



# Coercion or Privatization? Crisis and Planned Economies in the Debates of the Early Frankfurt School

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Accepted: 5 October 2023 / Published online: 26 October 2023  
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## Abstract

The 1930s–1940s underwent profound structural economic and political turmoil following the collapse of the nineteenth century liberal market economies. The intellectual debates of the time were dominated by the question of whether Marx’s theory of the tendency of rate of profit to fall was true, or what consequence could be imagined in the survival of capitalist societies. Placed in the middle of such debates was also the reorganization of national productions into war economies. By means of reconstructive analysis, the paper provides a critical overview of the debates that took place within the circle of the Frankfurt School during those years. It also advances an interpretive thesis suggesting that remedies to capitalist crises of the time turned state powers into privatized, illiberal coercive entities. Coercion and privatization reinforced each other. This general tendency is well illustrated by the famous Pollock-Neumann debate. These intellectuals expressed views not only intended to shed light on the historical period of time, but also to formulate long-term considerations on the authoritarian trends embedded in our contemporary democracies. Through historical reconstruction, the paper’s aim is to identify a long-term structural thread of transformation starting from the transformation of the German economy in 1930s and touching upon post Second World War problems of states’ restructuring along privatization/coercion divides.

**Keywords** Planned economy · Crisis · Monopoly · Frankfurt School · Privatization

## 1 Introduction

In this paper, I provide an overview of the debates of the Frankfurt School in the reshaping of states’ powers and economies during the 1930s and the 1940s. I claim that the increase of coercion in the totalitarian turn was followed by an over-controlled private sphere where the limitation of individual liberties was accompanied

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by a planification of production and circulation of goods. The formation of *elite* groups and the verticalization of power under supreme leaders (the *Führer*, or the *Duce*) facilitated total processes of authority-control on society. Mutual competition between coercion and privatization found a new rebalancing. The authoritative transformation of the state reduced the relative independence of free enterprises and private goods as potential entities of political counter-agency. At the same time, they favored economic interest groups showing complicity with the regime. The power of the state became privatized into exclusive circles of powers—rackets groups—masked under a nationalist ideology. All in all, it appears that in critical theory's assessment of National Socialism, neither coercion nor privatization behaved as mutually exclusive terms. Rather, they defined in conjunction a specific type of configuration from power-to-private property and from private property-to-privatized power.

The advent of fascism in Europe asserted itself with the crisis of the market economy and, more particularly, with the collapse of the utopian ideal that liberalism was presumably capable of self-regulation. Economic liberalism was formed at the turn of the nineteenth and twentieth centuries during what was defined by Polanyi as the “peace of a hundred years” (1815–1914).<sup>1</sup> In this period, there were four elements which contributed to keeping the European order stable (with the exception of brief conflicts): a widespread balance of power, an international monetary order anchored to the gold standard, a self-regulated market, and finally, the liberal state.<sup>2</sup> When the Wall Street stock exchange crashed in 1929, followed next by the abandonment of the gold standard in 1933, that world collapsed. It was at this point that fascism established itself definitively as a mass movement and as a new economic model.

The three fictitious commodities defined by Polanyi as labor, merchandise, and money were removed from the dynamics of the market. Not only money, but also work and land became functional as a means to satisfy the nationalistic interests of the state, focused on war economy planning and the design of territorial expansion through military action.

The solutions adopted by the new regimes mostly ended up destroying in different degrees the democratic freedoms instantiated by the nineteenth-century system of the *laissez-faire* economies. The socialist and fascist ideologies (but in a softer way also the American New Deal) held that the answer lay in the creation of a transitory war economy where the State would direct the policy of production and realization. The authoritarian turn, though, was assuming global proportions, so much so that even Japan, starting from the 1930s, endorsed an ever stronger form of nationalism. It established itself, while not as overtly fascist, as manifesting numerous ideological harmonies with fascism.<sup>3</sup> As we will see with reference to the debates of the first generation of *Critical Theory*, in question was the precise definition of what had, in the aftermath of the Great War, been defined as “monopoly capitalism” according to

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<sup>1</sup> Polanyi ([1944] 2001), 3–20.

<sup>2</sup> Polanyi ([1944] 2001) 2010, 3.

<sup>3</sup> For an analysis of the different ideological tendencies on planned economies in the 1930s see Villari 1979, 135–152.

Lenin's definition given in 1916,<sup>4</sup> or, as what was called the “phase of late capitalism” (*Spätkapitalismus*) by Sombart in his monumental *Study on Modern Capitalism* (1902–1927).<sup>5</sup>

Both totalitarian plan economies and democratic corrective intervention economies agreed on one point: the condemnation of classical liberalism for the unforgivable underestimation of the disastrous consequences of trusting in the possibility of a completely self-regulated market.

In 1929, the *Institut für Sozialforschung*, the institutional premise of the *Critical Theory* group in Frankfurt (IfS) published and promoted two texts that opened fundamental discussions on the crisis of capitalism and the state (in reality, the IfS also published a third text by Sternberg, *Der Imperialismus* which did not receive equal consideration).<sup>6</sup>

It was a matter of presenting the economic and political works of the director of the Institute Grünberg's two assistants: Grossmann, author of *The Collapse of Capitalism, The law of accumulation and the collapse of the capitalist system*, and Pollock's *Attempts at economic planning in the Soviet Union 1917-1927*.<sup>7</sup> Placed within the tradition of the “revisionist controversy,” *Revisionismusstreit* opened with some articles by Bernstein in the *Neue Zeit*—as well as by his seminal work *The Preconditions of Socialism and the Tasks of Social Democracy* (1899)—and continued with the writings on the collapse of capitalism in Luxemburg.<sup>8</sup> The two essays were connected by thematic continuity, as well as by editorial order, both addressing the theme of economic planning.

Grossmann held that the decrease in surplus value was to be seen in relation to the increase in organic capital. He embraced the more orthodox Marxian thesis of a crisis of production or contradiction expressed between productive forces and relations of production (where value remained unchanged). For Pollock, the reasons of cyclical crises instead had to be traced back to reasons of realization. What was at stake for him was not so much the disproportion between generalized supply and demand (a crisis of under-consumption), but rather the disequilibrium between the various production areas in relation to which a migration of capital was generated from one sector to another. Rationalizing these productive disharmonies meant planning needs and their satisfaction in advance through an economic model. These transformative tendencies of capital were first rethought by Pollock in light of a new economic policy adopted by the States—Soviet socialist economic planning—and then, in light of a new theoretical model: State capitalism.<sup>9</sup>

As will be apparent from the sections that follow, discussions on the capitalist crises of the 1930s reveal the dynamics of a deep structural change in the liberal

<sup>4</sup> Lenin ([1916] 2010).

