

*Bernard E. Harcourt*

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## The Will to Chaos and Disorder: The Behemoth as a Model of Political Economy

The history of political economy is tormented by beasts. The most famous is the Leviathan, the giant serpentine monster that figures in Hobbes's masterpiece of modern political theory. Robert Fredona and Sophus Reinert spotlight another sea monster, the Kraken, that giant octopus or squid with a particular morphology (i.e., its tentacles) that so fittingly describes the grip of multinational corporations, stateless financial capital, social media, and tech giants today. But there are still other monsters in the bestiary of political economy. In this essay, I highlight the Behemoth, a land monster that captures another critical dimension of political economy: the willful and intentional deployment of chaos and disorder as a way of governing. Franz Neumann, political and legal theorist and lawyer, Columbia University professor, and member of the Frankfurt School in exile, placed the Behemoth at the heart—and in the title—of his analysis of Germany's political economy under the Nazi regime. Alongside the Leviathan surveillance state and the many tentacular grips of multinational, social media, and tech Krakens, the Behemoth remains a key model to better understand current forms of capitalism.

**Keywords:** state capitalism, National Socialism, Franz Neumann, Friedrich Pollock, neoliberalism

**I**n their spectacular history of the two great sea monsters of the Western political imaginary, “Leviathan and Kraken: States, Corporations, and Political Economy,” Robert Fredona and Sophus A. Reinert turn the two mythical creatures into competing, but

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ultimately complementary, models of political economy.<sup>1</sup> The first model, associated most distinctively with Hobbes's Leviathan, conceives of the sovereign state as the main organism within which non-state entities (i.e., corporations, multinationals, families and private fortunes, religious orders—in short, what we might call the firm) inhabit as parasites would their host. The second model, associated with the tentacular Kraken, conceives of non-state entities as the main sovereign-like organisms that reach across and within states and ply sovereignties to their will. Fredona and Reinert propose that the field of political economy—both historically and in society's contemporary phase of late capitalism—is best understood not simply through the more commonplace model of the Leviathan state but instead also by focusing, at times more so, on the many non-state Krakens that acquire and exert power, within and across nations, over both things and people.<sup>2</sup> These giant squid or octopi take on the character of transnational Leviathan-seeming entities insofar as they function like quasi-sovereign states employing, feeding, educating, and securing people. By placing the Kraken front and center in our political imaginary, Fredona and Reinert offer a more accurate, nuanced, and complex model of historical and contemporary forms of capitalism of which, they write, “a multiplicity of actors compete for power (for sovereign power even) in the world, from states and families through corporations and religious orders.”<sup>3</sup> Their intervention in the bestiary of political economy is brilliant and productive.

Much as Robert Fredona and Sophus Reinert generously underscore, I too have deployed the figure of the Kraken to resist the more commonplace analysis of an all-seeing, Leviathan-like, “surveillance state” in the digital age.<sup>4</sup> In research on what I call our “expository society,” I argued that the Leviathan surveillance state is too much of a stick figure to describe the political-economic condition of the digital age; and that, instead, we need to augment that far-too-reductionist model by paying heed to the “knot of tentacular state-like actors that see through us and our desire-filled digital lives.”<sup>5</sup> We need to take seriously the giant octopus mascot, used on a US National Reconnaissance Office satellite payload in 2013, that amalgamates Google, Facebook, Netflix, Amazon, Samsung, Target, Skype, Microsoft *and* the NSA, sucking all

<sup>1</sup> Robert Fredona and Sophus A. Reinert, “Leviathan and Kraken: States, Corporations, and Political Economy,” *History and Theory* 59, no. 2 (June 2020): 167–187.

<sup>2</sup> Fredona and Reinert, 176.

<sup>3</sup> Fredona and Reinert, 177.

<sup>4</sup> Fredona and Reinert, 182; Bernard E. Harcourt, *Exposed: Desire and Disobedience in the Digital Age* (Cambridge, MA, 2015).

<sup>5</sup> Fredona and Reinert, “Leviathan and Kraken,” 182–183 (quoting Harcourt, *Exposed*).

our personal data from our myriad digital devices.<sup>6</sup> Fredona and Reinert were right to characterize that particular bestial icon as “a Kraken *di tutti* krakens.”<sup>7</sup> Any one of those firms alone could be portrayed as a Kraken on its own. So far, so good.

But it is only late in their provocative article that a third crucial beast from our political imaginary rears its ugly head—and mea culpa, the first time as a direct result of my own “mixed metaphor.”<sup>8</sup> The beast in question, right out of central casting, is the famous land monster, the Behemoth. Fredona and Reinert return to the Behemoth in the final pages of their article, associating it, naturally, with Carl Schmitt. The Nazi jurist and political thinker Schmitt had famously contrasted the land and sea monsters—the Leviathan and the Behemoth—in his history of the modern world in 1942, translated in English as *Land and Sea*, and later in *The Nomos of the Earth* (1950). Schmitt associated the Leviathan with the British form of maritime imperial rule and contrasted it with land-based powers, or Behemoths, such as midcentury Germany. David Armitage later clarified the stakes of the contrasting metaphors in his essay “The Elephant and the Whale,” deepening the contrast between land and sea empires—with the elephants as Behemoths on land and whales as Leviathans at sea—by suggesting how fundamental it is, ontologically, to Western historiography.<sup>9</sup>

The return to Nazi Germany is fortuitous because, as it turns out, my own mixed metaphor referenced sotto voce the political and legal theorist and lawyer Franz Leopold Neumann (1900–1954) and his masterful book, *Behemoth: The Structure and Practice of National Socialism*, published while he was at the Institute for Social Research in exile at Columbia University in 1942.<sup>10</sup> In an important midcentury debate between members of the institute over the changing nature of capitalism under Hitler’s regime, Franz Neumann developed the theory that National Socialism was a willfully lawless, chaotic, irrational, opportunistic, irremediable, and power-driven form of totalitarian monopoly capitalism. Neumann’s colleague Friedrich Pollock, an economist, sociologist, and the cofounder of the institute, had published an article one year earlier in 1941 titled “State Capitalism: Its

<sup>6</sup>Fredona and Reinert, 183 (reproducing logo discussed in Harcourt, *Exposed*, 78–79).

<sup>7</sup>Fredona and Reinert, 183n49.

<sup>8</sup>Fredona and Reinert, 183n49.

<sup>9</sup>David Armitage, “The Elephant and the Whale: Empires of Land and Sea,” *Journal for Maritime Research* 9, no. 1 (2007): 23–36.

<sup>10</sup>Franz Neumann, *Behemoth: The Structure and Practice of National Socialism, 1933–1944* (New York, 1942). On Neumann’s life, see David Kettler, “Neumann, Franz 1900–1954,” in 5 *International Encyclopedia of the Social Sciences* 481–83, ed. William A. Darity Jr. (Somerville, 2008).

Possibilities and Limitations,” in which he argued that National Socialism was one version of a new form of state capitalism, what he called totalitarian state capitalism.<sup>11</sup> Pollock criticized the totalitarian variant but argued for the promise of its possible twin, which he labeled democratically controlled state capitalism. Neumann, by contrast, attacked the very notion of state capitalism, arguing that the lawless, chaotic Nazi regime could not even be considered a state, and that National Socialism represented, instead, the last stage of capitalism: totalitarian capitalism. The latter was the necessary product of capitalism’s inherent chaotic nature, as opportunistic corporate conglomerates and massive private monopolies tried to unshackle themselves from legal regulation and form alliances with authoritarian regimes. Neumann drew an analogy between National Socialism and the model of Hobbes’s lawless *Behemoth* as opposed to Hobbes’s orderly *Leviathan*, which Pollock had tacitly embraced in his work.<sup>12</sup> In a “Note on the Name Behemoth” in the preface of his book, Neumann explained:

It was Hobbes who made both the Leviathan and the Behemoth popular. His *Leviathan* is the analysis of a state, that is a political system of coercion in which vestiges of the rule of law and of individual rights are still preserved. His *Behemoth*, or the *Long Parliament*, however, discussing the English civil war of the seventeenth century, depicts a non-state, a chaos, a situation of lawlessness, disorder, and anarchy.

Since we believe National Socialism is—or tending to become—a non-state, a chaos, a rule of lawlessness and anarchy, which has “swallowed” the rights and dignity of man, and is out to transform the world into a chaos by the supremacy of gigantic land masses, we find it apt to call the National Socialist system *The Behemoth*.<sup>13</sup>

The Behemoth thus reemerged in Neumann’s work as a model of political economy in an ongoing debate over the relationship between authoritarianism and capitalism. Neumann’s Behemoth was productive in helping make sense of National Socialism and spurring an important controversy over the concept of state capitalism. A robust debate

<sup>11</sup>Friedrich Pollock, “State Capitalism: Its Possibilities and Limitations,” *Studies in Philosophy and Social Research* IX, no. 2 (1941): 200–225.

<sup>12</sup>Thomas Hobbes, *Behemoth or The Long Parliament*, ed. Ferdinand Tönnies (Chicago, 1990) (a facsimile of the 1889 edition); Thomas Hobbes, *Leviathan*, ed. Richard Tuck (Cambridge, 1996).

<sup>13</sup>Neumann, *Behemoth*, 459.

erupted within the Frankfurt School over these dueling interpretations of National Socialism and alternative paths forward. In their private correspondence, Max Horkheimer and Theodor Adorno seemed uncomfortable with Neumann's dogmatism, and they did not find Pollock sufficiently dialectical. Several detailed histories of the Frankfurt School document the ensuing debate, including the works of Martin Jay, *The Dialectical Imagination: A History of the Frankfurt School and the Institute of Social Research, 1923-1950*; Duncan Kelly, *The State of the Political*; David Held, *Introduction to Critical Theory: Horkheimer to Habermas*; Rolf Wiggershaus, *The Frankfurt School: Its History, Theories, and Political Significance*; William E. Scheuerman, *Between the Norm and the Exception: The Frankfurt School and the Rule of Law*; Jens Meierhenrich, *The Remnants of the Rechtsstaat*; and Christian Fuchs, "The Relevance of Franz L. Neumann's Critical Theory in 2017: 'Anxiety and Politics' in the New Age of Authoritarian Capitalism."<sup>14</sup> Later, in 1968, Adorno returned to the Pollock–Neumann debate and provided a fresh look into the question of state capitalism.

