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STUDIES

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Max Weber Gesamtausgabe, II/9, Briefe 1915–1917
Sam Whimster

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List of Contributors

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Leon Botstein is President of Bard College, USA. He is the editor of the *Musical Quarterly* and the musical director and conductor of the American Symphony Orchestra and Jerusalem Symphony Orchestra. His most recent book is *Music and Modernism* (forthcoming, Yale University Press).

Ralf Dahrendorf, who died in July 2009, was a member of the British House of Lords. He was a past Master of St Anthonys College, Oxford and before then Director of the London School of Economics.

Michael Fend is Reader in the Department of Music at King's College London. His research focuses on the intellectual history of music. His most recent book publication is *Cherubinis Pariser Opern 1788-1803* (Steiner Verlag, 2007). He is co-convenor of the ESF workshop on 'Music, Culture and Politics in Early Nineteenth-Century Europe' at Kings College London.

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Qian X. Y. teaches law and legal philosophy at Jungyang, a private academic institution in China. He also lectures in law at Sichuan University, China.

Joachim Radkau is Professor of Modern History at the University of Bielefeld. He has written extensively on social history, cultural history and the history of technology, including *Nature and Power: A Global History of the Environment* (Cambridge University Press, 2008). His biography of Max Weber was published by Hanser in 2005 and in a shortened English translation by Polity Press in 2009.

Editorial

Sam Whimster

Max Weber Studies is honoured to carry an interview with the distinguished conductor Leon Botstein, who is also the President of Bard College. Before his violin and musical talent took him off to Tanglewood – and so to conducting – he studied social science and Max Weber at the University of Chicago, where he was taken up by Hannah Arendt and introduced to some of the Arendt – Karl Jaspers conversation. Jaspers said of Max Weber, in 1967 in a personal letter to Else Jaffé, ‘The more I read his work..., the more I think of it as a titanic effort reaching into the void’ (cited J. Radkau, *Max Weber. A Biography* [Cambridge: Polity Press, 2009], p. 559). Michael Fend reviews the Max Weber Gesamtausgabe edition of ‘Zur Musiksoziologie’. This can be described as a broken off attempt both to reach out over space and to plumb the void. By what intellectual instruments – here musicological – is it possible to assess other alien cultures? The high rationality of western notation, harmonic construction and standardization of musical instruments to an agreed tonal scale merely emphasized the entirely different basis of other musical cultures. Weber recognised the superior acoustic sophistication of other cultures, leaving the question hanging whether they should be best approached by western standards as a starting point for analysis. Weber looked for a common standard in the natural and scientific analysis of sound, made possible by Helmholtz’s scientific discoveries. Could intervals between tones be measured according to the energies of wavelengths? They could, but scales could only be approximately fitted to the arithmetic of wavelengths. A positivism claiming to represent the harmony of the natural world failed as a measure of comparison.

The Chinese legal scholar, Qian X.Y., raises a similar argument. Is there a common theory of law that can encompass the different legal systems in a world of cultural and historical particularism? Qian’s answer is that Weber was wrong to use the 2 x 2 typology of formal

and substantive ir/rationality to analyse traditional Chinese law. This was a western standard blind to the actual determinative structuring of the practice of law-giving and law-finding in China. Law is subordinated, according to the norms of Confucian humanism, to ethical conduct and the claims of status. Western law creates the abstract and fictitious legal person, Chinese law deals with empirical human beings. The latter limits the rationalization of law, the former encourages it and, in the opinion of Professor Paul Campos, has led to the 'madness of American law'.

Ralf Dahrendorf analyses the 'madness' of the current, unfolding financial crisis. One of the last articles he published, it demonstrates what a penetrating mind has been lost to sociology and the sphere of *Öffentlichkeit*—as recognised by M. Rainer Lepsius who provides an appreciation of Dahrendorf's remarkable life. The madness of Lehman Brothers, and the mind-set of Dick Fuld and his kind, shows that the rationalization of financial and legal instruments led to a situation that by 2005 could be perceived as economically irrational and unsustainable. The intellectual basis of the rationality criteria of modern capitalism were perverted by a new 'trahison des clercs', or knowledge workers working by the sweat of their brow in front of the flat screen. Dahrendorf invokes the Puritan outlook of savings and hard work as the ethical and lifestyle basis of a successful capitalism. But, as he notes, Daniel Bell in 1976 had already predicted the suborning of this mentality by consumerism and hedonism, and for Dahrendorf freely available credit.