<sup>5</sup> Sombart 1902-1927.

<sup>6</sup> Sternberg ([1926] 1971).

<sup>7</sup> Grossmann ([1929] 1992); Pollock ([1929] 2021), 23–468.

<sup>8</sup> Such writings were published between 1896 and 1898 (to which Cunow answered) not to mention the fundamental text on social democracy of 1899 by Bernstein; see also Luxemburg 1913-2003.

<sup>9</sup> Presented in Pollock ([1929] 2021), 23–468.

state. With regard to the privatization vs coercion theme, it might be claimed that to the crisis of the privatized capital, world economies responded with enhanced public spending. A revitalized economy required interference of public powers in the market. Accordingly, the power of the private market turned into the coercive power of the state in its capacity to shape the market. Nevertheless, here is a difference: if, on the one hand, the coercive turn of democratic state capitalism safeguarded the public societal benefits of the private market through interference, the total state reverted capitalist production to the needs of fascist ideology. If the democratic state coercively limited privatization for the sake of an overall social benefit, the fascist state put its hands on the capital in order to pursue private economic goals. As anticipated, this explains what critical theory will present as the “racket theory” of the Nazi state. According to this view, the Nazi state represents a political vacuum where private gangs (the party, the army, the church) contend with the power of the state through internal competition.

## 2 Weimar Crisis and the Rise of National Socialism

The debate on the emancipatory function and protection of freedoms in a legitimate system of rules saw in Germany a broad discussion that developed in the aftermath of the economic crisis of 1929—between the end of Weimar liberal democracy and Hitler’s rise to power in 1933. The fulcrum of the debate was the discussion of the nascent National Socialist order with its form of totalizing control of society (*Gleichschaltung*), and the consequent transformation of the rule of law (*Rechtsstaat*) into a liberal-bourgeois style. The latter had set itself as a threshold criterion against which to judge which laws and political actions were publicly justifiable and which were not. Some of the most important contributions by Neumann and Kirchheimer can be found along this path. For both, the “stone guest” was the Schmitt of *The Guardian of the Constitution* (1931) and of *Legality and legitimacy* (1932).<sup>10</sup>

In these writings, Schmitt tackled, among other topics, the question of the crisis of Weimar constitutionalism and the explosion of internal tension between untouchable liberal guarantees and plebiscitary legitimacy of political power.<sup>11</sup> In particular, Schmitt considered how the formation of the total state built on totalitarian parties had led to a progressive dismantling of democratic-parliamentary freedoms.<sup>12</sup> The politicization of the liberal impartiality of public life had helped to deconstruct the parliamentary guarantees of the state, while the proliferation of parties had introduced an ideological competition. Here, the constitutional legitimacy was linked to the all-encompassing role of the constituent power of the people in its undifferentiated equality. It followed, in Schmitt’s logic, that the internal enemy had to be expunged and that the political confrontation was polarized in the dyadic friend/enemy clash. Once a link of direct legitimacy had been established between power

<sup>10</sup> Schmitt ([1931] 2015); Schmitt ([1934] 2004).

<sup>11</sup> Galli 1996, 641 ff.

<sup>12</sup> Galli 1996, 644.

and the constituent people, aimed at the marginalization of the bureaucratic apparatuses of the State and, first, of parliamentarianism, Schmitt turned to the problem of representation, i.e., the direct exercise of the popular will. It is therefore in this context that the idea of the state of exception and of the use of the special powers entrusted to the President-custodian became the distinctive feature of the political disintegration of Weimar constitutionalism.

Inasmuch as the President-custodian epitomized the indistinct equality of the will of the masses, he legitimized forms of commissioner dictatorship in the name of the constituent people. The President-custodian preceded the parliamentary division between powers since he was precisely at a constituent—and not constituted—stage of legitimization of power. Of these and other crucial themes relating to the transformation of Weimar, Schmitt was undoubtedly one of the most acute and authoritative interpreters of his time.

Witnesses of confrontation with Schmitt's lesson were the writings of Kirchheimer, in particular *Legalität und Legitimität (Legality and Legitimacy)* (1932)<sup>13</sup> and, with Leites, *Bemerkungen zu Carl Schmitts »Legalität und Legitimität« (Observations on Carl Schmitt's Legality and Legitimacy)* (1933).<sup>14</sup> For Kirchheimer, a new bureaucratic power was establishing itself in Germany and with it the search for a new form of political legitimacy. The possibility granted to the President by article 48 of the Weimar constitution to adopt emergency measures in the absence of the opinion of the *Reichstag* raised a question on the relationship between the legitimacy of power and the legality of the decision. The very definition of the rule of law was related to "the need for an agreement between any governmental or administrative act and the laws of the country in question."<sup>15</sup>

Kirchheimer recognized that German and European democracy more generally were undergoing a period of profound transformation;<sup>16</sup> however, he considered how Schmitt's leveling vision of political diversity had opened up a purely instrumental perspective (*Mitteleinstellung*)<sup>17</sup> of democracy. The outcome of this process was the radical transformation of law, especially criminal law, of which Kirchheimer was a specialist and with respect to which he placed 1933 as the year of transition from an already authoritarian law (in particular with the "phenomenological" school of Kiel) to a right which had now become explicitly racist, with the progressive advance of the power of National Socialism.<sup>18</sup>

<sup>13</sup> Kirchheimer 1932-1996, 44–63.

<sup>14</sup> Kirchheimer and Leites 1933-1996 64–100. I will follow the English translation.

<sup>15</sup> Kirchheimer 1932-1996, 46. My translation.

<sup>16</sup> Kirchheimer 1932-1996, 69.

<sup>17</sup> Kirchheimer 1932-1996, 70.

<sup>18</sup> See Kirchheimer 1939, 444–463; Kirchheimer 1938, 362–370. One of the characteristic features of this school inspired by Scheler's eidetic materialism rather than Husserl's idealism was the reference to notions such as "'social feelings of the people' to judge possible crimes rather than the reconstruction of the factual circumstances and objective responsibilities of the single," in Jay ([1973] 1996), 159 and footnote 77.

This nucleus of writings was followed by another on the same theme and placed close to the 1940s. It was a series of essays that appeared in the *ZfS*<sup>19</sup> where Kirchheimer as well as Pollock examined the philosophical-political as well as juridical implications of the advent of National Socialism. In the essay titled *Changes in the Structure of Political Compromise* (1941a),<sup>20</sup> Kirchheimer analyzed the changes in the mechanisms of mediation of private interests through public forms of power. If in the pre-Weimarian liberalism of the turn of the century the parliamentary confrontation was set up as a place for the resolution of disputes also of a private economic nature, with the advent of the Führer, the power of mediation was placed directly in his hands and in those of a few oligarchic groups connected to him. According to Kirchheimer, this prevented the possibility of developing an anti-Hitler critique.