As several commentators now observe, Neumann's Behemoth also helps make sense of contemporary forms of capitalism—specifically, economic policies during the presidency of Donald J. Trump (2016–2020) and, more generally, the form of capitalism that has been called neoliberalism. The critical theorist Andreas Huyssen, at Columbia University, penned an essay about Trump titled "Behemoth Rises Again. Not an analogy!" in which he argues that Neumann's depiction of the Behemoth fits the Trump presidency even better than it did National Socialism.<sup>15</sup> In an essay in the *Los Angeles Review of Books*, Ajay Singh Chaudhary and Raphaële Chappe argue that the processes of privatization, reregulation (what is referred to as "deregulation"), and elite managerialism characteristic of neoliberalism paved the way over the past forty years for new forms of authoritarianism that share with Nazism "uniquely parallel structures, the same winners, the similar

<sup>14</sup> Martin Jay, *The Dialectical Imagination: A History of the Frankfurt School and the Institute of Social Research, 1923–1950* (Berkeley, CA, 1973), 143–172; Duncan Kelly, *The State of the Political* (Oxford, 2003); David Held, *Introduction to Critical Theory: Horkheimer to Habermas* (Berkeley, CA, 1980), 52–65; Rolf Wiggershaus, *The Frankfurt School: Its History, Theories, and Political Significance* (Cambridge, MA, 1995 [1986]), 282–296; William E. Scheuerman, *Between the Norm and the Exception: The Frankfurt School and the Rule of Law* (Cambridge, MA, 1994), 123–155; Jens Meierhenrich, *The Remnants of the Rechtsstaat: An Ethnography of Nazi Law* (Oxford, 2018); Christian Fuchs, "The Relevance of Franz L. Neumann's Critical Theory in 2017: 'Anxiety and Politics' in the New Age of Authoritarian Capitalism," *tripleC: Communication, Capitalism & Critique* 15, no. 2 (2017): 637–650.

<sup>15</sup> Andreas Huyssen, "Behemoth Rises Again," *n+1*, 29 July 2019, accessed 28 Nov. 2023, <https://www.nplusonemag.com/online-only/online-only/behemoth-rises-again/>.

losers, the crimes, the human degradation.”<sup>16</sup> With the rise and fall of the Trump presidency, Neumann’s Behemoth has risen from the ashes once again.

More broadly, the debate between Neumann, Pollock, and later Adorno over state capitalism and the figure of the Behemoth sheds light on crucial questions at the heart of political economy—questions about contemporary neoliberalism, about the relationship of capitalism to authoritarianism, about the uses and abuses of concepts like disorder or lawlessness in political economy, even about the term capitalism itself. The argument that the state is out-of-order, incompetent, or chaotic when it comes to economic matters (but not security matters) has been an important arrow in the quiver of free market proponents—from François Quesnay and the Physiocrats to the Chicago School. The assessment of orderliness and disorderliness, or of ruleboundness and lawlessness, has played a key role in the discourse of political economy. It has also often concealed the reconstructive work that free market and neoliberal proponents have performed in restructuring society and reregulating the economy. But they are not alone. Neumann too used the figure of the Behemoth to accentuate the ways in which the Nazi regime was chaotic and lawless, and his righteous indignation was well received, but it also helped mask the Marxist strains of his political-economic theory.

Economists will surely understand that the Behemoth, the Leviathan, the Kraken, and the other beasts in the bestiary serve to model forms of political economy. These monsters highlight certain dimensions and dispense with others. They function, like any good model, as a simplifying mechanism to get at the essence of the object studied—here, forms of capitalism. The models can accurately highlight key aspects of political-economic practices, institutions, and discourses. And they have real world consequences. As Doreen Lustig argues, the Nazi industrialists benefited from impunity at the Nuremberg Trials in part because the Nuremberg judges adopted a Leviathan model of the Third Reich rather than a Behemoth model. They viewed Nazi Germany as a “mega-Leviathan” and as such held the political leaders more responsible for the war crimes than the industrialists.<sup>17</sup>

These beasts also capture the argumentative structure of political-economic discourse—the forms of argumentation, of *Wahrsagen* as Nietzsche would say, of truth-telling and truth-making. Claiming

<sup>16</sup> Ajay Singh Chaudhary and Raphaële Chappe, “The Supermanagerial Reich,” *Los Angeles Review of Books*, 7 Nov. 2016.

<sup>17</sup> See Doreen Lustig, “The Nature of the Nazi State and the Question of International Criminal Responsibility of Corporate Officials at Nuremberg,” *NYU Journal of International Law and Politics* 43 (2011): 964–1044.

disorderliness or lawlessness has always done a lot of work in political-economic debate, in part because of the malleability of the concepts of order and disorder. In most concrete situations, there is both order and disorder. The critical move is to highlight and accentuate one or the other, given a conventional preference for order over disorder. That operation is one of the most potent devices to convince others and also to distract them from the reordering that one may be engaged in. The discourse of order and disorder has always been one of our most powerful rhetorical tools—what Georges Dumézil and Michel Foucault might have called “one of man’s most formidable verbal weapons, most prolific sources of power, and most solid institutional foundations.”<sup>18</sup>

Naming, identifying, and tagging the monsters in the bestiary is also itself a form of economic modeling. Those beasts often complement each other. In their brilliant article, Fredona and Reinert do not suggest that the Leviathan, as a model of state power, should be replaced by the Kraken—nor am I suggesting that they both should be displaced by the Behemoth. Not at all. As Fredona and Reinert state, explicitly, “Leviathans nonetheless remain.” That is right, and we can identify them still today in countries across the globe. Their argument is that we need also to identify the many Krakens and how they interact with the other monsters in our bestiary. “Even the greatest of the Leviathans seem to be intertwined with, if not wholly grappled by the tentacles of Krakens,” they write.<sup>19</sup> Insofar as theirs is a model with predominantly two monsters, I am proposing, here, a model with at least three. The Behemoth plays a central role in the bestiary of political economy alongside the Leviathan and the Kraken. *Jamais deux sans trois*. And we may still need to augment our bestiary to model social movements and popular uprisings—what many carelessly refer to as “the people”—as well as other forces in society and among peoples.

It is therefore essential to add to Fredona and Reinert’s bestiary the Behemoth, the disorderly, lawless, chaotic land monster that reemerged in midcentury debates over National Socialism and state capitalism. By returning to the figure of the Behemoth, we add a crucial dimension to better understand forms of capitalism generally and contemporary forms specifically, in their practices, institutions, and discourses. I would like, then, to take this opportunity to articulate more fully what I had in mind when I indexed, with my mixed metaphor in *Exposed*, the Behemoth.

<sup>18</sup> Georges Dumézil, *Servius et la fortune: Essai sur la fonction sociale de louange et de blame et sur les éléments indoeuropéens du cens romain* (Paris, 1943), 243–244, quoted in Michel Foucault, *Wrong-Doing, Truth-Telling: The Function of Avowal in Justice*, eds. Fabienne Brion and Bernard E. Harcourt, trans. Stephen W. Sawyer (Chicago, 2014), 28.

<sup>19</sup> Fredona and Reinert, “Leviathan and Kraken,” 181.



Three quick points before I turn to the historical context of the Neumann–Pollock–Adorno debates. First, my ambition in this essay is not to trace the semiotic history of the imaginary of the Behemoth through the archives and rare books, as Fredona and Reinert do brilliantly, but instead to remain at a conceptual level. To be sure, it would be fascinating to do for the Behemoth what Fredona and Reinert have done for the Kraken. Horst Bredekamp, in his book *Der Behemoth: Metamorphosen des Anti-Leviathan*, comes closest to that task; as does Mark R. Sneed in his new 2022 book, *Taming the Beast*, which includes a whole section, provocatively, on “Sexy Beasts: Sexual Interpretations of Behemoth’s Body.”<sup>20</sup> Michael Fox elucidates the depiction of the Behemoth in the Theophany in Job 40–41 in an article in the eponymous journal *Biblica*; Lewis Drewer catalogues its depictions throughout the Christian tradition, and Joseph Gutman in the Hebraic tradition, both with some beautiful illustrations.<sup>21</sup> But the fact is that the morphology of the Kraken, with its tentacles, is far more important for the conceptualization of that model than is the morphology of the Behemoth—and is far more visually interesting as well. In contrast to the Kraken, the Behemoth is inherently more conceptual (related to disorder and chaos) than it is visual. For this reason, my task here is to explore the *conceptual* implications for capitalism today. For the same reason, an icon may be a better illustration of the Behemoth than a graphic image of the animal itself. One of the best iconographic depictions of willed, deliberate, terroristic disorder may well be the *Hakenkreuz*, the Nazi swastika. As a placeholder for now then, rather than the various traditional pictorial representations of the Behemoth—especially William Blake’s famous depiction of “Behemoth and Leviathan” for his *Illustrations of the Book of Job* (1826) and the images at the end of the Drewer or Gutman articles above—I will propose the original imprint, hardback cover of Neumann’s *Behemoth*, which featured a swastika on the front.

Second, as a historical matter, it is not entirely certain that Hobbes gave his last book the title “Behemoth.” Royce MacGillivray first raised this possibility in a review essay in 1972, noting that the early editions did not include the word “Behemoth” in the title—including the first unauthorized edition in 1679, the year Hobbes died, as well as the

<sup>20</sup> Horst Bredekamp, *Der Behemoth: Metamorphosen des Anti-Leviathan* (Berlin, 2016); Mark R. Sneed, *Taming the Beast* (Berlin, 2022).

<sup>21</sup> Michael V. Fox, “Behemoth and Leviathan,” *Biblica* 93, no. 2 (2012): 261–267; Lois Drewer, “Leviathan, Behemoth and Ziz: A Christian Adaptation,” *Journal of the Warburg and Courtauld Institutes* 44 (1981): 148–156; Joseph Gutman, “Leviathan, Behemoth, and Ziz: Jewish Messianic Symbols in Art,” *Hebrew Union College Annual* 39 (1968): 219–230. See also J. V. Kinneir Wilson, “A Return to the Problem of Behemoth and Leviathan,” *Vetus Testamentum*, 25, no. 1 (Jan 1975): 1–14.



subsequent editions published between 1679 and 1682.<sup>22</sup> Moreover, the text of Hobbes's manuscript does not elaborate anywhere on the metaphor; the term is not used in the body of the work. The word "Behemoth" first appears in the title of the edition published in 1682 by Tönnies, based on the original manuscript held at St. John's College, Oxford, written in the hand of Hobbes's amanuensis, James Weldon, on which the title *Behemoth* appears in Weldon's handwriting.<sup>23</sup> An ambiguous reference by Hobbes to the "foolish title" in his correspondence has led to speculation, with arguments on both sides. As the dust settles, the question remains unresolved. As Richard Tuck, a leading Hobbes expert, comments, when asked to tranche the debate, "your guess is as good as mine."<sup>24</sup> Tuck now leans toward an editorial choice: "I suspect that the title was proposed by the publisher in 1679, then dropped (perhaps because they heard Hobbes disapproved) and reinstated after his death. . . . It would have been an obvious way of catching the public's eye."<sup>25</sup> Regardless of whether Hobbes himself gave his last book the title "Behemoth," Hobbes's readers—Neumann included—have universally understood the land monster to symbolize a lawless, chaotic, irrational political condition like a state of civil war, by contrast to the highly centralized, orderly, and autocratic commonwealth described by Hobbes in *Leviathan*.