Weber's Protestant Ethic writings, his contribution to the mentality that drove a self-expanding capitalism, registered the shift away from the naturalism of work, leisure, religion and magic and the enchantments of 'Merrie England'. Radkau in his biography of Max Weber seeks to analyse Weber the man as someone who turned his back on the natural pleasures of life and who was rescued from his ascetic isolation by the charms of Else Jaffé. This is a difficult argument to substantiate, because it crosses into the unknown Weber, and if Weber's subsequent intellectual trajectory is set by an enchantress, what should we make of that?

Whimster reviews the latest volume of Weber letters and finds amidst the sheer wealth of material a tough, 'sachlich', complicated and ultimately inscrutable Weber. Kari Palonen brings an entirely new perspective to Weber's 'Objectivity' essay arguing that Weber's position on academic debate is analogous to the fair play of English Parliamentary debate, where new academics arguments can be seen

as political interventions. Austin Harrington reviews the dialogue between Slavoj Žižek and John Milbank in their book *The Monstrosity of Christ*. Žižek notes: 'While, in all other religions, there are people who do not believe in god, only in Christianity does God not believe in himself' – viz. Job and Jesus Christ. Milbank sees the crucifixion as a paradox of divine self-alienation that has misled sociologists, intellectuals and theologians into secularist humanist atheism. A sociology without transcendence, à la Schelling, becomes the study of capitalist nihilism. Weber's differentiation between the spheres of politics and religion, science and faith, and public and private would be subject to this critique. No doubt this would have triggered Weber's elephantine laugh, but then he had the confidence of the academic 'Gelehrter' and its status exclusivity.

Max Weber and the reconfiguration of modernity

Colloquium, 1-3 September 2010, at
Sidney Sussex College, Cambridge

Today as never before our world is becoming increasingly “Weberian”. Fifty years ago “Weberian” used to mean a world of rationality and bureaucratic organisation with space open for communal and cultural emancipation. In recent decades many other, older senses of Weber’s universe have been staging a return: religion, civilizational conflict, power and rulership, nationhood, irrationalism, ultimate callings, flux and contingency.

As a specifically OECD conception of globalization founders, occidental rationalism – as the basis of modern capitalism – has been tested close to destruction. New world powers – China, India and the Asian economies – seize on core rationality structures for their own modernization: literacy, communication, science and technology, and versions of modern acquisitive capitalism. Less fortunate nations experience depths of *ressentiment* that have brought forth transformative political and religious movements.

The Weberian analytic remains as sharp and as serious as ever. Yet what was deemed canonical in Weber calls out for re-assessment. *Das Licht der großen Kulturprobleme ist weiter gezogen.*

The colloquium will take as its overarching themes the changing configurations of modernity and the new scholarship on Weber’s life and writings. It will be run in participatory seminar mode and be organised around the following four sessions:

1. Politics – rulership and democracy, rights and norms.
2. Economy and society – capitalism, religion and civilizational difference.
3. Science and the intellect – values, objectivity and the vocation of intellectuals.
4. Weberian biography – new narratives, new editions.

The conference will also mark the 10th anniversary of *Max Weber Studies*. For more information, go to <maxweberstudies.org> and <conference@britsoc.org>.

Please submit any proposed paper, with a short description, to Sam Whimster by email s.whimster@londonmet.ac.uk before 1st July 2010.

Conference committee: Sam Whimster (LMU), Tom Neuhaus (Clare College Cambridge), Duncan Kelly (Jesus College, Cambridge), Austin Harrington (Max Weber Kolleg, Erfurt)

After the crisis: back to the Protestant ethic? Six critical observations

Ralf Dahrendorf*

Abstract

The financial crisis of 2008 is analysed as a mentality and dominant culture. The Puritan culture of hard work and savings has been replaced by consumerism and easy credit. The crisis will lead to a lowering of living standards, tax rises and public anger. A new attitude to time needs to emerge that moves economic institutions away from extreme short termism in which stake-holders have been ignored by managers. A responsible capitalism requires a medium-term time perspective.

Keywords: Financial crisis, easy credit, short-termism, Protestant ethic, savings, mentality.

First: Explanations

Whenever anyone speaks about the crisis, in the year of 2009, there is no need to explain to readers or listeners just what 'crisis' is being spoken about. The history books have yet to find a name for this thing. 'It' started as a financial crisis, developed into an economic crisis and in the meantime is viewed by many as a fundamental social, even political, turning point. The explanations of the social-economic collapse are as diverse as the reactions to the crisis. They range from the over-specific to the over-general and confuse more than they enlighten.