In the following issue of *ZfS*, 9(3) 1941, Pollock questions whether or not National Socialism constitutes a new system of rules (*Is National Socialism a New Order?*),<sup>21</sup> whereas Kirchheimer, in a more assertive way, proposes to analyze *The Legal Order of National Socialism*.<sup>22</sup> “New order” for Pollock meant “a new social and economic system” in opposition to monopolist capitalism.<sup>23</sup>

If it is true that monopoly capitalism presented itself as a new order with respect to the feudal system, the question for Pollock was whether it was also the same with respect to competitive capitalism. An answer to this question depended on the identification of parameters of investigation that Pollock saw in concepts of the type: relation “government and governed,” “role of the individual,” and “integration of society.”<sup>24</sup> The author indicated that despite the advent of National Socialism, private property had been formally maintained. Quoting Gurland, “The checks imposed upon the rights of the individual property owners result in an increased power of a few groups every one of which rules over real industrial empires.”<sup>25</sup>

This meant that the function of private property had changed and with it the system of redistribution of national wealth and of the totalitarian capitalist monopoly. This transformation was also profoundly reflected in the new form of social integration to which National Socialism had given rise.

Instead of a confrontation/relationship between subjects placed within a free market, there had been mass adhesion to an ideologically all-encompassing association—the *Arbeitsfront*—with respect to which asymmetric plans of power between leaders and followers had come to be defined. Money had given way to power and ideological belonging. It is this that now granted access to the means of production and unlimited earnings.<sup>26</sup>

According to Kirchheimer, National Socialism had adopted a form of technocratic rationality as the foundation of law. This had in turn sacrificed the inviolability of

<sup>19</sup> See *ZfS* 9(3), 1941.

<sup>20</sup> Kirchheimer 1941a, 264–289.

<sup>21</sup> Pollock 1941b, 440–455.

<sup>22</sup> Kirchheimer 1941b, 456–475.

<sup>23</sup> Pollock 1941b, 440.

<sup>24</sup> Pollock 1941b, 440.

<sup>25</sup> Pollock 1941b, 442.

<sup>26</sup> Pollock 1941b, 444.

the individual and his rights in favor of a juridical practice as an “instrument of ruthless and oppressive domination.”<sup>27</sup> In this respect, the distance between morality and law had never been as wide as in the legal system of National Socialism.<sup>28</sup>

To tell the truth, Kirchheimer had already published in 1935 an essay entitled *State structure and law in the Third Reich* under the pseudonym Dr. Hermann Seitz.<sup>29</sup> Here, the confrontation was re-proposed both with Schmitt’s critique of the idea of the rule of law as a masking of private-liberal interests, and with the theme of a transition from competitive capitalism to that of authoritarian monopoly.<sup>30</sup> For Kirchheimer, if the concept of the rule of law was identified at the same time with rational standards of objectivity and impartiality, with National Socialism, this had become “the quintessence of Adolf Hitler’s rule of law.”<sup>31</sup>

In this new system, the ideological deformation of the impartiality of the law was not simply linked to the very possibility left to the Führer to fill the legal gaps with his word (as verb-law). This deformation was also connected to the legislative capacity of the judges to introduce new rules as long as they reflected the national socialist ideology.<sup>32</sup>

It is evident that this had contradicted a cardinal principle of the legal system or the maxim of *nulla poena sine lege*,<sup>33</sup> legitimizing retroactive sentences and, in the specific case of criminal law, sentences based on the will of the alleged offender (*Willensstrafrecht*), rather than on certain evidence.

The introduction of this fundamental change in the penal code was the clear result of a determined political conception. Similarly, added Kirchheimer in his 1935 essay, the transformation of the civil code in those years not only contributed to definitively deconstructing the different regulatory and decision-making levels (municipal, regional, state), reabsorbing them into the model of the total state, but it also redefined the people/power relationship by unifying the differences and subordinating them to Hitler’s supreme command.<sup>34</sup>

This led to the start of a series of profound social transformations such as “that the acquisition and maintenance of economic power no longer rested simply on the exercise of a legal-formal title to property.”<sup>35</sup> This point was directly reflected in inheritance law, especially in that concerning agricultural properties where the prohibition of the transfer of property to non-Aryan subjects and the prohibition of fractionation were introduced, limiting the inheritance to only the son. For Kirchheimer, the jurist’s task was to put an end to the National Socialist legal system as soon as

<sup>27</sup> Pollock 1941b, 475.

<sup>28</sup> Ibid.

<sup>29</sup> Kirchheimer ([1935] 1996), 142–171.

<sup>30</sup> Ibid.

<sup>31</sup> Kirchheimer ([1935] 1996), 144.

<sup>32</sup> Kirchheimer ([1935] 1996), 146.

<sup>33</sup> Kirchheimer ([1935] 1996), 147.

<sup>34</sup> Kirchheimer ([1935] 1996), 158.

<sup>35</sup> Ibid.

possible and to prepare the ground for a new system, socialist in the proper sense, for a politically renovated Germany.<sup>36</sup>

While the possibility of a change was still a remote option, the current case showed the instrumentalization of private law and the rule of law in general more in accordance with Nazi ideology. The process of privatization and the exercise of totalitarian coercion melted into one single dimension of law construction and power exercise. Private property stopped being a possible counterpower to illegitimate state coercion. On the contrary, it was transformed into a complementary instrument useful in the realization of the aims of the Nazi regime. Privatization would thus come to serve the aims of authoritarian coercion of the Third Reich.

## 2.1 The Rackets Theory

The transformation of Weimar society saw the emergence of gangs competing for power and economic resources. It was these gangs that defined the new German society, justifying Neumann's opposition to Pollock's theory of the Nazi state. Benjamin had already treated the theme of gangs in terms of a "mercenary, or perhaps more appropriately, as a new type of *condottiere*"<sup>37</sup> subject that emerged in the transition from the Weimar Republic to the fascist state. The privatization of state power by the Nazis also took place through the privatization of an (il) legitimate use of force by ideological groups in society.

The racketeering gangs were defined by the Frankfurters in terms of elementary natural forces of domination capable of including not only criminal groups but also mutual support groups, such as associations and lobbies. They were placed halfway between the sphere of the family and that of civil society. In these gangs, individuals found a second family where exchanges of goods and services were not regulated by contract but through personal favors which placed the subjects who benefited from them in debt, subordinating them.