Third, and as evidenced both by Bredekamp's book and by Fredona and Reinert's late references to Schmitt's discussion of the Behemoth, one could approach this topic focusing primarily on Schmitt rather than the internal Frankfurt School debates. Bredekamp's book is itself an elaboration of his Carl Schmitt Lecture at the invitation of the Carl Schmitt Society. Similarly, the question of state capitalism triggered myriad other contributions that have received more attention, especially Friedrich Hayek's *Road to Serfdom* and the Hayek–Keynes debates. However, others have already covered this ground well, notably Tomáš Mastnak and David Armitage.<sup>26</sup> Since I am wary of Nazi thinkers like

<sup>22</sup> Royce MacGillivray, "Thomas Hobbes's History of the English Civil War: A Study of *Behemoth*," *Journal of the History of Ideas* 31, no. 2 (Apr–June 1970): 179–198.

<sup>23</sup> MacGillivray, "Thomas Hobbes's History of the English Civil War," 185n28. There are indications elsewhere that Hobbes used the contrast between the Leviathan and the Behemoth as a way of conceptualizing disagreements with other thinkers. See Patricia Springsborg, "Hobbes's Biblical Beasts: Leviathan and Behemoth," *Political Theory* 23, no. 2 (1995): 353–375 (as when he challenges the Bishop John Bramhall "to put in print his objections to his religious doctrine" and "offered him the title 'Behemoth against Leviathan,'" 361).

<sup>24</sup> Correspondence from Richard Tuck, dated 10 May 2022 (on file with author).

<sup>25</sup> Correspondence from Richard Tuck, dated 10 May 2022 (on file with author).

<sup>26</sup> Tomáš Mastnak, "Schmitt's Behemoth," *Critical Review of International Social and Political Philosophy* 13, no. 2–3 (2010): 275–296; Armitage, "The Elephant and the Whale."

Schmitt and have already engaged Hayek at length, I shall remain in the better company of the Frankfurt School in this essay.<sup>27</sup>

### The Historical and Conceptual Context

The rise of National Socialism in Germany during the 1920s and '30s presented a stark challenge to the binary opposition of free market capitalism and planned economies. To be schematic, once Hitler took power, the National Socialist government privatized rather than nationalized financial, banking, and heavy industries, eviscerated labor organizing, and enabled the formation of goliath corporate monopolies, such as the I. G. Farben and the Krupp works, that operated freely under the thumb of the Nazi state. The Nazi leaders put in place a centralized war economy but allowed private enterprise to do its bidding.<sup>28</sup> As a centralized form of capitalism that included not only state planning but also private enterprise, National Socialism defied the free market-government interference dyad from early Physiocratic thought and invisible hand and laissez-faire economic theories.

On those earlier understandings, economic growth depended on free markets, as opposed to government regulated economies. Those formed two competing visions of political economy by the early twentieth century: liberal market economies in Western Europe and the United States at one end, and centralized planning by a communist party in the Soviet Union at the other. To be sure, the enhanced economic role of the US government during the New Deal, as well as the wartime economies of Great Britain and the US, put a strain on this simplistic understanding; they also greatly worried free market proponents like Friedrich Hayek, whose protestations ultimately served to reify the dichotomy. But still, the contrast between capitalist and controlled economies defined the geography of mid-twentieth-century economics.<sup>29</sup>

Most economic historians at the time agreed that capitalism had surely undergone structural changes—and this was before the “New History of Capitalism” current of thought, the new histories of capitalism and slavery, and the important work on racial capitalism in the post-war period.<sup>30</sup> At the time, most historians agreed that earlier

<sup>27</sup> See Bernard E. Harcourt, *The Illusion of Free Markets* (Cambridge, 2011), 128–132.

<sup>28</sup> Adam Tooze, *The Wages of Destruction* (New York, 2006).

<sup>29</sup> For a debunking of this conventional dichotomy and argument that both capitalist and controlled economies are fully regulated, and both represent forms of state dirigisme, see, generally, Harcourt, *The Illusion of Free Markets*, 176–190; Harcourt, *Cooperation: A Political, Economic, and Social Theory* (New York, 2023), 109–128.

<sup>30</sup> See, Eric Eustace Williams, *Capitalism and Slavery* (Durham, [1944] 2014); Cedric Robinson, *Black Marxism: The Making of the Black Radical Tradition* (Chapel Hill, [1983] 2000); see, generally, Mary Hicks, “Captivity’s Commerce: The Theory and Methodology of Slaving and Capitalism,” *Business History Review* 97, no. 2 (Summer 2023): 225–246.

forms of capitalism had evolved throughout the seventeenth and eighteenth centuries, and especially during the Industrial Revolution in the nineteenth century, to give rise to more mature forms of capitalism. Historians and economists disagreed about the exact periodization, labels, and telos but agreed that Western industrial societies were in an advanced stage of capitalism.

This led to different ways of analyzing the shifts and changes of capitalism, and different periodizations. Some scholars referred to “late capitalism” (*Spätkapitalismus*) or “late-stage capitalism,” a term originally used at the turn of the twentieth century by the German economist Werner Sombart to describe the period of capitalism after World War I (in *Der Moderne Kapitalismus*, 1902–1927), but then adopted by both orthodox Marxist theorists (such as Ernest Mandel, *Der Spätkapitalismus*, 1972, published in English as *Late Capitalism* in 1975) and by Frankfurt School thinkers (such as Adorno in “Late Capitalism or Industrial Society,” 1968; and Jürgen Habermas in *Legitimation Crisis*, published under the original title of *Legitimationsprobleme im Spätkapitalismus* in 1973) to describe the period after World War II and the end stages of capitalism.<sup>31</sup> Others used the term “monopoly capitalism,” generally understood to have coincided with the rise of imperialism and colonization from the late nineteenth century to the mid-twentieth century; this term was closely associated with Lenin and his 1916 book *Imperialism, the Highest Stage of Capitalism*, in which he understood the term to describe the imperialist condition of capitalism in which the state intervenes to protect large, monopolistic, capitalist enterprises. Still others referred to “advanced capitalism,” which had a slightly less endgame connotation to it and was less closely tied or associated with Marxist thought.

Regardless of the nomenclature, most thinkers agreed that capitalism had advanced to an industrialized stage through economic cycles that had included moments of crisis. The advent of German National Socialism posed the questions: first, how the Nazi economy related to those advanced forms of capitalism; and second, whether it inaugurated a *new* form of capitalism that would be more resilient to economic depression. How could Hitler’s Germany successfully adopt an economic arrangement that included opposite ends of the spectrum—private enterprise and centralized planning?

The National Socialist paradigm confounded the existing categories, periodizations, and labels, and, as a result, a slew of new terms emerged

<sup>31</sup>Note that, with the exception of the first usage of the term on the first line of the first page of the book, where “late capitalism” appears, Thomas McCarthy uses the term “advanced capitalism” in the rest of his translation of Habermas, *Legitimation Crisis* (Boston, 1975).

to grapple with this apparently new and hybrid form of capitalism: “state organized private-property monopoly capitalism,” “managerial society,” “administrative capitalism,” “bureaucratic collectivism,” “totalitarian state economy,” “status capitalism,” “neo-mercantilism,” “economy of force,” “state socialism,” “advanced oligopolistic capitalism,” “post-competitive capitalism,” and “post-market society.”<sup>32</sup> How best could the National Socialist economy be understood, and where would it lead? These questions were not simply economic. They were embedded in a larger political question regarding the future of liberal democracy in the face of totalitarianism. And they were nested within an argument over the best way to defeat fascism.

### The Pollock–Neumann–Adorno Debate

The members of the Institute for Social Research shared a common starting point; namely, the belief that the only way to defeat National Socialism was to demonstrate the greater economic efficiency of *democratic* economic forms. Germans had experienced too much pain during the long depression to be convinced by anything other than economic stability and power, most members agreed. Friedrich Pollock, one of the founders of the Institute for Social Research and one of its principal economic thinkers, declared in no uncertain terms: “The totalitarian form of state capitalism is a deadly menace to all values of western civilization.”<sup>33</sup> The only way to defeat it was to show the potential of a new democratic form of state capitalism: “Those who want to maintain these values . . . must be able to show in what way the democratic values can be maintained under the changing conditions.”<sup>34</sup> Franz Neumann, a later member of the institute and a political-economic thinker, also emphasized that Germany could only be defeated through the example of a democratic model of economic power. Germans would not tolerate a return to the earlier economic conditions of depression, Neumann wrote.<sup>35</sup> However much they might yearn for peace and even abhor concentration camps, he noted that “he [the German] will never be satisfied with a *status quo* which again delivers him to the anarchic conditions of the great depression.”<sup>36</sup> The only way to beat National Socialism, Neumann declared, was to offer the vision of an *efficient* democracy:

<sup>32</sup> See Pollock, “State Capitalism: Its Possibilities and Limitations,” 201; and David Held, *Introduction to Critical Theory: Horkheimer to Habermas* (Berkeley, 1980), 52–53.

<sup>33</sup> Pollock, “State Capitalism,” 220.

<sup>34</sup> Pollock, 220.

<sup>35</sup> Neumann, *Behemoth*, 476.

<sup>36</sup> Neumann, 476.

The National Socialist leadership knows that once England and the American democracies will show themselves as efficient as, and perhaps more efficient than, National Socialism, while retaining or even deepening democracy, the belief in National Socialism, which is founded on fear and despair, will ultimately collapse. [...] To uproot National Socialism in the minds of the German people, the model of an efficiently operated democracy will be worth as much as a powerful army.<sup>37</sup>

In other words, to free the people from the chains of National Socialism, Western democracies needed to show the example of free, democratic, and importantly, *efficient* economic production.

At the same time, though—and creating a true paradox for Frankfurt School thinkers—the Western industrialized economy was in the “late” stages of capitalism marked by monopolistic and imperialistic tendencies that spelled its own demise. It was impossible for them to imagine that more of the same—more late-stage or monopoly capitalism marked by inequality and the exploitation of labor—could serve as the exemplar that would defeat National Socialism. And so, another set of problematics imposed themselves on the Frankfurt School: How could late Western industrialized capitalism be reformed into a force that could also defeat German National Socialism? The stakes could not have been higher for these previously Marxist economic thinkers exiled at Columbia University.