At the over-specific end of the spectrum it is argued that everything that has happened to the world economy since September 2008 goes back to the decision of the American Government not to protect Lehman Brothers from insolvency. This decision is traced back to the personal animosity between the Lehman CEO, Richard Fuld, and the US Treasury Minister (at the time) Henry Paulson. A single decision

* This article is translated, by Sam Whimster, by kind permission of *Merkur* where it appeared in May 2009, no. 720.

had a domino effect, which engulfed first the financial economy and then the real economy. This could have been avoided, however, if those in charge in the United States had followed the European way of rescuing the banks with public funds.

At the other end of the explanatory spectrum it is 'system' and system breakdown that is debated. Had not Karl Marx already prophesied that capitalism would come to a bad end? That was to be sure a century and a half ago, when all manner of things occurred, but some do not trouble themselves too much about the small delay. They see a system in collapse and they are neither particularly surprised, nor particularly bothered.

Between these extremes there are all sorts of explanations offered by political economy. On the economic side, the proof of the bad habits of property developers in the Anglo-Saxon world was widely noted. Mortgages at 120% of the market value of houses (in the expectation of future increases in value) were unsustainable. The risk was not lessened by fancy new financial instruments, just the opposite. And the bankers, supported by innumerable consultants, have led their customers down the garden path. It may well be that they themselves did not know what they were doing. At the end every financial transaction became so 'derived' that any relation to the real world was lost.

And then we come to the political explanations. Who was guilty of this malaise? The bankers, obviously, among whom downright fraudsters like Bernard Madoff had sneaked in. But the politicians were also guilty. They allowed the fashion of de-regulation to go so far that ultimately nobody could control any longer what happened on the financial markets. The belief that the market would regulate itself turned out to be a fundamentally mistaken belief. A new version of the Night-watchman State was abroad.

If the explanations of the crisis become so varied, it is as well to keep one's peace. Needless to say, we still have no idea where the crisis will lead. We do not know how long it will go on for, and we have only vague ideas of how the world will look afterwards. In what follows, therefore, a form of explanation will be adopted that describes the mentalities involved. This old concept – that there are dominant views of the world – will reveal the kind of attitudes that set the tone for people. It is not just a case of a few actors around the financial markets who had such mentalities but also their customers, who happily accepted being called 'small investors'. In fact what this involved was a dominant culture imposing itself on

behaviour; at first this took hold of minorities but then spread to whole societies.

Second: Savings capitalism and capitalism of easy credit

The thesis advanced here is that we have experienced a deep-seated change in mentality and that now, as a reaction to the crisis, we are confronted by a new change. We can give a simple name to the change which has already happened to us: it is the move from a capitalism of savings to a capitalism of easily available credit. (I described this change a quarter century ago.¹) It therefore involves prevailing attitudes towards economy and society. This is not only the attitudes of entrepreneurs and managers of all sorts but also the consumer and thus the majority of citizens. This is important, even if many do not like to acknowledge it, since they would prefer to put the guilty ones in the stocks rather than practise self-criticism.

The mentalities being discussed here relate to Max Weber's analysis, *The Protestant Ethic and the Spirit of Capitalism*. This brilliant piece of writing has its weaknesses, and Richard Henry Tawney has shown some time ago that there was capitalism in Catholic regions.² Nevertheless Weber's thesis remains plausible that at the start of the capitalist economy there was a general acceptance of deferring immediate consumption. The capitalist economy only got underway when people did not expect in the first place to consume the fruits of their labour. In more recent time this has been achieved through the compulsion of the state. Russia, and also China, have taken the 'soviet' path. It can, however, be argued that there was a period in parts of Europe when people abided by the religious belief of renunciation and savings in spite of hard work. In calvinist Protestantism the hereafter was seen as a place of reward for the sweat of labour in this world.

Max Weber had England and America in mind when he wrote this, where he discovered the Lutheran variants had found a home. There are in Europe also very old people who can remember a time, when work and saving were the leading maxims for life. (In the United States these changes have started even earlier, straight after the First World War.) Since then, however, a change in mentality has

1. In Ralf Dahrendorf, *Reisen nach innen. Aspekte der Zeit* (Stuttgart: DVA, 1984).

2. Tawney's *Religion and the Rise of Capitalism* (1926) argued that the marginalisation of religions had promoted the development of modern economic societies.

taken place everywhere, which Daniel Bell has described in several essays in the *Cultural Contradictions of Capitalism*. His theme was, 'the development of new consumer habits in a society organised strictly for consumption and the consequent erosion of the Protestant ethic and the Puritan outlook.'