The rackets acted as monopolies, hierarchically organized around a sense of internal affiliation and loyalty. Starting from Horkheimer, critical theory has been interested in rackets not only in terms of empirical sociology but also of class and society. In a certain sense, the theory of rackets presented itself as a theory of the elites placed within a framework reflecting society as a whole. It was also a reflection on the transformation of Weimar into a totalitarian society where the economic principles of the free market were replaced by the violence of gangs in command, identifying themselves within the propaganda collective ideal of a *Volksgemeinschaft* (popular community).

This overthrow of social structures had deep ethical and intellectual roots. According to Horkheimer, "The intellectual imperialism of the abstract principle of self-interest"<sup>38</sup> was accurate in showing the fracture between this ideology and the actual material conditions of life in society, identified in the *Volksgemeinschaft*—the

<sup>36</sup> Kirchheimer ([1935] 1996), 166.

<sup>37</sup> Benjamin ([1930] 1972), 248. Translation is mine.

<sup>38</sup> Horkheimer ([1947] 2004), 14.



only form of social reconciliation that passed from idolatry to respect through the exercise of terror.

This transformation was to find dramatic results in National Socialism. The death machine set up by the Nazis reflected both in the military and civilian spheres a bureaucratic apparatus aimed at maximizing the purpose of external conquest and internal extermination through mechanized procedures. They did not feel that they were acting as subjects of death, but as specialists (*Fachmännern*) indifferent to human vicissitudes of “special treatments” (*Sondernbehandlungen*) by “special installations” (*Spezialeinrichtungen*)—the gas chambers—in places specifically conceived for such purposes—the extermination camps.

Against a leveling ideology, National Socialist society was characterized by a division and competition between rival groups which Neumann baptized—against Pollock’s theory of state capitalism—as a “non-state” (*Unstaat*). Although Neumann in his *Behemoth* never mentions it explicitly, he constructs the thesis of the Nazi state in terms of totalitarian anarchy and chaos, where the idea of gangs in perpetual competition was joined by an ideological pseudo superstructure of a homogeneous ethnic unity (*Volksgemeinschaft*). From these political-ideological assumptions, the anti-Semitism proper to National Socialism arose.

The gangs in power were to become part of Horkheimer and Adorno’s reflection on the *Dialectic of Enlightenment* (1947) as well as of Horkheimer’s solo sketch *The Rackets and the Spirit* initially proposed for this book occasion and then not included.<sup>39</sup> In this writing, Horkheimer not only expresses the idea according to which rackets constitute the fundamental form of domination, but also that the relationship between racketeering and social community is direct, non-mediated, and therefore realizable as *Volksgemeinschaft*. Such a bond would not have been conceivable if one remained faithful to a Hegelian vision of the spirit made up of mediations and dialectical differences.

In the *Dialectic of the Enlightenment* (1947) this discourse is taken up again with reference to the idea of the Nazi will to power. It will be the commanding elite that generates those aberrations of domination of life through the use of the instrumental rationality of technology. The Enlightenment aspiration for human emancipation through the use of reason will turn into its opposite: in the manipulation and objectification in scientific rationality of what were the subjective instances of individual and collective self-liberation.

The betrayal of the instances of Enlightenment reason will be accomplished with the affirmation of the scientific positivism of subjectivizing reason aimed at the formalization and calculation of its practical purposes. What is definitively lost is the dimension of truth in its objective-immanent dimension. The true as self-fulfillment reflected in itself, as opposed to the substantiality of being, will also embrace the functional transformation of the arts and culture of mass society. In *Eclipse of Reason* (1947), Horkheimer argues that in today’s liberal-bourgeois society, the truth-revealing function of the work of art will be definitively lost as an expressive claim of a collective good. Culture will be transformed into a cultural product, musical

<sup>39</sup> Horkheimer ([1939–42] 1985), 287–291.

performance into “a leisure-time occupation, an event, an opportunity for star performances, or a social gathering that must be attended if one belongs to a certain group,”<sup>40</sup> since “no living relation to the work in question, no direct, spontaneous understanding of its function as an expression, no experience of its totality as an image of what once was called truth, is left.”<sup>41</sup> Therefore, instrumental reason will define an era made up of multiple political forms: not only the aberrations of totalitarianisms, but also the authoritarianism of scientific reason and its legitimate claims to truth and meaning that go beyond the horizons of the ego.

### 3 Pollock and State Monopoly (1930s)

In the article *Die gegenwärtige Lage des Kapitalismus und die Aussichten einer planwirtschaftlichen Neuordnung* of 1932 (*The present state of capitalism and the prospects for a new planned economy*), Pollock had addressed the theme of the monopolistic transformation of modern economies.<sup>42</sup> The idea was how the crisis of the liberal economy could have been resolved only upon condition of a new planned and centralized economic reorganization. Pollock had already dealt with economic planning, as we have seen in the previous paragraph. For Pollock, the signs of a clear (German and European) corporate orientation towards a plan economy were linked to the double thread of a war economy first, and then to the so-called *Wehrwirtschaft* or the defense economy of war rearmament developed much later in Pollock’s article: *Economics of War. Influences on Preparedness on Western European Economic Life* (1940).<sup>43</sup> Here, the *Wehrwirtschaft* is defined in terms of a transformation of the German economy which took place starting from 1935 as a phase of economic recovery based on rearmament and defined in terms of a “transitional” (Pollock 1940, 317)<sup>44</sup> economy. The transitory character of such an economy was due to a double level: to “the gearing of what was a peace economy with respect to the threat of war” (ibid.) and to a “transformation of traditional capitalism” (ibid.) according to profiles that were not yet clearly definable. The link between the economy of rearmament (preparedness or *Wehrwirtschaft*) and what would later be called state capitalism passed through private property which, although limited by power, according to Pollock is preserved.<sup>45</sup>

The theme of economic planning generated fierce debates among the critical theorists, in particular between Pollock, Mandelbaum, and Meyer. In the official journal of the Frankfurt School, the *Zeitschrift für Sozialforschung* (*ZfS*) in the

<sup>40</sup> Horkheimer ([1947] 2004), 27

<sup>41</sup> Horkheimer ([1947] 2004), 28

<sup>42</sup> Pollock 1932, 8–27.

<sup>43</sup> See respectively Weil 1938, 200–218 and Pollock (1940), 317.

<sup>44</sup> Pollock 1940, 317.