Within the institute, there emerged a sharp debate regarding both the proper diagnosis of the form of economic organization represented by National Socialism *and* the corresponding way to reform Western capitalism in order to defeat the Nazi regime. In broad strokes, the debate pitted Pollock against Neumann, with Horkheimer and Adorno commenting at the margins. Adorno would later return to this debate in 1968 and contribute importantly. In the following sections, I will flesh out the two positions of Pollock and Neumann and provide more background and context for those who are less familiar with the debate. I will then detail the later response of Theodor Adorno in 1968, whose untimely contribution to the Pollock–Neumann debate enriched it greatly and enlightens the present even more.

*Friedrich Pollock on state capitalism.* In his article “State Capitalism: Its Possibilities and Limitations,” published in 1941, Friedrich Pollock proposed an overarching schema to understand the ongoing transformations of capitalism. The term he used was “state

<sup>37</sup>Neumann, 476.

capitalism.”<sup>38</sup> The Nazi political economy, Pollock argued, represented a new form and stage of capitalism that could be generalized into an ideal type of “state capitalism” in which the state controls the planning of the economy. National Socialism represented one of two possible variants of this new form of state capitalism: “totalitarian state capitalism.” But a second form was also possible: “democratic state capitalism.” And Pollock essentially argued that the creation of “democratic state capitalism”—a form of state capitalism controlled by the people rather than by a totalitarian elite—could be precisely the kind of efficient democratic economic form that could defeat totalitarianism.

In the article, Pollock sketches an argument that appears relatively innocuous. He presents his work rather innocently as merely beginning a conversation about, in his own words, “the workability of state capitalism.”<sup>39</sup> On the page, Pollock argues, first, that there was an earlier phase of “private capitalism” that involved “19th century free trade and free enterprise”; and, second, that the earlier phase of capitalism is irretrievably past as the result of the advent of “totalitarian state capitalism” under National Socialist Germany.<sup>40</sup> There is no hope of returning to that earlier phase of capitalism, no more than there was any hope in post-Napoleonic France to return to feudalism. The passage from private capitalism to state capitalism is as determinate, historically, as the passage from feudalism to capitalism. Trying to fight to restore private capitalism in the face of totalitarian state capitalism is a futile exercise, Pollock argues, that would lead only to the triumph of National Socialism—in Pollock’s words, “it can only lead to a waste of energy and eventually serve as a trail-blazer for totalitarianism.”<sup>41</sup> And although he is unsure whether there is a model of state capitalism (he uses Weberian ideal-type theory) that can be generalized from the National Socialist experience and that would allow for a democratic variant—he writes that there is “serious doubt” about whether such a model of state capitalism exists—he nevertheless proposes to start a conversation precisely to figure out the question: Is it possible to conceive of a model of state capitalism that would then allow for a democratic variant?<sup>42</sup>

<sup>38</sup> Pollock, “State Capitalism.” Friedrich Pollock (1894–1970) studied economics, sociology, and philosophy at the University of Frankfurt and wrote his dissertation on Marx’s labor theory of value (1923). He co-founded the Institute for Social Research in Frankfurt with Felix Weil (who provided funding) in 1923 and served as director of the institute on several occasions, including from 1928 to 1930. He left Germany with the institute when Hitler came to power, going into exile first to Geneva and later to New York City.

<sup>39</sup> Pollock, 200.

<sup>40</sup> Pollock, 200.

<sup>41</sup> Pollock, 200.

<sup>42</sup> Pollock, 200.

So the exercise, according to Pollock, is simply to explore whether the new form of state capitalism—that is, state-directed, centrally planned—could be controlled by democratic processes. In effect, to rein in capitalism through democratic state control. And the difference between totalitarian and democratic state capitalism is that, in the first, the control is vested in the hands of a ruling elite made up of political, bureaucratic, or party leaders and the heads of industry and business. “Everybody who does not belong to this group is a mere object of domination.”<sup>43</sup> By contrast, in democratic state capitalism, the people control the state functions and can prevent the slide to totalitarianism.

One can identify several weaknesses to Pollock’s argument. For one, the idea that private capitalism was a *laissez-faire* model that was independent of state control and relied on market mechanisms buys into the myth of the free market. It fails to recognize how much that earlier form depended on state regulation. One can hear Pollock buy into that myth in his discussion: “Creation of an economic sphere into which the state should not intrude, essential for the era of private capitalism, is radically repudiated” by state capitalism.<sup>44</sup> But that is an illusion—as I and others have emphasized.<sup>45</sup> Adorno too underscores this in his article “Late Capitalism of Industrial Society?” that we turn to shortly. So, the transition cannot be from private to state capitalism. It cannot be, in Pollock’s words, “the transition from a predominantly economic to an essentially political era.”<sup>46</sup> That is too simplistic. But we can put that aside for the moment.

*Franz Neumann: National Socialism as a form of “totalitarian monopoly capitalism.”* In his book *Behemoth: The Structure and Practice of National Socialism*, published in 1942, Franz Leopold Neumann interpreted National Socialism very differently than Pollock: far from a new stage of capitalism that bore any promise whatsoever, National Socialism was the necessary evil consequence of monopoly capitalism.<sup>47</sup> National Socialism did not displace “monopoly capitalism,”

<sup>43</sup> Pollock, 201.

<sup>44</sup> Pollock, 207.

<sup>45</sup> See, e.g., Harcourt, *The Illusion of Free Markets*, 176–190; Harcourt, *Cooperation*, 109–128.

<sup>46</sup> Pollock, “State Capitalism,” 207.

<sup>47</sup> Franz Leopold Neumann (1900–1954) was trained in law and wrote his doctoral thesis on theories of punishment. An active lawyer specializing in labor law, Neumann was the lead attorney to the Social Democratic Party in Germany. He fled Germany with the rise of Hitler and pursued a second doctorate in socio-political studies at the London School of Economics under the supervision of Karl Mannheim and Howard Laski. In 1936, he joined the Frankfurt School in exile at Columbia University as legal advisor and administrator, and later as researcher. He published his magnum opus *Behemoth* in 1942. During the war, he joined the American intelligence apparatus and became deputy head of the Central European research section of the Office of Strategic Services (OSS), the precursor to the CIA.



but rather placed it under totalitarian rule. National Socialism was not a new form of “state capitalism.” It remained monopoly capitalism, but monopoly capitalism maintained by and directed at the behest of a totalitarian elite. The massive corporations and monopolies exploited the chaos and lawlessness of National Socialism to free themselves from the shackles of legal regulation and allied themselves with the Nazi leadership. Given the inevitable internal contradictions of late-stage monopoly capitalism, totalitarian administration was the only effective way to manage those contradictions and prevent the utter collapse of capitalism. Nazi economics were in effect a Frankenstein’s monster of late-stage monopoly capitalism—an irrational, chaotic, lawless, anarchic condition of domination without a coherent political theory; a non-state that forcibly kept the economy going for the power accumulation of a leader and the profit of the large industrial capitalists. Neumann emphasized that totalitarianism was *necessary* given late-stage capitalism: late capitalism demanded totalitarianism.

Democracy would endanger the fully monopolized capitalist system, Neumann argued. It was of the essence of totalitarianism to stabilize and fortify it.<sup>48</sup> And there was no silver lining to this form of capitalism, Neumann added. He was emphatic that National Socialism “could not possibly carry out its economic policy on a democratic basis.”<sup>49</sup> In other words, there could not be a democratic version of this economic form. Neumann summarized his position: “The German economy of today has two broad and striking characteristics. It is a monopolistic economy—and a command economy. It is a private capitalistic economy, regimented by the totalitarian state. We suggest as a name best to describe it, “Totalitarian Monopoly Capitalism.”<sup>50</sup>

*Totalitarian monopoly capitalism.* As David Held shows, Neumann retains the term “monopolistic” and conjoins it with “totalitarian” because his view of monopoly capitalism as a late stage of capitalism is fundamentally unstable and requires the intervention of a totalitarian state.<sup>51</sup> The monopolistic stage of capitalism, in Neumann’s view, must be upheld by authoritarian means. The cartel system would break down otherwise. This reflected Neumann’s more orthodox Marxist views. And the contrast to Pollock could not be greater: Totalitarian monopoly capitalism remains a form of private, not state, capitalism; totalitarian monopoly capitalism is not efficient; and democratic state capitalism is doomed to failure.

<sup>48</sup>Neumann, *Behemoth*, 354.

<sup>49</sup>Neumann, 260–261.

<sup>50</sup>Neumann, 261.

<sup>51</sup>David Held, *Introduction to Critical Theory: Horkheimer to Habermas* (Berkeley, CA, 1980), 55.

First, then, the inefficiency. In terms of the effectiveness of the National Socialist economy, by contrast to Pollock who argued for its efficiency, Neumann says that it is nil. Everything was already put in place under the Weimar Republic, and the Nazis added no value: “The contribution of the National Socialist party to the success of the war economy is nil. It has not furnished any man of outstanding merit, nor has it contributed any single ideology or organizational idea that was not fully developed under the Weimar Republic.”<sup>52</sup>

Second, National Socialism operates through selfish profit motives of the captains of industry. What motivates economic production is profit—not power, as Pollock argued. The profit motive remains determinative: “Mandeville’s contention that private vices are public benefits had now been raised to the rank of supreme principle—not for the masses, not for the retailers, wholesalers, and handicraft men, not for the small and middle businessmen, but for the great industrial combines.”<sup>53</sup> According to Neumann, the Nazi Party does not get involved in the economics. It leaves it to the designated captains of industry. “With all this the party does not interfere. The period of party interference in economics has ended long ago.”<sup>54</sup> Nevertheless, there is government everywhere—regulating credit and money markets, and monopolies, and foreign trade.<sup>55</sup>

Third, democratic-controlled planning is a non-starter. In discussing National Socialism, Neumann makes clear that democratic planning is a failed project. There are too many internal contradictions to make democratic planning possible, at least in Germany at the time, even if it would be a worthy goal, Neumann argues. The major problem is that “democratic planning, also, enlarges the power of the state; it adds the monopoly of economic coercion to the monopoly of political coercion.”<sup>56</sup> And this then triggers resistance from the monopolist capitalists, and so on.

In Neumann’s view, capitalism under the Weimar Republic had gravitated toward a form of “democratic monopoly capitalism.”<sup>57</sup> Under National Socialism, everything was oriented toward imperialist war: this brought about even further restrictions on capitalism, but it remained “capitalist”—governed by the capital interests of the business elite. National Socialism did not nationalize industry or become socialist because big business had all the same interests—getting rid of unions,

<sup>52</sup>Neumann, *Behemoth*, 351.

<sup>53</sup>Neumann, 354.

<sup>54</sup>Neumann, 355.

<sup>55</sup>Neumann, 355.

<sup>56</sup>Neumann, 359.