His book appeared in 1976. Already at that time Bell saw an explosive paradox in capitalism. On the one hand production will still demand the old values of thrift and orderliness; but the drive of production is towards an increasing amount of 'materialistic hedonism and psychological eudaemonism.' In other words the developed capitalism demands from human beings elements of the Protestant ethic in the workplace but the exact opposite outside work, in the world of consumption. The economic system destroys the very prerequisites of its own mentality.

When Bell wrote that the next step in economic mentality had not been taken, namely from the mania for consumption to that of cheerful indebtedness. When did this path start? In the 1980s there were already people who for several hundred pounds would go on a six-week cruise and pay for it there and then, when none of their friends and acquaintances no longer wanted to see the slides which they had taken in Bangkok and Rio. With some justice Daniel Bell identified instalment payments as the original sin. At this point capitalism, which had already mutated from savings capitalism to consumption capitalism, had started down the fatal path to the capitalism of easy credit.

This is the exact point of the move from the real to the virtual, from the creation of value to trading in derivatives. The attitude that it propagated believed not only in consumption before saving but even before payment. 'Enjoy now, pay later' became its maxim. It took hold of every citizen, including those who today do not wish to hear this. But then it became an invitation to the subtle constructions of those who insisted on making money out of money. Put more specifically, they set about making money from money, which did not belong to them or perhaps never existed in the first place, so that they could catapult themselves into the world of the super-rich.

A particularly relevant question would be: what were the consequences of the advancing capitalism of easy credit for the creation of value, and therefore for the so-called real economy? Did one have to import the last adherents to the Protestant ethic? Or must production itself be exported to those who had not fallen victim to the capitalism of easy credit? Or could the 'Protestant' part of the economy

be rationalised away, electronically? It is nevertheless clear that the change in mentality as outlined was unstable. All indebtedness has its limits. The crisis has indeed shown this, and equally the temptation has grown to replace private debt with public debt.

Third: global or worldwide

Some see the crisis in connection with a process that is, for them, disquieting, namely globalisation. It is certainly true that the universal availability of information and the removal of barriers including the Iron Curtain have enlarged enormously the operational radius of the capitalism of easy credit. It is also true that this enlargement makes regulation more difficult insofar as enabling, for example, the development of sophisticated financial instruments. It is furthermore true that the domino effect is more pronounced in the characteristics of globalisation than in the previous period of the major rounds of free-trade agreements ('Kennedy Round', 'Nixon Round'). We have, however, to guard against a serious error that follows on from this.

Some political leaders believe that the crisis itself is global and that it can only be overcome by means of global measures. This, at any rate, is the view of Labour Prime Minister Gordon Brown if not that of President Barack Obama. But to speak of a global crisis misses an important difference. In the strict sense of the word, those problems which are global are those that affect everyone in the world and so can only be mastered by means of common action. The most important contemporary example is climate change. Other questions are not so much global as worldwide in their impact. Developments are observable in very many places in the world, but they are not the same in the United States as in China, in France as in Poland. Their mastering may indeed profit from a certain coordination but yet call for essentially national, and regional – for example European – solutions.

One can therefore dispute whether the banking crisis is a global event. If it is portrayed as 'systemic', what is signified is that many other aspects of the economy are inseparable from the capability of the banks to provide credit in a climate of trust. It could therefore be that only global action can restore trust in the banks.

It is not valid to term the crisis in the more general sense – thus the recession and the onset of the mentality of easy credit capitalism – global. Certainly there is the reciprocal dependence of countries' economies on each other. The downturn can have a domino effect and,

in reverse, the signs of recovery can be widely spread. But this only confirms the worldwide character of the crisis, the complex interlocking of firms and whole national economies: it does not, by contrast, amount to a global problem as in the case of climate change.

It is, therefore, not possible to overcome the crisis by means of a global show of strength. In a way a show of strength by the United States would have been sufficient, since it was dominant before the crisis—as it still is. It is a mistake to argue that all states have to do the same thing in order to restore trust and to revive the economy. International meetings are important to avoid ‘beggar thy neighbour’ policies and close off the likelihood that all too many national measures will be taken to the detriment of their neighbours. But what is appropriate to individual nations does not lend itself to becoming generally valid.

