Werner Sombart’s Modern Capitalism (1903)

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Introduction by the Editors

Of the many Marx-critiques at the turn of the twentieth century, two stand out in terms of originality and insight. One, which is widely influential to this day, is Max Weber’s The Protestant Ethic and the Spirit of Capitalism;1 the second, which nowadays is largely forgotten, is Werner Sombart’s Modern Capitalism.2 Sombart and Weber were contemporaries, who independently concluded that historical materialism, in the works of Engels and some leading Social Democrats such as Kautsky, had become much too one-sided in emphasising the

1 In 1998 the International Sociological Association declared Weber’s book to be the fourth most influential text in sociology during the entire twentieth century. While Weber was critical of economic determinism, he never intended to replace it with an alternative, purely idealistic theory. He believed that there are no ‘laws’ to history, only particular conjunctions of material and spiritual conditions that may or may not have lasting economic effects. At the close of The Protestant Ethic he wrote: ‘But it is, of course, not my aim to substitute for a one-sided materialistic an equally one-sided spiritualistic causal interpretation of culture and of history. Each is equally possible, but each, if it does not serve as the preparation, but as the conclusion of an investigation, accomplishes equally little in the interest of historical truth’. Marx, of course, also mentioned the role of Puritanism in accelerating capital accumulation: ‘Incidentally, in so far as the hoarder of money combines asceticism with assiduous diligence he is intrinsically a Protestant by religion and still more a Puritan’ (see Marx 1970, p. 130, and Marx 1976, p. 231).

2 One of the reasons for Sombart’s eclipse was certainly his later support of Nazism (on this issue, see Grundmann and Sterr 2001).
dependence of culture upon economics. In 1905 Weber famously argued that the Protestant Reformation, most notably Calvinism, created the spiritual conditions for the ‘rationalisation’ of thought that attended accelerated capital accumulation from the sixteenth century onwards. Werner Sombart’s *Modern Capitalism*, published in two volumes in 1902, pursued a related theme in arguing that Marxism systematically discounted the importance of ‘spirit’ in economic history.

Sombart’s work was inspired partly by Marx’s *Capital* and partly by Sombart’s own early association with the German Historical school (his teacher, Gustav von Schmoller, was the leading representative of the school from the 1870s onward and had a particular interest in identifying cultural trends through historical inquiry). Whereas authors of the historical school never attempted a comprehensive theory of causality, Sombart believed forms of economic organisation must ultimately be explained in terms of the cultural primacy of a particular view of the world. Although he reversed Marx’s conviction that economic life determines culture, he still described his research as ‘nothing other than a continuation and in a certain sense a completion of that of Marx’.3

Readers will recall that in the 1890s Sombart sympathised with Marxism, writing the review of Volume III of *Capital* that we have included in this volume and that Engels described as ‘excellent’. But Sombart became increasingly sceptical, as did Social-Democratic revisionists, of the proletariat’s capacity to develop a unifying class consciousness. Regarding the capitalist spirit of calculating entrepreneurship as the dominant cultural fact of modern times, Sombart took this particular attitude of mind to be the defining principle of recent economic history. Differentiating between handicraft production for use, and capitalist production for exchange, he explained the rise of modern capitalism in terms of the pursuit of profit and the spirit of enterprise (limitless acquisition and competition). Capitalism instrumentalises both nature and workers, culminating in an objectified ‘system’ that operates independently of human will and is indifferent to the destruction inflicted upon earlier, more organic forms of civilisation.4

Sombart’s ethical-cultural critique of capitalism obviously drew upon not merely the reactionary illusions of the German historical school but also Marx’s own commentaries on fetishism and dehumanisation in *Capital* and elsewhere.

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4 See Parsons 1928, pp. 653–1.