<sup>57</sup>Neumann, 361.

eviscerating civil rights, gutting democracy. So, for Neumann, it was a perfect union of power and profit.<sup>58</sup>

The contrast with Pollock could not have been greater. Pollock viewed National Socialism as a new stage of capitalism—a new stage of economic organization—that solved the problems of monopoly capitalism and provided a potential way forward: democratic state capitalism. Pollock was not simply describing a wartime economy; he was describing an economic system that could maintain itself in contrast to forms of late-stage or advanced monopoly capitalism. By contrast, Neumann was describing a Frankenstein’s monster of late-stage capitalism that was irredeemable, with no silver lining. On their face, the two interpretations were diametrically opposed.

### The Nazi Behemoth

Undergirding Neumann’s economic argument was a political argument that the Third Reich could *not* be considered a state because it had no coherent or rational political theory, did not abide by the rule of law, and in fact did not even create a realm of law. Nazi Germany, Neumann maintained, was a government by decree, with no cohesive justification, that contained “elements of every conceivable philosophy” jumbled together, purely for the purpose of maintaining absolute power in the hands of its leader, Hitler.<sup>59</sup> Mixing together incoherently, he argued, “idealism, positivism, pragmatism, vitalism, universalism, institutionalism” with “blood, community, folk” and “the charisma of the Leader, the superiority of the master race, the struggle of a proletarian race against plutocracies, the protest of the folk against the state,” National Socialism embraced, in Neumann’s words, “an opportunistic, infinitely elastic ideology” aimed at domination and control.<sup>60</sup>

There were, to be sure, identifiable coherent strands in Nazi ideology—Aryanism, the master race, a most exterminating antisemitism; but those strands mingled with myriad opportunistic ideologies and chaotic messages, all under one simple overarching ambition: power for the leader. “The National Socialist state is no Leviathan,” Neumann wrote. “But Hobbes, aside from his *Leviathan* also wrote *Behemoth, or the Long Parliament*.”<sup>61</sup> Neumann synthesized his view as follows: “These considerations lead us to conclude that National Socialism has no political theory of its own, and that the ideologies it uses or discards are mere *arcana dominationis*, techniques of

<sup>58</sup>Neumann, 361.

<sup>59</sup>Neumann, 462.

<sup>60</sup>Neumann, 462–463.

<sup>61</sup>Neumann, 459.

domination. If that is true, it must, in my opinion, be granted that the German leadership is the only group in present German society that does not take its ideological pronouncements seriously and is well aware of their purely propagandistic nature.”<sup>62</sup>

It is for this reason that Neumann appropriated the term “Behemoth” from Hobbes to describe, as it was believed Hobbes had, the period under the Long Parliament, an “anti-rational,” “non-state” “chaos” that was “characterized by complete lawlessness,” in Neumann’s terms.<sup>63</sup>

*Theodor Adorno and the illusion of capitalism.* At the time, Theodor Adorno did not seem entirely satisfied with either position, and his more developed and important intervention would happen later in 1968. As the sociologist Christian Fuchs demonstrates in an essay titled “The Relevance of Franz L. Neumann’s Critical Theory in 2017,” Max Horkheimer leaned toward Pollock’s position of state capitalism in his lectures and essays, including “The Authoritarian State” (1940) and “The End of Reason” (1941), going so far as to state that “*state capitalism is the authoritarian state of the present.*”<sup>64</sup> In his correspondence with Adorno, as Rolf Wiggershaus shows, Horkheimer criticized Neumann for failing to properly address the cultural–anthropological dimensions and therefore remaining too orthodox.<sup>65</sup> For his part, Adorno wrote to Horkheimer that Pollock’s article displayed “the undialectical assumption that a non-antagonistic economy might be possible in an antagonistic society.”<sup>66</sup> At the time, Adorno seemed to feel that Pollock had given too rosy a picture of state capitalism, but he agreed with the criticism that Neumann was too dogmatic. Herbert Marcuse, for his part, took Neumann’s side in his paper “State and Individual Under National Socialism” (1942).<sup>67</sup>

The divisions and internal tensions were of course understandable. After all, these thinkers were dealing with two different sorts of problems: Nazism and capitalism. And given the greater and more urgent evil of National Socialism, the question became how carefully to treat capitalism, including what was now called state capitalism.

<sup>62</sup>Neumann, 467.

<sup>63</sup>Neumann, 459.

<sup>64</sup>Fuchs, “The Relevance of Franz L. Neumann’s Critical Theory in 2017”; Max Horkheimer, “The Authoritarian State,” 95–117, in *The Essential Frankfurt School Reader*, ed. Andrew Arato and Eike Gebhardt (New York, 1985 [1940]), at 96 (emphasis in original); Max Horkheimer, “The End of Reason,” *Studies in Philosophy and Social Science* 9, no. 3 (1941): 366–388.

<sup>65</sup>Wiggershaus, *The Frankfurt School*, 290.

<sup>66</sup>Adorno quoted in Wiggershaus, *The Frankfurt School*, 282.

<sup>67</sup>Herbert Marcuse, “State and Individual Under National Socialism,” 67–88, in Marcuse, *Technology, War and Fascism* (London, 1998 [1942]).

Neumann was never a true insider of the Frankfurt School and was criticized internally for lacking a psychological dimension in his thought, as well as a cultural–anthropological dimension, and for being too openly Marxist—in essence, for being too crude. This had a tendency to push Horkheimer away and, to a certain extent, Adorno with him.<sup>68</sup>

Interestingly, though, several decades later, in 1968, Adorno returned to the debate in an address to German sociologists, asking whether then-contemporary capitalism should be described as “late capitalism” (retaining the Marxist connotations) or “industrial capitalism” (as a post-Marxist condition, beyond class conflict). His lecture reveals how much had changed in the intervening years. The question was no longer about state capitalism or monopoly capitalism, but rather whether a Marxist lens had any contemporary relevance at all and whether, instead of late-stage capitalism, society had entered a phase of post-political “industrial society” in which class conflict no longer existed and only good economic management was required.

“Late Capitalism or Industrial Society?” Adorno asked as the title of his address.<sup>69</sup> The binary choice, Adorno responded, is deceptive. Dialectics were called for. Both labels were correct in some respects, but their contradiction even more enlightening. “Late capitalism” characterizes ongoing relations of production; “industrial society,” the forces of production. And the relations of production remained “damaged, afflicted, and out of kilter,” as they were in late-stage capitalism, because of the industrial forces of production.<sup>70</sup> To fully understand the present economic condition, Adorno wrote, it was essential to see that those damaged relations of production were being hidden beneath the idea that society had supposedly entered into a new phase of industrial society.

In terms of the earlier Pollock–Neumann debate, Adorno in 1968 rejects the idea that there could be a new phase of “state capitalism” because the state has always regulated and played a key role in the maintenance of capitalism. As he writes: “State intervention in the economy is not—as the old school of liberal thinking believed—an extraneous and superfluous imposition, but is essential to the working of the system as a whole.”<sup>71</sup> In this sense, he effectively resists Pollock’s position, two decades later.

<sup>68</sup> See, generally, Fuchs, “The Relevance of Franz L. Neumann’s Critical Theory in 2017”; Held, *Introduction to Critical Theory*, 52–53; Jay, *The Dialectical Imagination*, 87; Wiggershaus, *The Frankfurt School*, 282, 288–290.

<sup>69</sup> Theodor E. Adorno, “Late Capitalism or Industrial Society?” in *Modern German Sociology*, ed. V. Meja, D. Misgeld and N. Stehr (New York, 1987).

<sup>70</sup> Adorno, “Late Capitalism or Industrial Society?” 243.

<sup>71</sup> Adorno, 244.

In this, Adorno underscored the illusion of free markets. The state had always played that role, even in *laissez-faire* times. The myth of liberal economic thought was just that: a myth all along. “At no time has the capitalist economic model functioned in the way its liberal apologists have claimed,” Adorno stated, “even in its heyday liberalism was not really liberal.”<sup>72</sup> In essence, Adorno argued that state intervention in the economy is what has always oiled the capitalist system, meaning that economics have always been dominated by politics “independent of market mechanisms.”<sup>73</sup> In this, Adorno now sided with Neumann.

But, Adorno argued, Neumann’s position may have derived too tautologically from his definition of a “state”: if indeed National Socialism did not comprise a “state” because it was non-rational, chaotic, and lawless, then of course there could be no “state capitalism” under Nazi Germany—by definition. If, as Adorno suggested, “bourgeois society had always been irrational, unfree, and unjust,” then the statelessness of Nazi Germany may not be unique.<sup>74</sup> Regardless of how he would have positioned himself in 1940, in 1968 Adorno draws our attention acutely to the illusions that maintain capitalism.

Adorno used the clash of nomenclature, then, to unmask the illusions that capitalism rested on free markets and that society had entered a classless condition. It was precisely the illusion of an industrial society in which relations of production are seamless that critical sociologists had to unveil. That was the task of sociology. That was the challenge for sociologists: to unveil illusions. That alone would break their spell. Adorno concluded his essay precisely on that point—on the illusions that must be confronted by sociologists.<sup>75</sup>

Adorno’s intervention represented a radical theory of illusions. In it, paradoxically, Adorno identified one group of resisters who offered perhaps a way out or a path forward. These were the students of 1968—with whom Adorno would have a tense relationship. Here, they offered, in Adorno’s eyes, a source of inspiration. Adorno writes: “In recent years, on the other hand, traces of a counter movement have also become visible, primarily among the most diverse sections of the youth, namely resistance to blind conformism, freedom to opt for rationally chosen goals, disgust with the condition of the world as the hoax and illusion it is, and an awareness of the possibility of change.”<sup>76</sup> Notice how anti-conformist youth counter-movements represent, for Adorno, perhaps the only hope for political change. This is particularly

<sup>72</sup> Adorno, 244.

<sup>73</sup> Adorno, 245.

<sup>74</sup> Adorno, 244.

<sup>75</sup> Adorno, 246.

<sup>76</sup> Adorno, 245.

interesting given Adorno's contentious relationship at the time with his protégé Hans-Jürgen Krahl, the head of the Sozialistische Deutsche Studentenbund (SDS).<sup>77</sup>

### Of Behemoths Today

The reintroduction of the figure of the Behemoth into our bestiary of political economy—from the Pollock–Neumann debate, augmented by Adorno's 1968 critique—is deeply relevant today. It sheds light on several current developments in political economy. It focuses our attention on the important role of chaos and disorder in contemporary forms of governance.