This should not be taken as arguing against worldwide regulations, which are certainly to be recommended. Regulations do not come into being from the power-free discourse of those concerned; rather, they demand a power-guarantee which will support sanctions mechanisms. This is the great weakness of the Eurozone in its present form, and so of a Bank which is not integrated into a political process (as the German Federal Bank always was). This means worldwide that there will be no international economic system if the United States withdraws from its role of power of guarantee. The world of Bretton Woods with the World Bank and the International Monetary Fund (and indirectly the World Trade Organisation) was actually an American world. It was not a global operation, but one internationally regulated with the guarantee of the United States.

The distinction being advanced here between worldwide and global problems—and solutions—is thus of considerable practical importance. If we do not tackle the problem of climate change in ways that are binding on everyone, there will be a global disaster. In contrast, the crisis calls for some strategic measures, probably above all in a few countries whose ripple effect will be widely felt if not worldwide. This distinction is indispensable when it comes to the thematic of international conferences and actions.

Fourth: The people's anger and change

In the favourable case crises are cleansing downpours. Therefore the present crisis could promote a change of mentality leading to the adoption of more sustainable behaviour than is allowed by the

capitalism of easy credit. The social mechanisms that could result in such changes are actually not obvious. There does not seem to be any prospect of political movements arising which could offer alternative plans for the future with some hope and with broad support. It is particularly striking that in most countries neither the extreme right nor the extreme left will markedly profit from the crisis. The reason for this is simple. While the crisis has imposed sacrifices, no new politico-social force has been created that will press for the change in mentality in the name of a future model that is credibly deliverable.

For the social scientist this is not surprising. In investigating the crisis he thinks less of the *Communist Manifesto* and more of *The Unemployed of Marienthal* (1933). The study by Marie Jahoda and others, in the light of the great crisis of 80 years ago, has shown that people who lose everything or come near to losing it become apathetic rather than active. They are to be sure capable of being mobilised – an idea that can also be found in the *Communist Manifesto*. They are willing victims of demagogues, who manoeuvre them into situations so as to rebel and protest. Such situational protests are in addition frequently linked to violence.

The British political chief who in 2009 warned of a ‘summer of violence’, while earning the Government’s displeasure for his ‘incitement’ thesis, may well have been correct. Two reactions of people are visible: the one is a spreading individualisation of social conflicts. Here one is talking about breakdowns, the damaging of law and order, collapse and violence. The other is the collective indignation in the form of violent riots wherever people come together in large numbers – at football matches, pop concerts, political demonstrations and even carnival.

Behind such outbreaks lies a diffuse anger of many people in the face of a widespread deterioration of their living standards and expectations. This deterioration for them remains unexplained and to it attaches a degree of fear – always, though, accompanied by a feeling powerlessness. Then the search for the guilty ones is not far behind. To the stocks with the bankers if they have not already been tarred and feathered! Even better, the politicians as well! How can it be that those guilty disappear to Italy with a pension of twenty million Euros while the number of unemployed rises every month and many are denied the decent things in life? The people’s diffuse anger takes the place of the classical politics of parties.

This can, however, be accompanied by a change of direction. The measures demanded of government and in many cases carried

through are only part of the change which the crisis triggers. Because of their short-term nature these measures are not even the most important part, even ignoring for the moment that they often create new problems. The underlying tone of anger and mistrust cannot be dealt with so quickly. Here and there someone even forgoes his or her bonus. There are some finance managers and politicians who apologise for the consequences of their actions. Shareholders become more attentive. The demonstrative wealth of the few will at least be less visible. The media recall worse times and the like, as people mend old clothes and grow herbs on their windowsills. Some people think that the glittering world of speculation gives way to a new sense of realism.

Fifth: a new era

Then there is the question of how the world will look after the crisis. To ask this question seriously in early 2009 was a misguided enterprise. A series of developments, however, are very probable. The crisis will last some time. Two years? Three years? If the downturn—rather than collapse—comes to an end most of the developed countries will be considerably poorer. (Moreover, the impoverishment will not affect all citizens equally.) A new phase of economic growth will probably only get underway very slowly, as was the case in the previous century. Furthermore, in many countries a large burden of debt will eat into growth. There will be new taxes. In many places there will be an inflationary hike which will hit the less well off most of all.

The general conditions for economy and society are therefore not particularly favourable in many places and certainly not in Europe. But they could also provide the opportunity of a changed mentality. At its core would be a new relationship to time.