<sup>45</sup> On the decisive influence of these passages towards the elaboration of the subsequent models of state capitalism, see Campani 1992, 211 ff.

years 1932–1933 no less than six articles appeared on the subject, four in the period between 1934 and 1936, and finally two in the two-year period 1938–1939.<sup>46</sup>

For Pollock, monopoly capitalism “would be able to continue to exist indefinitely,”<sup>47</sup> and private property would coexist with the coercive use of power. What had come to an end was not so much capitalism as such but “liberal”<sup>48</sup> free-market capitalism. The study examined the “fundamental structure”<sup>49</sup> of crises seen in terms of conflict between “productive forces and production relations.”<sup>50</sup> Monopoly capitalism did not intend at all to replicate the Soviet socialist model of planning the economy through the suppression of private property. On the contrary, private property would formally remain alive but in a form subordinated to the political power of the state.

In this respect, the state assumes the power to direct production in those sectors which show an imbalance between supply and demand, but it would still be up to the free market to define the prices even if within a framework of free competition. Radical transformation would mark the end of private capitalism (unregulated and therefore irrational) and favor the rise of public capitalism of the state. The question of defining this new type of state remains open in Pollock until the 1940s.

In an issue of the *ZfS* of the following year, the scholars Mandelbaum and Meyer highlighted the need to resort to planned economies, hoping for a change in a socialist and “classless”<sup>51</sup> direction. It was a question of finding a way out of the crisis of 1929. In any case, the call was aimed at the political transformation of the economic structure of traditional liberalism and therefore at the task of philosophy that Marx had already indicated as the main one: the economic-political critique of society. However, these authors had not grasped what Pollock thought was the real socio-political novelty of the time, namely, the emergence of a new form of political power defined in terms of state capitalism.

### 3.1 Pollock and State Capitalism (1940s)

At the turn of the years 1939–1941, the thematic interests and the dominant positions in the Frankfurt group changed. In 1941, with the introduction of the concept of state capitalism, Pollock had started a new phase of reflection on the crisis of the liberal state and on the causes that favored the advent of fascism.<sup>52</sup>

If during the reflections of Grossmann in 1929<sup>53</sup> and the IfS seminars in the 1930s the problem had been that of understanding the relationship between the law on the tendency of the rate of profit to fall and the constitution of a new social order,

<sup>46</sup> Campani 1992, 198, note 28.

<sup>47</sup> Pollock 1932, 16.

<sup>48</sup> Pollock 1933, 350.

<sup>49</sup> Ibid.

<sup>50</sup> Pollock 1933, 321.

<sup>51</sup> Mandelbaum and Meyer 1934, 261.

<sup>52</sup> Pollock 1941a, 200–225.

<sup>53</sup> Grossmann ([1929] 1992).

the question for Pollock now becomes that of being able to formulate new categories for a society that is no longer understandable on the basis of an exclusive use of traditional Marxian concepts.

The perspective on state capitalism thus acquires an element of originality by ceasing to be a mere generalization placed above history on the changes in the relationship between power and capitalism. In linking criticism and transformation, Pollock is guided by the idea that capitalism has the ability to remain unchanged as its surface connotation varies: from a competitive mechanism to a state mechanism.

For Pollock, the question of the crisis of imbalance between production and consumption (and not specifically of the relations of production and capital as among the Marxists) could have been resolved with the rise of a strengthened power of state control over the economy and through a progressive dissolution of the presumed objectivity of economic laws.

Pollock's study ended up polarizing the internal positions of the Frankfurt school. Neumann, in his work *Behemoth*,<sup>54</sup> opposes a completely different interpretation of the non-state model of National Socialism, bringing Kirchheimer and Marcuse, as well as initially Adorno, too, on his side.

How, asks Pollock, can “there be such a thing as state capitalism?”<sup>55</sup> First of all, by state capitalism, it should not be understood that it is the state that takes total possession of the capital, but rather that it assumes only some central prerogatives. For all forms of state capitalism (both in their democratic and totalitarian form), the following points are valid:<sup>56</sup>

(1) The market is stripped of its functions of control and coordination of production and distribution [...]. Together with the autonomy of the market, the so-called economic laws also disappear [...].

(2) The holder of the power of control is the state, which uses old and new tools, including a “pseudo-market” to regulate and expand production and to coordinate it with consumption [...].

(3) In the totalitarian form of state capitalism, the state is the instrument of power of a new ruling group, born from the coalition of the most powerful interest-bearers, that is, of the highest industrial and financial leaders [...]. In the democratic form of state capitalism, the state exercises the same control-functions but is itself controlled by the people.<sup>57</sup>

In other words, state capitalism becomes for Pollock the most suitable expression to indicate the permanence of a profit-oriented, capitalist-based system where, however, the logic of profit realization is subordinated to a planning of the national interest defined on the basis of a planning principle. From this, it also follows that “prices are no longer allowed to behave as masters of the economic process,”<sup>58</sup> since

<sup>54</sup> Neumann ([1942] 2009).

<sup>55</sup> Pollock 1941a, 200.

<sup>56</sup> Pollock 1941a, 200–225.

<sup>57</sup> Ibid.

<sup>58</sup> Pollock 1941a, 204.

the economic relationship between supply and demand is dissociated from the political power, which in turn defines the general plan of the needs to be satisfied.

As a search for a system of rationalized redistribution of surplus value, Pollock's conviction was that the idea of state capitalism arises as a meta-phenomenal category capable of including under a single umbrella different state-forms such as those to which Hilferding himself had referred. Pollock raises the issue of rethinking the relationship between structure and superstructure by inverting the perspective of influence between the two levels, and paving the way for the critique of instrumental reason discussed later by Horkheimer and Adorno.<sup>59</sup>

### 3.2 Neumann and National Socialism: Behemoth vs Leviathan

If Pollock and Kirchheimer highlighted some aspects of the fusion between capitalism and state centralization, it is with Neumann that a thesis of radical incompatibility between National Socialist authoritarianism and capitalism emerges. In 1942, Neumann's masterpiece was published: *Behemoth: The Structure and Practice of National Socialism 1933-1944*.<sup>60</sup> This was to have great influence in the years that followed.

For Neumann, National Socialism cannot be assimilated, as Pollock advocated, to a declination of state capitalism (even if one of an illiberal sort). It is rather a monopolistic and totalitarian form of capitalism which stands in complete formal otherness with the Pollockian ideal-type. Thus, there can be no democratic version of the same. As a command economy, the state does indeed regulate credit, money and the markets, etc. However, there is no direct interference in the economy, and the institution of private property remains guaranteed, albeit exclusively by the members of the regime. National Socialism did not proceed to nationalize the industry, it rather left a free hand to the party and the economic elites aligned with the Nazi apparatus by creating a union of power and profit. With this economic-political structure, the Germany of the *Third Reich* moved more and more towards a form of economy at the service of total war. With this, a huge number of resources were absorbed which effectively made the system inefficient. National Socialism did not demonstrate that it had its own political ideology. The tools of power it used were mere techniques of domination that operated outside any form of rule of law. Since National Socialism did not embrace a rule of law, it was not even a state: "The state, says Hitler [...] is the servant of the racial people. 'It is not an end but a means.'"<sup>61</sup>

For Neumann, the totalitarian state and the synchronization of political life at all levels—in contrast to the pluralism of Weimar—had proved to be both a political and a theoretical-philosophical failure not only for Germany, but also for fascist Italy and Stalinist Russia. However, the totalitarian state did not arise as the

<sup>59</sup> Horkheimer and Adorno ([1944] 2002).