First, as recent commentators have noted, there is an eerie resemblance between Franz Neumann's depiction of Nazi Germany in *Behemoth* and the behaviors of former president Donald J. Trump before and during his presidential mandate (2016–2020). The parallels are striking, and it should not come as a surprise that Trump's presidency triggered a new round of writings on the Behemoth. Ajay Singh Chaudhary and Raphaële Chappe, in their essay on "The Supermanagerial Reich" in 2016, use Neumann's Behemoth and analysis of National Socialism to study the parallel structures, policies, and outcomes of late-stage or Trumpian neoliberalism. Noting of course the numerous stark differences, Chaudhary and Chappe nonetheless use the model of the Behemoth and the debate within the Institute for Social Research to dissect similar neoliberal policies, especially the rise of an elite supermanagerial caste, and argue that supermanagerial governance enabled the rise of authoritarian figures like Trump.<sup>78</sup> Elsewhere, Matthew Sparke and Daniel Bessner write about a "Trumpist Behemoth" in the context of environmental issues. They argue that Neumann's book serves best to describe the Trumpist Behemoth that attempted to dismantle and rework climate change policy.<sup>79</sup> They too in their work draw on the contrast between a Climate Leviathan and a Climate Behemoth—and add to the mix, as well, a Climate Mao and the Climate X models of Geoff Mann and Joel Wainwright from their book

<sup>77</sup> See, generally, *Revolution 6/13* with Martin Saar on "Hans-Jürgen Krahl, the SDS (Sozialistische Deutsche Studentenbund) Student Movement, and the Frankfurt School," *Columbia Center for Contemporary Critical Thought*, accessed 28 Nov. 2023, <https://blogs.law.columbia.edu/revolution1313/9-13/>.

<sup>78</sup> Ajay Singh Chaudhary and Raphaële Chappe, "The Supermanagerial Reich," *Los Angeles Review of Books*, 7 Nov. 2016.

<sup>79</sup> Matthew Sparke and Daniel Bessner, "Reaction, Resilience, and the Trumpist Behemoth," *Annals of the American Association of Geographers* 109, no. 2 (2019): 533–544.



*Climate Leviathan: A Political Theory of Our Planetary Future*.<sup>80</sup> Bessner and Sparke make the point of connecting the Trumpist Behemoth to neoliberalism, suggesting “a monstrous merging of Nazi and neoliberal tendencies.”<sup>81</sup> In the magazine *n+1*, Andreas Huyssen argues that Donald Trump fits the description of the Nazi Behemoth even better than did National Socialism.<sup>82</sup> Huyssen engages in a creative cut-and-paste to provoke the reader to experience the parallel—replacing the term National Socialism with “Trumpism” in a key passage of Neumann’s book. “Let me conclude with another quote from a Frankfurt School source,” Huyssen wrote:

Trumpism has no political or social theory. It has no philosophy and no concern for the truth. In a given situation it will accept any theory that might prove useful; and it will abandon that theory as soon as the situation changes. Trumpism is both capitalistic and anti-capitalistic. It is authoritarian and anti-authoritarian. It will cooperate with any group . . . that is amenable to Trumpist propaganda, but it will not hesitate to flatter authoritarian movements when that is more expedient . . . . Trumpism is for agrarian reform and against it, for private property and against it, for idealism and against it. Such versatility is unattainable in a democracy.

As Huyssen emphasizes, following the altered quotation:

The quote is from Franz Neumann’s 1944 book *Behemoth: The Structure and Practice of National Socialism 1933–1944*. Of course I have substituted “Trumpism” for the original “National Socialism.” The irony is that this quote may capture Trumpism even better than it explains National Socialism. The Nazis, after all, did have a defined political ideology, whereas with Trump there just is an ever-shifting void.<sup>83</sup>

<sup>80</sup>Sparke and Bessner, “Reaction, Resilience, and the Trumpist Behemoth” (drawing on Geoff Mann and Joel Wainwright, *Climate Leviathan: A Political Theory of Our Planetary Future* (New York, 2018)); see also Geoff Mann and Joel Wainwright, “Political Scenarios for Climate Disaster,” *Dissent* (Summer 2019), accessed 28 Nov. 2023, <https://www.dissentmagazine.org/article/political-scenarios-for-climate-disaster>.

<sup>81</sup>Daniel Bessner and Matthew Sparke, “Nazism, Neoliberalism, and the Trumpist Challenge to Democracy,” *Environment and Planning A: Economy and Space*, 49, no. 6 (2017):1214–1223, 1214.

<sup>82</sup>Andreas Huyssen, “Behemoth Rises Again.”

<sup>83</sup>Huyssen, “Behemoth Rises Again.”

In an interesting way, the parallel even extends to the reception of the Behemoth argument. Many resisted Neumann's argument on the grounds that Hitler had a consistent ideology of Aryanism and exterminationist antisemitism. Similarly, many have argued that President Trump had a consistent political ideology underlying a more pragmatic, instrumental, and strategic crust. Scholars, including myself, have tried to reconstruct a coherent ideology subtending Trump's mode of governing—whether by means of the concept of “fascism,” of “white nationalism,” of “counterrevolution,” or of “internal enemies.”<sup>84</sup> Yet all of those efforts do not fully capture the intentionally non-rational, opportunistic, and elastic ideology that President Trump projected—the chameleon nature of a reality-TV presidency. Trump did not hesitate to say practically anything or do practically anything that worked—that drew attention, put him in the news cycle, brought in dollars, kept him in power. Trump was determined to be on the front page of the news and trending on Twitter every single day of his presidency. That inevitably created a random assortment of purely instrumental, opportunistic propaganda that blended together those many ideologies of white nationalism and counterinsurgency.

Scholars have been embroiled in a heated debate whether in fact Trump was “fascist”—with Jason Stanley and Federico Finchelstein leading the charge, David Bell and others resisting the temptation, and Samuel Moyn cautiously arbitrating the dispute and getting pulled in different directions.<sup>85</sup> But, on reflection, the long fight over the applicability of the term “fascist” to Trump was almost a distraction

<sup>84</sup> See, e.g., Dylan Matthews, “Is Trump a Fascist? 8 Experts Weight In,” *Vox*, 23 Oct. 2020, accessed 28 Nov. 2023, <https://www.vox.com/policy-and-politics/21521958/what-is-fascism-signs-donald-trump> (on the concept of “fascism”); Bernard E. Harcourt, “How Trump Fuels the Fascist Right,” *The New York Review of Books*, 29 Nov. 2018, <https://www.nybooks.com/daily/2018/11/29/how-trump-fuels-the-fascist-right/>; and Bernard E. Harcourt, “The Fight Ahead,” *Boston Review*, 7 Jan 2021, <https://bostonreview.net/articles/bernard-e-harcourt-fight-ahead/I> (on the concept of “white nationalism”); Bernard E. Harcourt, *The Counterrevolution: How Our Government Went to War Against Its Own Citizens* (New York, 2018) (on the concepts of “counterrevolution” and “internal enemies”).

<sup>85</sup> Jason Stanley, *How Fascism Works* (New York, 2018); Federico Finchelstein, *A Brief History of Fascist Lies* (Berkeley, 2020); Matthews, “Is Trump a Fascist?”; Michael Martin, “Fascism Scholar Says US is ‘Losing its Democratic Status,’” *NPR*, 6 Sep. 2020, accessed 28 Nov. 2023, <https://www.npr.org/transcripts/910320018>; Cailin Potami, “Federico Finchelstein on His New Book, *A Brief History of Fascist Lies*,” *The New School*, 29 June 2020, accessed 28 Nov. 2023, <http://socialresearchmatters.org/federico-finchelstein-brief-history-fascist-lies/>; David A. Bell, “Trump Is a Racist Demagogue. But He’s Not a Fascist,” *Washington Post*, 26 Aug. 2020, accessed 28 Nov. 2023, <https://www.washingtonpost.com/outlook/2020/08/26/trump-not-fascist/>; Spencer Bokart-Lindell, “Fascism: A Concern,” *New York Times*, 30 July 2020, accessed 28 Nov. 2023, <https://www.nytimes.com/2020/07/30/opinion/fascism-us.html>; Samuel Moyn, “The Trouble With Comparisons,” *New York Review of Books*, 19 May 2020, accessed 28 Nov. 2023, <https://www.nybooks.com/daily/2020/05/19/the-trouble-with-comparisons/>.

from what could have been slightly more enlightening: thinking through the model of the Behemoth. There is a sufficient repertoire of white supremacist and white nationalist history and analysis in the context of American history to not necessarily dip into the discourse of “fascism”; plus, there are probably sufficient differences in the institutional and aesthetic dimensions to avoid using a term that might elide important aspects of Trump’s mode of governing. Franz Neumann’s analysis highlights the irrational aspects of the contradictions within Trump’s discourse—especially, for instance, with regard to claims about “truth” and “fake news”—as well as the element of chaos and disorder that he seemed to thrive on. Neumann was presciently describing Trump’s use of disorder to hold on to power and his unique form of governing through misrepresentation. Moreover, as Neumann had remarked in his case study, President Trump and his associates seemed to be the only ones who did not take his “ideological pronouncements seriously” and were “well aware of their purely propagandistic nature.”<sup>86</sup>

Second, Neumann’s model of the Behemoth sheds light on certain aspects of neoliberalism. Now, the term “neoliberalism” is fraught, as are all denunciatory terms, and it has different meanings depending on intellectual circles. In my previous work, I have tried to carefully define “neoliberalism” as well as its twin “neoliberal penalty” as a set of practices, institutions, and discourses that purport to displace politics by extending the myth of orderliness from the economic realm into every other sphere of human existence. I have emphasized how the neoliberal discourse of “deregulation” masks a strengthening of the state in different areas, especially policing, punishing, security, and the punitive society.<sup>87</sup> David Harvey, Quinn Slobodian, Noam Chomsky, and others have also defined the term and its history.<sup>88</sup> Others, such as Pierre Dardot and Christian Laval, have proposed periodizations of neoliberalism, three in fact. One was an early period of experimentation with US President Ronald Reagan and UK Prime Minister Margaret Thatcher, as

<sup>86</sup>Neumann, *Behemoth*, 467.

<sup>87</sup>See, e.g., Bernard E. Harcourt, “Dismantling/Neoliberalism,” 21–32, in *Carceral Notebooks, Volume 6, 2010: Neoliberalism and Crisis*, 22–26, accessed 28 Nov. 2023, [https://www.thecarceral.org/cn6\\_Harcourt.pdf](https://www.thecarceral.org/cn6_Harcourt.pdf); Harcourt, *The Illusion of Free Markets*, 40–44 (on “neoliberal penalty”).