A characteristic of the progressive capitalism of easy credit was the extraordinary short-termism of all action. In the extreme case of derivative traders that means they had already transacted fictitious money, before they could even pose the question what real value could possibly be involved. That was only part of a general haste. Scarcely was a transaction concluded than it was already bonus time for the participant. The progress of enterprises was no longer reported annually but every quarter and sometimes for even shorter periods. High-flying managers no longer concerned themselves with the long-term perspective; many departed after an astonishingly

short time with a golden handshake. Politicians did indeed complain about short-term thinking but they also increasingly came to share this weakness.

It is imperative therefore that a new attitude to time is instituted – at the top. Managerial salaries – one of the objects of people’s anger – can be readily solved by linking salaries to long-term achievement. Oversight boards and others responsible should use this opportunity to introduce regulations for succession, which will normalize the less than transparent changes at the top of enterprises. Paying attention to the medium-term at the top of enterprises leads inevitably to thinking through plans and, moreover, to a greater consideration for the employees in the face of unreasonable demands for flexibility; of all economies, the modern economy demands such measures.

From this opportunity, it will then be possible to restore to the centre of the decision-making agenda a concept that in the years of extreme capitalism of easy credit was lost sight of, namely ‘the stakeholder’. By this is meant all those who have no share in the enterprise, so not ‘shareholders’, but who do indeed have an ongoing interest in the successful continuation of the firm. To this group belong suppliers and customers, and above all also those people living in the area in which the enterprise operates. For them what is important is not so much co-determination as the recognition of their interests by management. This furthermore presupposes that those in charge look beyond their computer screen and have in mind not just the profits and bonus payments for the next quarter.

A new perspective in relation to time is also relevant for overcoming global issues, in the strict sense of global. In the politics of the battle against climate change – rather than the absence of such a politics – it becomes possible to recognise whether action is determined by short- or medium-term thinking. Perhaps decisive events are necessary in order to promote forward-looking action. Bangladesh, indeed Holland, may well become engulfed by the sea before the message of Al Gore and Nicholas Stern is accepted.³

Therefore, a new attitude to time in economy and society is the central change in mentality that could come out of the crisis. There is much talk recently of trust and responsibility. Both are necessary; both presuppose that the extreme short-term thinking of those at the top ceases. For this to happen management has to give up its lofty position

3. Compare Anthony Giddens, *The Politics of Climate Change* (Oxford: Polity Press, 2009).

and relate again to those whose weal and woe they are responsible for as the bearers of decision-making. In order to promote this change in mentality, part real and part symbolic measure are useful. Realistic and affordable managerial income serves both; they are an important starting point. In the longer term a reconstruction of the social-state with a combination of flexibility and security, which is fundable, is unavoidable. There are other practical changes that would attest that new time perspectives determine political economy.

Sixth: responsible capitalism

Should there be a return to the blessed memory of the Protestant ethic? Is such a return likely? The answer to the last question has to be no, and this renders the first question invalid. What cannot be, ought not to be. The economies of modern countries will not turn back to a pre-Keynesian era, and after Keynes the belief in an after-life as holding a reward for this-life no longer has any resonance or force. Today there are good reasons, including the new perspective of time, why the future is repeatedly thought of in the medium-term rather than the long-term. Time periods have to be comprehensible – decades not centuries.

A return to the Protestant ethic will therefore not happen, although a re-vitalisation of the old virtues is possible and desirable. Certainly there will be no resolution of Daniel Bell's paradox of capitalism: the driving force of modern capitalism lies in preferences which no longer strengthen the methods of modern capitalism. Put in less abstract terms: work, orderliness, service, duty remain requirements necessary for prosperity, while at the same time prosperity also denotes consumption, enjoyment, desire and relaxation. People work hard in order to make things which strictly speaking are superfluous. But it is also important that people do not lose touch with the indispensable elements of their living standards – and, in this sense, to the realities.

Will there be a name for the world after the crisis? The question mark with which these observations began still stands. All too many uncertainties deny authority in establishing one or other concept. We will not return to the capitalism of saving but we may return to an order in which the satisfaction of wants is met by the necessary creation of value. The 'Rhenish capitalism', that is the consensual economy of large organisations, has probably served its purpose. The question even has to be asked whether the system of co-determination

was, and is, helpful in managing the crisis. If the question cannot be clearly affirmed, then new thinking is required about the ways in which the needs of 'stakeholders' are taken into account. The capitalism of easy credit must at the very least be returned to manageable proportions. Some sort of 'responsible capitalism' is required, in which most of all the perspective of the medium-term becomes central to the new era.