<sup>60</sup> Neumann ([1942] 2009). See in particular: "Part Two. Totalitarian Monopolistic Economy" 221–364 and "Behemoth," 459–470.

<sup>61</sup> Neumann ([1942] 2009), 63–64.

ideological-organizational basis of a form of state capitalism. The latter, in the way Pollock theorized it, was for Neumann a contradictory concept in itself.<sup>62</sup>

Here, the theme of the transition to National Socialism is taken up again. Neumann grants Schmitt the merit of having identified the tension that would prove fatal between the democratic and liberal souls of the Weimar republic.<sup>63</sup> Neumann even acknowledges that he agrees with Schmitt's thesis "of condemnation of the Weimar constitution for lack of decision-making capacity."<sup>64</sup>

Although National Socialism had managed in a short time to make unthinkable economic progress such as the elimination of unemployment, economic growth, and price control, for Neumann, this did not mean that capitalism had been transformed into a state-based form of profit production (a form of bureaucratic collectivism or "brown" Bolshevism).<sup>65</sup> Rather, it highlighted the fact that a different system of socio-economic organization had been created. The paradoxicality of the new system lay in the fact that this order was based on "an economy devoid of economic science."<sup>66</sup>

Power had taken over the economic man and the laws of the economy. The freedom of contract and of the exchange of goods had failed. The cartel monopoly had taken the place of the free market,<sup>67</sup> and state planning of production had supplanted the theory of value. It is for this reason that for Neumann, the economic vision of National Socialism did not follow any doctrinal path, nor any long-term project, but only reclined on a pragmatic approach of welfare and collective interest-choices adopted on occasion.<sup>68</sup>

The social effects of this new economic order were also considerable. However, Neumann did not share the idea advanced by many that National Socialism would transform a structured society into a classless mass society. The presence of classes could have continued to coexist with an absence of social differentiation between groups.<sup>69</sup>

For Neumann, the essence of National Socialism consisted precisely in the consolidation of the command elite and in the dissolution and fragmentation of interest groups, i.e., in the overall loss of mediation between public and private interests. National Socialism had strengthened the ruling autocratic bureaucracies by allowing them to infiltrate every aspect of the citizen's life.<sup>70</sup> National Socialism had also transformed the private interest groups of democracies into authoritarian bodies,

<sup>62</sup> "The very term 'state capitalism' is a *contradictio in adiecto*. 'The concept of "state capitalism" cannot bear analysis from the economic point of view.' In, Neumann ([1942] 2009), 224.

<sup>63</sup> Neumann ([1942] 2009), 43.

<sup>64</sup> Neumann ([1942] 2009), 45.

<sup>65</sup> *Ibid.*

<sup>66</sup> *Ibid.*

<sup>67</sup> "It was one of the functions of National Socialism to suppress and eliminate political and economic liberty by means of the new auxiliary guarantees of property, by the command, by the administrative act, thus forcing the whole economic activity of Germany into the network of industrial combinations run by the industrial magnates." In, Neumann ([1942] 2009), 261.

<sup>68</sup> Neumann ([1942] 2009), 228.

<sup>69</sup> Neumann ([1942] 2009), 366.

<sup>70</sup> *Ibid.*

that is, into bureaucratic aggregates aimed at depersonalizing every social relationship. To this, National Socialism had added two ideological principles: the ideology of the community and the principle of leadership.<sup>71</sup>

### 3.3 Horkheimer: the Idea of Authoritarian State as Critique and Development of State Capitalism

Horkheimer recognized in Pollock that the idea of state capitalism as an ideal-type had a critical (or we could add “heuristic”) value, concluding that such “utopias”<sup>72</sup> both in their “beauty”<sup>73</sup> and “ugliness”<sup>74</sup> would still remain standards of judgment on reality. For Pollock, this idea was the last and non-transformable stage of capitalism *tout court*. Horkheimer accepted Pollock’s perspective with cautious detachment, not losing sight of the immanent perspective of the critique of society, and thus maintaining the idea of a dialectical contradiction within capitalism which increasingly took shape in terms of a stable authoritarian society. The contradictions of capital that Nazism would have eventually faced would not have favored the transition to a new political order. On the contrary, the stabilization of the market through the “stateized” system of capitalism would have ensured the persistence of the authoritarian involution of Germany even after the collapse of the *Third Reich*.

For Horkheimer, the static nature of the system described by Pollock provided the deepest sense of the pessimism that followed the increasingly brutal emergence of National Socialism. For this reason, Horkheimer did not accept the possibility of a democratic declination but only that of an authoritarian form of state capitalism.

Actually, Horkheimer had already anticipated this idea in *Die Juden und Europa* (the manuscript of which is dated September 1939).<sup>75</sup> Here, it was hypothesized that the transition from the crisis of the liberal system to fascism was attributable to an internal transformation of capitalism. Overcoming the collapsed thesis of the economy through a centralized control of surplus value led Horkheimer to the hypothesis of an ahistorical, imperishable, and ultimately illiberal positioning of capitalism: “totalitarian society may survive economically in the long run.”<sup>76</sup>

Fascism, in transforming the harmony of interests between labor and capital through a national community (*Volksgemeinschaft*) “[...] solidifies the extreme class differences which the law of surplus value ultimately produced.”<sup>77</sup> It was a “sufficiently logical” rather than a “brutal”<sup>78</sup> transition, unlike that of the transition from mercantile society to nineteenth-century liberalism. Since the market produced unemployment, social disorder, and economic inefficiency, the conditions were

<sup>71</sup> Neumann ([1942] 2009), 369.

<sup>72</sup> Horkheimer ([1941-8] 1996), 115.

<sup>73</sup> *Ibid.*

<sup>74</sup> *Ibid.*

<sup>75</sup> Horkheimer ([1939] 1989), 77–94.

<sup>76</sup> Horkheimer ([1939] 1989), 83.

<sup>77</sup> Horkheimer ([1939] 1989), 78.