<sup>88</sup>See, e.g., David Harvey, *A Brief History of Neoliberalism* (Oxford, 2005); Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA, 2018); Noam Chomsky, *Profit Over People: Neoliberalism & Global Order* (New York, 1999); Gérard Duménil and Dominique Lévy, *The Crisis of Neoliberalism* (Cambridge, MA, 2011); Neil Brenner and Nik Theodore, “Cities and the Geographies of “Actually Existing Neoliberalism,” *Antipode* 34, no. 3 (July 2002): 349–379; James Ferguson, “The Uses of Neoliberalism,” *Antipode*, 41 (2010): 166–184; *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, eds. Philip Mirowski and Dieter Plehwe (Cambridge, MA, 2009).

the ideas of the Chicago School started to be implemented in rhetoric, practice, and institutions, such as the World Bank and the International Monetary Fund (IMF). A second period of consensus-making occurred at the time of the collapse of the Berlin Wall, which led to the “Washington Consensus,” a series of agreed-upon practices and institutions associated with the World Bank and the IMF, and ultimately a belief in the “end of history.” The third, and final, period follows the 2008 crash: a brief moment when people thought it was the end of neoliberalism, a window during which they were prepared to reevaluate and speak in more moralizing terms about the need for social justice; but then gradually there was a return to normal, or if anything, an entrenchment of neoliberal ideas and practices.<sup>89</sup> Here, Phillip Mirowski’s book, *Never Let a Serious Crisis Go to Waste*, is important. It explains well how neoliberalism consolidated itself and now thrives as we approach the midcentury.<sup>90</sup> The entrenchment of neoliberal practices in the final period has been called “Frankenstein neoliberalism,” to borrow Wendy Brown’s expression.<sup>91</sup>

On my reading, neoliberal discourse uses the concept of the Behemoth as a way to characterize the state in its economic and regulatory functions. In much neoliberal discourse, the state is portrayed as incompetent in economic matters (as opposed to national security and prison matters, and policing); as a result, the state needs to be unplugged and placed out-of-order.<sup>92</sup> When it comes to economic management, by contrast to the orderly and centralized Leviathan state, neoliberalism characterizes the state as a Behemoth. In this sense, neoliberal discourse reflects a will to chaos in government planning, accompanied by a recurring cast of state and non-state actors (e.g., strong political leaders like Reagan or Thatcher; multinationals, the IMF, the World Bank; and proponents of a Washington Consensus). Insofar as it thrives on an apparently disorderly state, it bears a more direct relation to the Behemoth than it does the Leviathan.

In effect, the model of the Behemoth helps identify the will to chaos that is central to neoliberal thought and practice. By rendering the state incompetent in economic affairs, proponents of neoliberalism are able to empower other regulatory actors, such as private corporations,

<sup>89</sup>Pierre Dardot and Christian Laval, *Common: On Revolution in the Twenty-First Century*, trans. Matthew MacLellan (London, 2019).

<sup>90</sup>Phillip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (London, 2013).

<sup>91</sup>Wendy Brown, “Neoliberalism’s Frankenstein,” *Critical Times* 1, no. 1 (April 2018): 60–79.

<sup>92</sup>This is the paradox that gives rise to “neoliberal penalty,” the self-contradictory juxtaposition of an incompetent state in economic regulation but a robust police state on security matters. See Harcourt, *The Illusion of Free Markets*, 31–52.

multinationals, international financial institutions, and so on, to extend their Kraken tentacles across the globe.

Third, Neumann's Behemoth and the Frankfurt School debate over the relationship between capitalism and totalitarianism casts light on the phenomenon of *authoritarian neoliberalism*, which is by no means new (it plagued the implementation of neoliberalism since its inception in Chile, for example) but continues today. Just as the Marxian framework and predictions about capitalism were challenged by National Socialism, the explanatory matrix of neoliberalism is similarly challenged by the resurgence of authoritarian neoliberalism in its various forms—white nationalist in Trump's United States, but different in President Erdogan's Turkey. This raises important questions about how the neoliberal project adjusts or changes when it is tied to explicit "America First" protectionism and nationalism, or how it gets translated in Erdogan's Turkey or for that matter in President Xi Jinping's People's Republic of China—all important questions today, again having to do with the coupling of authoritarianism and late capitalism. The relevance of the Behemoth could not be timelier. Not surprisingly, the term Behemoth continues to be used in the title of many books. The political theorist Irving Louis Horowitz used it in the title of his work to symbolize "the State on the eve of the twenty-first century," placing it in opposition to "Society."<sup>93</sup> The historians Joshua B. Freeman and Jehangir Malegam use it in the title of their histories of such diverse topics as, respectively, the factory from New England to Asia and conceptions of peace in Western Europe during the High Middle Ages.<sup>94</sup>

Fourth, the Pollock–Neumann–Adorno debates over Neumann's use of the Behemoth highlight the argument that the term "capitalism" itself may be a misnomer. The state has always been the most important piece of the equation, rather than capital itself. Pollock makes the point by arguing that capitalism had necessarily evolved into state capitalism: he diagnosed National Socialism as totalitarian-run state capitalism and hoped for a democratically run state-controlled economy. Neumann made the argument by suggesting that state totalitarianism was necessarily the end stage of capitalism; he too hoped for a populist, democratically controlled state economy. Adorno made the argument that all forms of capitalism were always state capitalism. All three

<sup>93</sup> Irving Louis Horowitz, *Behemoth: Main Currents in the History and Theory of Political Sociology* (New York, 1999).

<sup>94</sup> Joshua B. Freeman, *Behemoth: A History of the Factory and the Making of the Modern World* (New York, 2019); Jehangir Malegam, *The Sleep of Behemoth: Disputing Peace and Violence in Medieval Europe* (Durham, 2013). There were, of course, many earlier as well in the nineteenth century. See, e.g., Curtis Dahl, "Moby Dick's Cousin Behemoth," *American Literature* 31, no. 1 (1959): 21–29; Cornelius Mathews, *Behemoth: A Legend of the Mound-Builders*, reprinted in *The Various Writings of Cornelius Mathews* (New York, 1843), 85–119.

converge on the argument that capital is not what drives capitalism, it is the state instead—a variant of “it’s the state, stupid.”<sup>95</sup>

Fifth, and finally, the Pollock–Neumann–Adorno debates reveal the important discursive work that disorder does. Neumann deployed the figure of the disorderly Behemoth to accentuate the ways in which the Nazi regime was chaotic and lawless. He was not so naïve as to ignore the fact that there were also consistencies and rule-boundness surrounding everything from Nazi antisemitism to aesthetics—a point that Ernst Fraenkel emphasized through his concept of the “dual state” in his eponymous book published in 1941.<sup>96</sup> But Neumann prioritized the disorder in his model to make his argument. This is common. It happens all the time, even today. With the multiple indictments of Trump on charges of electoral interference, sedition, national security violations, tax fraud, and voting manipulation, many Democrats argue that the former president was lawless and must be confronted by the rule of law. On this view, the US Department of Justice and the states of New York and Georgia are the Leviathans fighting against a Trumpian Behemoth. Many Republicans, on the other hand, argue that the rule of law is being weaponized and used as interference in the democratic electoral process. In effect, they are accusing the administration of President Biden of being the lawless Behemoth. In both cases, the accusations of disorder and chaos, of lawlessness, serve an argumentative purpose. They also distract or conceal efforts to restructure society and economy.

The discourses of order and disorder are a potent weapon in the rhetorical arsenal of political economy. Truth is, most often there is both order and disorder in any given situation. There will also be competing interpretations of what constitutes order and disorder. Carl Schmitt saw disorder in the Weimar Republic and order in the Third Reich. Neumann saw the opposite: order in Weimar and disorder in Nazi Germany. But that, of course, is of the essence of order and disorder. They are in the eye of the beholder. The critical rhetorical maneuver is what to highlight, given that order is often more valued than disorder. Successfully portraying a phenomenon as orderly (or disorderly) can not only convince others but also it can serve to mask the reconstructive work that is going on.<sup>97</sup> In the context of neoliberal discourse, for

<sup>95</sup>In this respect, I agree and argue that the term “capitalism” should be replaced by “state dirigisme.” See Harcourt, *Cooperation*, 109–121.

<sup>96</sup>Ernst Fraenkel, *The Dual State: A Contribution to the Theory of Dictatorship* (Oxford: Oxford University Press, 2017 [1941]); see generally The Columbia Center for Contemporary Critical Thought, “The Frankfurt School Critique of National Socialism and State Capitalism,” *Coöperism* 8/13, Dec. 6, 2023, available online at <https://cooperism.law.columbia.edu/8-13/>.

<sup>97</sup>See Bernard E. Harcourt, *Illusion of Order* (Cambridge, MA, 2001).

example, claims of disorderliness often serve as a smokescreen that makes possible state reregulation of the economy for the benefit of certain elites.

This is true of Neumann and Pollock as well. They too were deploying the critical maneuver—order and disorder, the Leviathan and the Behemoth—as ways to convince and to mask their ultimate objectives. They were both in precarious positions in exile at Columbia University. The institute itself was on shaky ground. The members had been invited because they were believed to be interdisciplinary social scientists in the German university mold—the model of social science in the singular, the model that gave birth to the University of Chicago’s social science division (recall that, at the University of Chicago, they chiseled off the “s” from the stone on the building that housed the social science division because the masons had incorrectly used the plural).<sup>98</sup> At Columbia, the institute had to play down its earlier Marxist roots—unsuccessfully, ultimately, resulting in its eventual replacement by Paul Lazarsfeld’s Bureau of Applied Social Science. Thomas Wheatland has traced this history well in several articles and a book.<sup>99</sup>

Pollock’s and Neumann’s writings during the period must be read in this light: the people who brought them and the institute to Columbia were anti-communist. Robert Lynd, professor at Columbia, who led the invitations and welcome, was “outspokenly anti-communist” and thought what he was getting was German social science.<sup>100</sup> Pollock knew this well. He had been involved in bringing the institute to Columbia. As Wheatland shows, Pollock had been instrumental in getting the institute first to Geneva through his connections at the International Labor Organization, and then played a key role in getting it to Morningside Heights in New York City. Pollock met with Lewis Lorwin (who received his PhD at Columbia and taught there for a while) around 1933 to make contacts, and Lorwin was at the center of those negotiations.<sup>101</sup>

Pollock wrote and published his 1941 article at the height of this sensitive period at Columbia. He had to be extremely careful. On the

<sup>98</sup> See Martin Bulmer, *The Chicago School of Sociology: Institutionalization, Diversity, and the Rise of Sociological Research* (Chicago, 1986).

<sup>99</sup> Thomas Wheatland, *The Frankfurt School in Exile* (Minneapolis, 2009); Thomas Wheatland, “The Frankfurt School’s Invitation from Columbia University: How the Horkheimer Circle Settled on Morningside Heights,” *German Politics & Society*, 22, no. 3 (72) (Fall 2004): 1–32; Thomas Wheatland, “Critical Theory on Morningside Heights: From Frankfurt Mandarins to Columbia Sociologists,” *German Politics & Society* 22, no. 4 (73) (Winter 2004): 57–87.

