

CAPITALISM AND CRITICAL THEORY



CAPITALISM AND THE FAR RIGHT
REVISITING THE POLLOCK-NEUMANN DEBATE IN
THE ERA OF AUTHORITARIAN ETHNONATIONALISM

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Matthew Sharpe

I

It's also the economy, critical theorists

The work of Nancy Fraser has been remarkable in the last decades for reintroducing questions surrounding capitalism, economics, and redistribution into the field of critical theory.¹ This period has been marked on the one hand by a massive concentration of wealth globally and within nations like the US, and the privatization and retrenchment of forms of social governance. On the other hand, it has seen a 'cultural turn' within critical theory, whether conceived narrowly (theorists influenced by the Frankfurt School) or more broadly, embracing post-structuralist theorising. In this work, the growing economic disparities since the middle-1970s globally have largely been passed over as a subject of

¹ See Fraser 2003 and Fraser & Jaeggi 2018.

critical concern, in favour of culture wars over the politics of representation and identity.² As a result, many critical-theoretical responses leave us unable to comprehend the uncanny blend of continuing, aggressively neoliberal economics and highly regressive cultural politics that characterises the resurgence of forms of authoritarian ethnonationalism, or what Fraser calls “reactionary populism”, globally since 2010. They also provide scant guidance in grasping the connection between these far-right regimes and developments within capitalism over the last four decades.³

To approach a more adequate understanding of the relationship between neoliberal capitalism and the rise of far right, authoritarian ethnonationalist forces today⁴, this paper proposes to return to

² See Fraser 2003.

³ Cf. Fraser & Sunkara 2019, 15-18.

⁴ There is a proliferation of terms for these new types of political movement and government, beginning with “populism”, “nativism”, “illiberalism”, “radical right”, “extreme right”, “post-fascism”, “neofascism”, “far right”, “authoritarian capitalism”, “authoritarian neoliberalism”, and each of these is disputed. On this definitional debate, see Berezin 2019 1-17; Mudde, 2019, 5-7. We eschew the term “populism”, since there are Leftist forms of “populism” (as for instance, most recently: Venezelos & Stavrakakis 2021), and the claims of rightwing authoritarians to speak (or legislate) for “the people” are highly questionable, and stand in tension with their valuing of natural inequalities. There is also considerable uncertainty as to where to make a distinction (or distinctions) in many cases, as far right ideas, parties, and policies have been mainstreamed in many nations since 2000. One must recognize the differences between regimes and movements as diverse, and changing, as Modi’s in India, Putin’s in Russia, Orban’s in Hungary, Erdogan’s in Turkey, and Trump’s in the USA – as well as between different, more and less radical elements supporting each of these forces (Mudde 2019, 20-23). For our purposes here, it need only be accepted that today’s far right movements’ stresses on national, linguistic, ethnic inequalities and differences, xenophobia, hostility to multiculturalism, penchant for palingenetic narratives of rebirth beyond present liberal/multicultural

arguably the decisive moment in the history of critical theory, wherein the path was paved for the subsequent ‘cultural turn’ whose critical-theoretical sufficiency Nancy Fraser, like Wolfgang Streeck, Christian Fuchs, David Lebow, Wendy Brown and others, is presently contesting.⁵ The moment in question is the post-1941 debate within the Frankfurt School between Friedrich Pollock, charged by Horkheimer with the economic work of the Institute for Social Research, and Franz Neumann, the social-democratic legal theorist and author of the monumental study on National Socialism in Germany, *Behemoth* (Neumann 1942). Significantly, the stake of the debate was exactly whether the extreme authoritarian ethnonationalist regimes of interwar fascism and National Socialism in Germany could best be described, as Pollock opined (and as we will examine in Part 2), as forms of “State capitalism” decisively continuous with forms of New Deal social liberalism.⁶ As Tobias ten Brink has incisively argued, the impact on critical

“decadence”, propensity to embrace strong leaders and to attract groups which openly advertise their white supremacist or “National Socialist” credentials (see Lavin 2018; Feinberg 2017; O’Brien 2017, and also the texts archived at the [www-site counter-currents.com](http://www.counter-currents.com)) are far closer to historical fascism than to recognized forms of liberalism, democracy, republicanism, and socialism, representing what Mudde calls a “fourth wave” of the far right since the 1920s (2019, 20-23). We use here the labels “far right” or “authoritarian ethnonationalism” to name the kind of far right politics emblemized by Mr. Trump and his “MAGA” movement in the USA, and differently championed by figures like Le Pen, Orban, and Putin; “authoritarian” naming the anti-liberal styles of campaigning and governance, centering around the leader “able to do what is needed” and flout cloying “elite” norms and consensus, and “ethnonationalism”, naming their key popular ideological appeal, to the paligenetic rebirth of a threatened collective which has ethnic, racial or linguistic markers, as well as a tense relationship with the modern nation-state (movements like *Génération identitaire* for instance focus squarely on Europe, as in fact do some thinkers of the French *Nouvelle droite* like Alain de Benoist).