But what is in a name? It is better to speak of real developments and not of concepts. The woolly and seldom defined concept of the 'social-market economy' was serviceable enough for all practical purposes. (One can at best regret that the German Chancellor Angela Merkel has not been able to carry through her proposal for a 'new social-market economy'.) What does matter is that the period after the crisis is not obscured by nothing more than economic measures and rescue packages. In those years it will be decided in what sort of world the next generation of citizens of free societies will live.

In Remembrance of the Sociologist Ralf Dahrendorf

M. Rainer Lepsius

Countless tributes have been made to Lord Dahrendorf, both on his eightieth birthday 1 May 2009 and his death on 17 June 2009. At the centre of all these appreciations stands his international importance as a 'public intellectual', and indeed he was an Anglo-German intellectual to an outstanding degree. He himself designated as 'Erasmians' the few who, under threat of their lives, withstood the temptations of Communism and of National Socialism. He could count himself, like his father, as one of them. For him, individual freedom was the highest good, and the preservation and the securing of freedom his life's aim.

Dahrendorf once distinguished between 'sociology as a world-view and sociology as a profession'. He had become a 'sociologist with a world view' after he had switched to politics in 1969, and after he had settled in England in 1974 where he had taken up a major position in university life, finally taking a seat in the House of Lords. In the earlier part of his life, however, he was a pre-eminently influential and trend-setting 'professional sociologist'. This I recall as a member of his generation that fought for the strengthening of sociology.

Fifty years before, in November 1956, we were elected to the German Sociological Association, together with forty others who included Hans Albert, Karl Martin Bolte, Ludwig von Friedeburg, Heinz Kluth, Renate Mayntz, Heinrich Popitz and Erwin K. Scheuch. Dahrendorf was always the first among us: the first to habilitate, the first to hold a professorship, the first who took the chairmanship of the German Society of Sociology. We were impressed – at least I certainly was – by the clarity of his arguments and by the decisiveness of his expositions. He was the most visible among us, and at the sociology conference of 1959 in Berlin he was the representative of the cohort that built up sociology in Germany in the sixties.

Dahrendorf became a sociologist when he studied at the London School of Economics from 1952–54. Before then he had already gained his postgraduate degree in Hamburg with a dissertation on Karl Marx. For a postwar German, London was the gateway to the world – lively, open to new horizons, its traditions still intact – and the London School of Economics was an incomparable urban intellectual milieu. It was there that Dahrendorf met Karl Popper whose theory of science guided him beyond hermeneutics and the dialectic, close to Kant and distanced from Hegel. T.H. Marshall with his book *Citizenship and Social Class* directed him towards his central theme: citizenship and civil society. Under the rubric of ‘education as a citizenship right’ Dahrendorf later extended Marshall’s schema of developing citizenship rights beyond legal equality, political participation and social equality to the equality of cultural chances. Working with David Lockwood he also developed a ‘conflict sociology’, which he advanced against Parson’s integrationist sociology. These orientations were further supported by an invitation to the Centre for Advanced Study in the Behavioral Sciences in Palo Alto for the year 1957–58. Dahrendorf positioned himself outside the sociological milieu in Germany, then dominated by H. Schelsky, Th. Adorno and René König with a habilitation, in 1957 in marginal Saarbrücken. Dahrendorf had established linkages to Anglo-Saxon sociology at a time when provincialism prevailed in Germany.

It was at this time that Dahrendorf in quick succession published books and essays that set the direction and now count as classics. With *Soziale Klasse und Klassenkonflikt in der industriellen Gesellschaft* (1957), whose second enlarged edition only appeared in English (as *Class and Class Conflict in Industrial Society*, 1959), he seized what for most of us were the central themes: a rediscovery of the sociological legacy of Karl Marx, the problematic of class formation, social inequality and social conflict. Under National Socialism Marx was taboo and in place of classes there was only the people’s community (‘Volksgemeinschaft’), and conflicts were regarded as deviant behaviour to be suppressed. Almost all of us had concerned ourselves with these themes in dissertations or habilitation theses. In this book Dahrendorf carved out a sociological concept of class as an analytic concept, which would be different from the stratification problematic and would also differentiate Marx’s sociology from his historical philosophy. Classes originated from the structure of political interests and not from the unequal distribution of goods and life chances. This was important at a time when there was an argument

over whether Germany was (still) a class society or (already) a 'stratified society levelling towards the middle'.