<sup>100</sup> Wheatland, “Critical Theory on Morningside Heights,” 21.

<sup>101</sup> Wheatland, “The Frankfurt School’s Invitation from Columbia University,” 20.



page, Pollock claimed to be merely raising questions: “Nothing essentially new is intended in this article,” he begins. “Every thought formulated here has found its expression elsewhere.”<sup>102</sup> But, in truth, Pollock was proposing a social-democratic planned economy that effectively abolished capitalism. Pollock outlined a radical transformation of American capitalism that got rid of the “capitalist,” his scare quotes, and turned the capitalist into a “rentier,” again his term.<sup>103</sup> In effect, Pollock was advocating a Soviet-style planned economy controlled instead by a social-democratic people. Pollock had good reason to camouflage what he was saying. Pollock was a student of Soviet planning, he researched and traveled to the Union of Soviet Socialist Republics, and published a book on Soviet planning shortly after 1927.<sup>104</sup> Now he was trying to integrate into the American academy, and he was writing to predominantly anti-communist American economists from a precarious position in exile at Columbia. He was careful to speak about “democratization” of state capitalism, but the political economy that he sketched in his work was a planned economy controlled by a social-democratic people.

Yet, beneath the more innocuous project, there is a theory about the abolition of capitalism. Pollock is being extremely strategic in this work. He is prefiguring a form of socialism but calling it democratic state capitalism. Under the guise of modesty, and of developing merely a possible model of “democratic state capitalism,” Pollock proposes a radical model that would eliminate capital and get rid of the capitalist. What state capitalism does in eliminating the market and replacing it with centralized control and planning (whether under the control of a totalitarian elite or of the people) is to effectively transform the political economy in such a dramatic way that capital no longer exists or functions in the way it did under market capitalism. In Pollock’s model of “state capitalism,” the state controls the credit system, the banks, money, and, in the process, “capital.” “The state acquires the additional controlling power implied in complete command over money and credit,” Pollock explains. “Every investment, whether it serves replacement or expansion, is subject to plan, and neither oversaving nor overexpansion, neither an ‘investment strike’ nor *Fehlinvestitionen*’ (poor investments) can create large-scale disturbances.”<sup>105</sup>

The state control of the entire financial system effectively entails an end to capital. In fact, Pollock even puts scare quotes around the term

<sup>102</sup> Pollock, “State Capitalism,” 200.

<sup>103</sup> Pollock, 209.

<sup>104</sup> Friedrich Pollock, *Die planwirtschaftlichen Versuche in der Sowjetunion, 1917-1927* [Attempts at planned economy in the Soviet Union, 1917–1927] (Leipzig, 1929).

<sup>105</sup> Pollock, “State Capitalism,” 208.

“the ‘capitalist.’”<sup>106</sup> The capitalist, in state capitalism, becomes nothing more than a “rentier”—someone who is getting a rent from his property, and whose rent is stabilized. Pollock writes about the transformation of “the ‘capitalist’” in the following way: “The rigid control of capital, whether in its monetary form or as plant, machinery, commodities, fundamentally transforms the quality of private property in the means of production and its owner, the ‘capitalist.’”<sup>107</sup> The “capitalist” then becomes a rentier:

Regulation of prices, limitation of distributed profits, compulsory investment of surplus profits in government bonds or in ventures which the capitalist would not have chosen voluntarily, and finally drastic taxation—all these measures converge to the same end, namely, *to transform the capitalist into a mere rentier* whose income is fixed by government decree as long as his investments are successful but who has no claim to withdraw his capital if no “interests” are paid.<sup>108</sup>

Pollock goes on to summarize and restate the point: the state takes over the capitalist functions, and as a result the “capitalist” “is reduced to a mere rentier.”<sup>109</sup> In totalitarian state capitalism then, “those owners of capital who are ‘capitalists,’” as he writes, will eventually disappear.<sup>110</sup> They will essentially receive “interest” on their investments, have no social function, and will become surplus population.<sup>111</sup>

The same would have to be true under “democratic” state capitalism—in a planned economy governed by the people. As is clear, Pollock firmly believes in the effectiveness of planned economies. He places himself alongside Oskar Lange and against Hayek—explicitly, in the margin.<sup>112</sup> He says this expressly on a few occasions, the first citing to literature on socialist planning, the second in response to Hayek.<sup>113</sup> Remarkably, whenever Pollock talks about the empirical evidence regarding centralized planning, he refers to evidence from socialist planning.<sup>114</sup> Despite this, perhaps to protect himself, Pollock maintains

<sup>106</sup> Pollock, 209.

<sup>107</sup> Pollock, 209.

<sup>108</sup> Pollock, 209 (emphasis added).

<sup>109</sup> Pollock, 210.

<sup>110</sup> See Pollock, 222.

<sup>111</sup> See Pollock, 222.

<sup>112</sup> See Pollock, 215n2.

<sup>113</sup> Pollock, 216.

<sup>114</sup> See Pollock, 204n1 and 212n1, where Pollock uses “the literature on socialist planning” to discuss the question of “distribution under state capitalism.” Pollock, “State Capitalism,” 204n1, 211, 212n1.

that his analysis of state capitalism does not apply to the Soviet Union: “It is somewhat doubtful whether our model of state capitalism fits the Soviet Union in its present phase.”<sup>115</sup>

Pollock reviews the arguments against the effectiveness of state capitalism and rejects them all.<sup>116</sup> In fact, Pollock goes one step further and argues that state capitalism does away with economics tout court. “We may even say that under state capitalism economics as a social science has lost its object,” Pollock writes. “Economic problems in the old sense no longer exist when the coordination of all economic activities is effected by conscious plan instead of by the natural laws of the market. Where the economist formerly racked his brain to solve the puzzle of the exchange process, he meets, under state capitalism, with mere problems of administration.”<sup>117</sup> State capitalism becomes mere administration. Economics is replaced by administration.

Franz Neumann by contrast used the rhetoric of the Behemoth instead of the Leviathan, but it too served to soften the blow of a radical economic theory. Here too we need a Straussian sensibility, given that Neumann as well was addressing an anti-communist American audience in a precarious position at the institute at Columbia University. Neumann spoke of a “democratization” of Western capitalism. A process of “democratization” was called for, Neumann wrote. Not easy, given, as Neumann acknowledged, that “it is much more strenuous to develop the potentialities of a nation on a democratic than on an authoritarian basis.”<sup>118</sup> However hard, that was what was necessary because, as noted above, “to uproot National Socialism in the minds of the German people, the model of an efficiently operated democracy will be worth as much as a powerful army.”<sup>119</sup>

In the final paragraph of the book, though, Neumann let show his cards: “The flaws and breaks in the system and even the military defeat of Germany will not lead to an automatic collapse of the regime. It can only be overthrown by *conscious political action of the oppressed masses*, which will utilize the breaks in the system.”<sup>120</sup> Only “the oppressed masses,” and them alone, could tear down and defeat totalitarian monopoly capitalism.

Fortunately for him, Neumann’s Marxism was sufficiently masked behind his righteous indignation against Nazism that he would be well received at Columbia, where he was appointed to teach political science,

<sup>115</sup> See Pollock, 221n1.

<sup>116</sup> Pollock, 217.

<sup>117</sup> Pollock, 217.

<sup>118</sup> Neumann, *Behemoth*, 476.

<sup>119</sup> Neumann, 476.

<sup>120</sup> Neumann, 476, emphasis added.

and at the OSS where he participated in the psychological warfare programs that he had outlined in *Behemoth*. The paradox has not escaped scholars. As the historians of the Frankfurt School have emphasized, Neumann was more rigidly Marxist than Horkheimer or Adorno (at least on their view), which was one of the reasons that they distanced themselves slightly from his positions. Yet Neumann's book was more favorably received by American scholars than any of the other works of the institute, landing Neumann, and Neumann alone, that teaching position at Columbia and a key position in the OSS. The Marxist dimensions of his work—the argument that late or monopoly capitalism necessarily required a totalitarian state to uphold it—did not register, as much as his righteous indignation against the lawless, irrational, nonstate of Nazi Germany and his arguments about propaganda and psychological warfare.

In the end, both Pollock and Neumann offered prescriptions that effectively abolished capitalism. Neither was fully expressed or transparent, hidden behind the language of democratic theory and the metaphors of Leviathans and Behemoths.

### Conclusion

There can be no doubt. Neumann's *Behemoth* belongs in the bestiary of political economy alongside Fredona and Reinert's Kraken and Hobbes's Leviathan. And we should probably not stop there in our modeling—even if the task of modeling is to simplify. There are checks on these monsters that may need to be named and identified as well, and included in the bestiary. There are social movements. There are popular uprisings. There are alternative, cooperative models of political economy. And there are political movements too. One could well imagine a future article like this one on the Black Panther, drawing not only on the resistance and self-defense but on the social programs, community service, and cooperative projects of the Black Panther Party for Self-Defense.

The point is that collectivities can produce strong Leviathans as well as mighty Behemoths. They can feed the Kraken as well, nourish them, allow them to grow and become giant octopi grasping everything in their way. But collectivities also have the ability to change things, to starve the Kraken or the Behemoth, even to kill it off and replace it with some other monster from our bestiary of political economy. People have the ability to organize and form themselves in the image they choose. Chance, of course, will inevitably continue to play a role in political economy as elsewhere; yet we should not let ourselves be fooled by *fortuna*. We have the ability to increase its place and, within limits, to reduce it. For the

most part, we have control. We can decide whether a Leviathan or Behemoth organizes our political lives, how a Kraken interacts with the sovereign state, whether to become a Black Panther. It should not come as a surprise that we, the citizens, form the body of the Leviathan on Hobbes's front piece. History makes clear—ranging from early Soviets to New Deal America, to Mao's Cultural Revolution, to the Third Reich, and to the Trump presidency—that *we are the beasts that we turn ourselves into*.

. . .

*BERNARD E. HARCOURT, Isidor and Seville Sulzbacher Professor of Law and Professor of Political Science, Columbia University, New York, NY, USA, and chaired professor at the École des hautes études en sciences sociales in Paris, France*

*Professor Harcourt is a distinguished critical theorist, legal advocate, and prolific writer and editor. His scholarship focuses on punishment practices and political economy, critical theory and praxis, and political protest. He is the author or editor of more than a dozen books. His most recent book, Cooperation: A Political, Economic, and Social Theory (2023) charts a vision of a society composed of cooperatives and mutuals. Critique & Praxis: A Critical Philosophy of Illusions, Values, and Action (2020) offers a critical philosophy of political action and social transformation.*