⁵ See Streeck 2019; Fuchs 2018; 2017; Lebow 2019.

⁶ See Pollock 1990 and 1941.

theory of Pollock's analysis of these far right regimes as enshrining a new form of unprecedentedly technically rational Statism, in which economic laws and capitalism's own crisis-tendencies had been transcended, was profound.⁷ Pollock's argument not only paved the way for Horkheimer's and Adorno's development of critical theory into a totalising, civilizational critique of instrumental reason in *Dialectic of Enlightenment*.⁸ It at the same time afforded 'political economic' justification for subsequent critical theorists to increasingly bracket or jettison economic considerations, focusing instead on the critique of administrative and technological rationality, and questions of ideology, communication, recognition, and identity. In this way, we contend, Pollock's notion of "State capitalism" historically laid the groundwork which has enabled much of the critical-theoretic Left's reduction to rightful but inefficacious, moral criticisms of Mr Trump in the US, and other authoritarian ethnonationalist figures and movements.⁹

To both challenge this cultural turn, and seek out a better framework for understanding authoritarian ethnonationalism today, we therefore turn in Part 3 to the contending position concerning Nazism proposed by Franz Neumann, sometime-associate of the Frankfurt School, who directly criticised Pollock's claims in his opus, *Behemoth* (Neumann 1942). For Neumann, Nazism was less a State, let alone a form of "State capitalism", than a "non-State" based on a permanently unstable compromise between the Party, State bureaucracy, army, and big business. This new regime of "totalitarian monopoly capitalism" (*ibid.*, 179, 472),

⁷ Cf. ten Brink 2015: 333-340. See Piep 2004; Dahms 2011, esp. 20-35.

⁸ See Benhabib 1986, 149-152 for a periodization of the evolution of critical theory in the first generation from an interdisciplinary program integrating the social sciences to a pessimistic philosophy of history.

⁹ Cf. Fraser & Sunkara 2019, 18-28.

indeed, remained decisively capitalistic when it comes to economic and workplace organisation, just as today's forms of authoritarian ethnonationalism are and promise to be – indeed, Nazism enshrined what Neumann at once point calls “the complete subjugation of the state by the industrial rulers,” facilitated by the Party's complete destruction of independent, organised labour (*ibid.*, 461).

Recovering Neumann's counter to Pollock concerning National Socialism, economy and the State, hence sets up the basis for the key contention of Part 4: that the former's account of Nazism in *Behemoth* represents a prescient multidimensional, interdisciplinary road not taken for critical theory, as we seek to the connection between neoliberal capitalism and today's rising tides of authoritarian ethnonationalism. In contrast alike to Pollock's account of Nazism as a form of heightened Statism, which can provide little purchase for understanding the ascent of contemporary forms of authoritarian ethnonationalism in “the ruins of neoliberalism” (Brown 2019); and many new Left criticisms of the same, which completely bracket economic considerations, Neumann's position enables us to understand both the political-economic aetiology of revolutionary far right movements under conditions of monopolistic, highly inegalitarian forms of capitalism, and the probusiness agendas of these far right movements, once they attain power.

Our Conclusion underscores the proposition that a post-Neumannian purview on today's authoritarian ethnonationalisms can assist in getting clear on where and how moral and cultural critiques of their xenophobia, misogyny, and cultures of rage are necessary, but not sufficient. If the conditions which enable these forms of hateful politics to win mass appeal are to avoided, we must also repoliticise the economy, to prevent the conditions of

monopolisation, extreme inequality, and socio-political alienation from continuing to sow the seeds of radical reaction.

II

Pollock, State Capitalism, and the Eclipse of the Economic

From 1927 onwards, Friedrich Pollock was the chief administrator and then, after 1931, the codirector of the Institute of Social Research in Frankfurt. In the interdisciplinary division of labour envisaged in Max Horkheimer's 1931 inaugural speech as the new Director of the Institute¹⁰, Pollock was positioned the Institute's chief researcher on economics. He was charged with developing a theoretical account of the developments of capitalism in the 20th century, in contrast to earlier periods.¹¹ In his studies of the early 1930s, Pollock developed a periodising account of capitalism which we will see Neumann for one accepted. This argued that with the concentration of the means of production by monopolistic corporations since the middle of the 19th century in advanced economies, older models of bourgeois economics had become obsolete: "the question [is] of whether a system of monopoly capitalism has replaced the competitive system today."¹² