing volume of such certificates, their intellectual costs do not increase, but rather decrease.” By contrast, intellectuals are “...a group of men who by virtue of their peculiarity have special access to certain achievements considered to be ‘culture values’, and who therefore usurp the leadership of a ‘culture community’”.¹⁴

Intellectuals are thus opposed to the new elite of capitalism, the bureaucrats. But Weber does not want to attribute any kind of elite status to the bureaucracy—that would be to give them a charisma they do not possess. Bureaucrats may be the ruling class of a well-developed capitalism, but they are no aristocrats. Intellectuals, according to Weber, are an aristocracy. “Democracy should be used only where it is in place. Scientific training [e.g. training in an academic discipline]... is the affair of an intellectual aristocracy, and we should not hide it from ourselves.” The fact that Weber considers intellectuals an aristocracy may imply a special charismatic status for them, but Weber denies this at every turn. He rejects the German tradition of *Bildung*, in which the purpose of university education was to encourage such an aristocratic type of self-perfection. In modern society, the university should limit itself to producing rational expertise—the fodder of capitalism, as he understands it. Of course, there is an implicit endorsement of an aristocratic intelligentsia

at several points in Weber’s work, but he, like most intellectuals, is reluctant to appear too undemocratic. Furthermore, the reactionary stance of most of his fellow German university professors discouraged Weber from any attitude that might appear to be an endorsement of their authoritarian views, which were as antithetical to individual autonomy as any bureaucrat’s. Weber does not especially like his fellow intellectual aristocrats: “The intellect,... has created an aristocracy based on the possession of rational culture and independent of all personal ethical qualities of man. The aristocracy of intellect is hence an unbrotherly aristocracy.”¹⁵

Weber is rare among intellectuals in neither despising nor exalting his own kind. Weber does not regard intellectuals as ethically different from other groups—they are just as “unbrotherly” as the market. Thus he challenges their claim to ethical superiority over capitalists. Intellectuals “...look distrustfully upon the abolition of traditional condition of the community and upon the annihilation of the innumerable ethical and esthetic values which cling to these traditions. They doubt if the dominion of capital would give better, more lasting guarantees to personal liberty and to the development of intellectual, esthetic and social culture which they represent than the aristocracy of the past has given. They want to be ruled only by persons whose social culture they consider equivalent to their own;...”. Weber here ignores the role intellectuals played in bringing down the old aristocracy during the eighteenth century, but he catches their own pseudo-aristocratic attitude and their stress on bohemian autonomy. He notes that the bureaucrat will serve anyone and any regime. By contrast, the aristocratic intellectual, if willing to serve at all, demands the right to choose her master, like a free knight of old.¹⁶

However, because Weber rejects the idea that intellectuals are a morally superior group, he hints at a way to defuse the conflict between intellectuals and capitalism in which he is otherwise a participant. In fact, Weber is one of the few theorists who had an inkling that finding a way out of this conflict might be important: “Thus, it happens that nowadays in civilized countries—a peculiar and, in more than one respect, a serious fact—that the representatives of the highest interests of culture turn their eyes away, and, with deep antipathy standing opposed to the inevitable development of capitalism, refuse to cooperate in rearing the structure of the future”.¹⁷

Weber had no remedy for this failure, but he pointed the way to one, perhaps. Weber’s view of what he saw as the fatal flaw of capitalism, its destruction of charisma, differs from that of Marx and his successors in a fundamental way.

¹⁵ See Ringer, *Max Weber*, pp. 225–28, 230, although Weber had more sympathy for traditional *Bildung* than Ringer admits. Weber, *From Max Weber*, pp. 114, 355.

¹⁶ Weber, *From Max Weber*, pp. 371–72.

¹⁷ Weber, *From Max Weber*, p. 134.

¹⁴ Weber, *From Max Weber*, pp. 176, 242.

Where left-wing revolutionaries sought to create or revive a political community to oppose capitalism, Weber sought to empower the charismatic individual. Where left-wing alternatives are obviously egalitarian, at least in theory, Weber's is seemingly more aristocratic, not because he preferred any social class—he didn't—but because those with charisma are always a minority—just like intellectuals. But Weber brings democracy and equality in through the back door, to fulfill necessary functions: "... 'Democracy' as such is opposed to the 'rule' of bureaucracy, in spite and perhaps because of its unavoidable yet unintended promotion of bureaucratization. Under certain conditions, democracy creates palpable breaks in the bureaucratic pattern and impediments to bureaucratic organization".¹⁸ The democratic politician, like the entrepreneur, is the opponent of bureaucracy and the bearer of charisma. In the best of all worlds, this can be the role of the intellectual as well.

Of course, charisma, whether in the hands of politicians, religious leaders, entrepreneurs or even intellectuals, has its dangers as well. The person with charisma is not just anyone, she is an extraordinary person. There is a danger that the charismatic personality will attempt to break the constraints of rationality, with disastrous consequences. After WWI, Weber had a conversation with General Ludendorff, the leader of Germany's army during the latter part of WWI, and later one of Hitler's early supporters. At the end of the conversation, Ludendorf told Weber that their political ideas weren't so different after all. The difference, responded

Weber, is that in my version, when the charismatic leader goes too far, the people take him out and hang him. Stripped of its exaggeration, what Weber meant was that democracy should both enable charisma to come to the fore, consecrating it through elections and plebiscites, and be able to impose restraints on its actions. The people both confer charisma and limit it.

To confer charisma and to limit it? Is this not precisely the function of the market, which confers profits and limits them by increasing competition? Is not bankruptcy the equivalent of a hanging—and a rather merciful equivalent, at that? Intellectuals, like entrepreneurs and unlike bureaucrats, can possess the charisma Weber values. Are not the elements for building harmony out of the strife between intellectuals and capitalism still available? Where Weber saw only destructive conflict between modern capitalism and charisma, and the final victory of the "iron cage" of rationality, we can choose to see a profitable coexistence. If we want to find capitalism's lost charisma, all we have to do is open our eyes.

Alan S. Kahan is an historian, political theorist, translator, travel writer, editor, and resident of Paris. He teaches at SciencesPo and at the American Graduate School of International Relations and Diplomacy. He is author of *Mind vs. Money: The War Between Intellectuals and Capitalism*. This article was written for a conference co-sponsored by the Manhattan Institute and *Society*. Grateful acknowledgement is given to the Marilyn G. Fedak Capitalism Project for its support.

¹⁸ Mommsen, *The Political and Social Theory of Max Weber*, p. 68; Weber, cited in Ahmad Sadri, *Max Weber's Sociology of Intellectuals* (New York: Oxford University Press, 1992), p. 92; Weber, cited in Ringer, *Max Weber*, p. 72.