Dahrendorf became important for his emphasis on the institutionalization of class conflict whereby permanently existing conflicts of interests could be overcome in violence-free mediation processes. This contrasted with the prevailing view at the time that the impact of intermediary associations ('Herrschaft der Verbände') contributed to the decline of state authority and social order. Dahrendorf developed differentiated frames of references, in particular for the analysis of the autonomy of wage negotiations, the organisation of firms, workers councils and co-determination, the major institutional innovations of the early Federal German Republic (see his 'Social Structure of the Enterprise', 1955).

His major essay 'Homo sociologicus' (1959) introduced role theory in Germany, but also gave rise to misunderstandings. The dramatised opposition of the freedom of the individual and the demands placed upon behaviour by the 'annoying fact of society' led to a projection of the model of role theory on to the real behavioural chances of individuals including role conflicts and deviances from role expectations. Later, in 1978, Dahrendorf replaced the idea of 'freedom from society' with the concept of 'freedom in society'. He viewed life chances as determined through societally structured options, to which he added social bonds, 'ligatures' and value-related constructions of meaning.

Also the early critical essays on the system theory of Talcott Parsons need to be mentioned. These were published at the start of the widespread reception of Parsons in Germany and it seems to me they played a part in limiting Parsons' influence in Germany. Conflict and change, for Dahrendorf, were inadequately represented in Parsons' approach and the claim to be a 'general theory' was not justified.

The themes, outlined above, indicate Dahrendorf's interventions in theoretical discussions of the 1950s and 1960s. He was always an author worth reading in the period and stimulated the discussion in Germany.

The second great book *Society and Democracy in Germany* (1965) was a boldly devised social analysis of Germany both in its development and present state. Since then, such an enterprise has not been attempted. The complex question – how was it that National Socialism was possible in the land of Kant and Goethe? – was replaced by: what are the pre-requisites for a liberal and democratic society?

This was the problematic that concerned all of us. Dahrendorf proposed four conceptually distinct perspectives for an analytical and sociologically informed discussion: the degree of equal citizenship rights, the ways in which social conflicts are institutionalised, the formation of ruling elites and the relationship between the public and private spheres. From this was formed a sociological frame of reference for an analysis of democracy in Germany. In place of the usual differentiation of state-economy-society-culture new analytic questions were posed. The book has a special resonance today for its valuable analysis of the German Democratic Republic and it thematised the issue of a possible re-unification. At the time, both issues were neglected in German sociology or lay in the distant future – the wall had, after all, only just been erected.

Dahrendorf made important contributions to overcoming a specifically German way of perceiving reality and self-definition – that already existed before National Socialism. His contribution was to sociologize these conceptions and this did also contribute to the westernizing of a specific German culture ('Sonderweg'). Sociology was for him applied enlightenment.

Sociology is today no longer a leading science. It pursues a methodologically differentiated practice of observation and measurement. Also the period of the neo-Marxist universal explanations, which were erroneously held at one point to be sociology, are past. Perhaps it is simply the refinement of methods of empirical social research which has led to the situation where the analysis of correlations with ever more strongly operationalised variables has taken the place of the comprehensive structural analysis and where institutional analysis has been abandoned. It is regrettable that sociology has nothing to say about the present crisis of globalized finance capitalism. Certainly we do not believe that it was greed that has precipitated the crisis brought about by speculation. But one must still ask, what kind of awareness of rationality has grown up in spite of the development of accountancy and new methods of controlling, and how far have the institutionalised rationality criteria for perception and decision making failed.

Ralf Dahrendorf placed himself within the tradition of Max Weber. In a collection of essays (*Liberale und andere*, Stuttgart, 1994) he presented Max Weber twice under the headings of 'fathers' and 'teachers'. This indicates his quite personal relation to Weber. 'Politics as a profession' became for him a guiding text. The second essay addresses Weber's ambiguities despite his conceptual clarity thereby

signalising Weber's openness towards modern contradictory developments. He was not a dogmatic Weberian, but certainly he stood in the tradition of the problems Weber raised.

Dahrendorf did not develop 'grand theories' but followed more the programme of 'middle range theories' of Robert K. Merton. He spoke for a macrosociology – historically informed, analytically differentiated, methodologically reflective, empirically rich – that should be applicable to contemporary problems. If we keep this in our minds, this will do justice to the memory of Ralf Dahrendorf.