<sup>78</sup> *Ibid.*

created for a reorganization of power: first monopoly, then war, and finally authoritarianism. A semblance of improvement in social conditions had thus been created since if it was true that the labor market had seen a zeroing of unemployment, at the same time, the jobs available had become work imposed by the state. The disagreements between the working classes had therefore not been resolved at all: wage differences, the impoverishment, and loss of power of the middle class, especially of the Jews, had produced a society that was increasingly atomized and intimidated by the power of the state.

It is on the basis of these considerations that Horkheimer published *The End of Reason*<sup>79</sup> in 1941, while in 1942 in Los Angeles, the essay *The Authoritarian State*<sup>80</sup> appeared in the special issue dedicated to the premature death of Benjamin of the *ZfS*—at that point called *Studies in Philosophy and Social Science*. The first of these two texts introduced the question of the Enlightenment delusion of an omnipotent reason. For Kant, this question had set itself as the secret guide of history, as well as having served as the foundation of the ideas of “freedom, justice, and truth,”<sup>81</sup> but which in its progress turns against itself, determining its “self-destruction.”<sup>82</sup> Hence, the dry choice postulated by Horkheimer: “barbarism or freedom.”<sup>83</sup> The connections with what are developed more broadly in *Dialectic of Enlightenment* (1944) are evident, such as the awareness of a progressive decay of civilization to which “fascism has strengthened their suspicions.”<sup>84</sup>

The second contribution, on the other hand, considered how the transition from monopoly capitalism to state capitalism represents the last transformation of the bourgeois society and of the process of appropriation of capital by the latter. The synthesis of this point of view is expressed by Horkheimer with the affirmation: “*State capitalism is the authoritarian state of the present.*”<sup>85</sup> The crisis is here hypostatized and elevated “for the duration of an eternal Germany.”<sup>86</sup>

Horkheimer, including the socialist state (unlike Pollock), abandons the possibility of tracing in the current situation a political model capable of ensuring the realization of the ideals of emancipation of the Enlightenment tradition. In this way, Horkheimer foreshadows the impossibility of organizing a rational society, starting from this drastic narrowing of the political horizon. A pessimistic thesis on the course of history and on the chances of improving the socio-political conditions of humanity is therefore increasingly consolidated. The possible transformations of the state remain inscribed within an authoritarian framework and a negative vision of the philosophy of history. This awareness is fully articulated in the opposition

<sup>79</sup> Horkheimer 1941, 366–388.

<sup>80</sup> Horkheimer ([1942] 1973), 3–20.

<sup>81</sup> Horkheimer 1941, 366.

<sup>82</sup> Horkheimer 1941, 388.

<sup>83</sup> Ibid.

<sup>84</sup> Horkheimer 1941, 366.

<sup>85</sup> Horkheimer ([1942] 1973), 3.

<sup>86</sup> Horkheimer ([1942] 1973), 4.



autonomy/self-sacrifice of the figure of Ulysses as exposed in *Dialectic of Enlightenment* (1944).<sup>87</sup>

Horkheimer transforms Pollock's idea of state capitalism both conceptually and linguistically, preferring the adoption of the expression "authoritarian state" (as an alternative to Neumann's expression of "total monopoly capitalism"), and defining thus the new form of illiberal state of the present.<sup>88</sup> It is this political outcome of a historical trajectory that needs to be understood.

In *Reason and Self-Preservation* (1942), a text also published on the occasion of the special issue in honor of Benjamin's untimely death, Horkheimer anticipates the theses of what he would have dealt with more extensively in *Dialectic of Enlightenment* (1944).<sup>89</sup> Both of these writings inform us of a changed perception of history on the part of Horkheimer, and in particular of the fact that the abstract reason of the Enlightenment is now seen as overturned into a technocratic functionalism and utilitarian calculation oriented towards the definition of the contingent interests of the state—well distant therefore from the task of realizing the emancipation of man. Abstract reason becomes instrumental reason and this is transformed into its opposite—into the unreasonable—contradicting the very presuppositions of abstract rationality. By translating this process into Marxian categories, we understand what the terms of the authoritarian character of the Horkheimerian state were: the annihilation of the individual and the dynamic asymmetry between the relationships of use and exchange, that is, the reabsorption of production and circulation within a centralized control of the economy.

For Horkheimer, in this way, "Economic questions are becoming technical ones,"<sup>90</sup> since, it could be argued, the internal contradictions of capital would not have entered the state market. Consequently, society would have become an unrelated whole since the conflict and the dialectic proper to every emancipatory process would have reified in a one-dimensionality of social relations. Even the individual conscience, as well as the collective one, would have alienated itself in the vertex of reason of state, also losing the possibility of developing an immanent critique of the social. In *Eclipse of Reason* (1947), then, Horkheimer completes the lines of the philosophical reconstruction of the crisis of modern rationality.<sup>91</sup> Enlightenment reason achieved the opposite of what it sets out to achieve. By discarding the objective dimension of reason, it ended up reabsorbing the latter into subjective-instrumental reason. Nevertheless, subjective reason, if deprived of autonomously posed objective purposes, becomes capable only of perpetuating its own coordinating activity without being able to give ends to itself.<sup>92</sup>

<sup>87</sup> Horkheimer and Adorno ([1944] 2002).

<sup>88</sup> See on this point Dahms 2000, 347. The relevance of constructing categories of thought falling neither in the old metaphysical tradition nor exalting empirical datum was dealt with in the previous chapter with regard to the discussion by Horkheimer ([1933] 1972), 10–46.

<sup>89</sup> Horkheimer and Adorno ([1944] 2002).

<sup>90</sup> Horkheimer ([1942] 1973), 10.

<sup>91</sup> Horkheimer ([1947] 2004).

<sup>92</sup> Horkheimer ([1947] 2004).

## 4 Fascism After National Socialism

Horkheimer's critique of Weber's instrumental reason centered on the fact that already "When the idea of reason was conceived, it was intended to achieve more than the mere regulation of the relation between means and ends: it was regarded as the instrument for understanding the ends, for determining them."<sup>93</sup>

The subjectivism of the purposes of reason and the formalism of thought are the limits of modernity and its inability to grasp the immanent objective structures of reality. Internal to this picture is the exaltation of the individualist egoism of liberalism which, according to Horkheimer, in its progressive distancing from the conditions of advanced industrial societies, could not find any lifeline ("no effective rational principle of social cohesion remains"),<sup>94</sup> neither in the exaltation of "The idea of the national community (*Volksgemeinschaft*),"<sup>95</sup> first, nor in its subsequent requests for respect "by terror."<sup>96</sup>

According to Horkheimer, this dynamic has provided support to "the tendency of liberalism to tilt over into fascism."<sup>97</sup> However, the fluidity of the passage from liberalism to fascism did not concern only the past. This also had to do with the prospect of congenial percolation of fascist elements into the liberal-democratic systems. It therefore was a concern of both Adorno and Horkheimer in the 1960s and 1970s to highlight the element of violent and barbaric dysfunctionality of National Socialism as an extreme manifestation of the management crises of industrial societies.

For the two scholars, in fact, fascism did not present itself as a dysfunctional alter ego of the "totally administered society,"<sup>98</sup> namely, that form of society "deprived of morality and spirituality."<sup>99</sup> Rather, fascism constituted the violent extremization of this same society, still remaining dangerous today in its survival under the radar in contemporary democracy.<sup>100</sup>

The analyses above lead to the conclusion that the crises of modern industrial societies and the resulting political degeneration must be included within a broader framework of economic organization and power that see capitalism as the true root of fascism, that is, one of its most typical manifestations. Indeed, the capitalist

<sup>93</sup> Horkheimer ([1947] 2004), 7.

<sup>94</sup> Horkheimer ([1947] 2004), 14.

<sup>95</sup> *Ibid.*

<sup>96</sup> *Ibid.*

<sup>97</sup> Horkheimer ([1947] 2004), 14. The most articulated explanation of this passage is offered by Horkheimer in his discussion of the decline of individualism: "Thus the individual subject of reason tends to become a shrunken ego, captive of an evanescent present, forgetting the use of the intellectual functions by which he was once able to transcend his actual position in reality. These functions are now taken over by the great economic and social forces of the era. The future of the individual depends less and less upon his own prudence and more and more upon the national and international struggles among the colossi of power. Individuality loses its economic basis." In, Horkheimer ([1947] 2004), 95.

<sup>98</sup> On the definition of "society" or "administered world" as a derivation from Pollock's 'State capitalism' see H.-E. Schiller, vol. 2, 2018, 834.

<sup>99</sup> Horkheimer ([1973] 1985), 483. Translation is mine.

<sup>100</sup> "I consider the survival of National Socialism in democracy to be potentially more dangerous than the fascist tendencies against democracy," in Adorno 1959, 1. Translation is mine.

organization of society could have and in fact manifested itself in differentiated historical declinations, albeit always responding to a “totalizing” instance of individual and collective subjective relationships. The all-encompassing pervasiveness of the capitalist organization of society was accompanied by the claim to total control of fascist authoritarianism.

For Adorno, capitalism subsumed under a totalizing scheme precisely those subjective relations sociality entangled in the grip of a society totally administered by the rules of capital. It will be precisely the distance from this world of “reversed” relationships that will be able to free the progressive and emancipatory force of a new society.<sup>101</sup> Since, as Adorno will assert under the adoption of an anti-Hegelian posture, “the totality is false,”<sup>102</sup> and insofar as it presents itself in a contradictory and irrational way, there will necessarily follow a critique of the instrumental reason in terms of its loss of autonomy, that is, of the disappearance of the capacity to give laws to itself in the free organization of the associated life.

Since the reason that supports these reified relationships is of an instrumental type, it has transformed its own means into ends: the bureaucracy into an ultimate goal. In this way, the condemnation of heteronomy was relegated to an alienating function of control of the social nature of men.

But therein lies the paradox: in trying to subjugate nature, reason made the individual its own “tool of repression.”<sup>103</sup> Fascism in this sense presented itself in a pseudo-ideological guise of this paradoxicality of instrumental reason whose crisis has distant origins. Fascism has extremized the instance of liberalism by reducing “human beings to social atoms.”<sup>104</sup>

## 5 Conclusion

If Marx had laid the foundations for the critical understanding of political economy, Weber, Lukacs, Korsh, and Hilferding had prepared the ground for what was to become the Frankfurt School’s critique of capitalist society and political economy. Weber had started the analysis of the modern bureaucratic state through the reconstruction of the processes of reification of workers’ consciousness. Lukacs, in *History and Class Consciousness* (1923)<sup>105</sup> outlined what Marx had already anticipated: the inversion of the relationship between men and goods which is expressed in the form of the “thingness” that interpersonal relationships assume. The real problem was one of fetishism, or the commodification of social relations through the circulation and exchange of products. It was from this reversal between producer subjects and the circulation of goods that the reification of consciousness took shape. This

<sup>101</sup> On the idea of totality in critical theory and its illustrious ancestors of idealism and Marxism, see Heitmann 2018, vol. 2, 589–606.

<sup>102</sup> Adorno 1968, 586.

<sup>103</sup> Horkheimer ([1947] 2004), 110.

<sup>104</sup> Horkheimer ([1947] 2004), 108.

<sup>105</sup> Lukacs ([1923] 1971).

justified Lukacs's remark that in modern capitalism "the reified mind [...] necessarily sees it as the form [of] its authentic immediacy [...]."106

The Frankfurt School developed a number of far-reaching analyses of the transformation of the state beginning in the 1930s and continuing into the 1940s. It also considered that the structural transformation of the liberal state was linked to that of capitalism and of the liberal society. Whereas Pollock and Neumann laid the building blocks of the themes under discussion, it was with Horkheimer that a synthesis of the two views came about into yet another ideal-type: the authoritarian state. It is starting from this model that the Frankfurters began next to reflect upon the illiberal trends of the democratic states (mainly German and American) of the 1950s. Adorno, in this respect, while initially skeptical about Pollock's state capitalism, began to accept the idea of an authoritarian turn of states. Media, cultural industry, religious leaders, etc., all manifested, in one way or another, the dangers of a society which was progressively domesticating critical thoughts and transforming the polyhedric capacities of the subjects into a uni-dimensional form of life similar to that described by Marcuse. One might say that society was moving from the totalitarian mode of coercion with the noted effects on power-privatization of the late 1930s to the contemporary mode of the illiberal exercise of politics dominated by capitalist coercive and privatizing colonisations of state powers. The capital difference between the two models is that whereas in the rise of fascism, private property became a subservient instrument to power (bearing the illustrated consequences reconstructed above); in the contemporary scenario, it is private capitalism that subordinates to itself the public powers of the state. Both phenomena appear as specular processes belonging to one single capitalist system of production. This shows swinging effects on the overlapping between coercion and privatization, signaling regime-shifts placed at the end of the free market both in the eighteenth and nineteenth centuries, respectively.

**Funding** Open access funding provided by Università degli Studi di Roma Tor Vergata within the CRUI-CARE Agreement.

## Declarations

**Competing Interests** The author declares no competing interests.

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<sup>106</sup> Lukacs ([1923] 1971), 93.

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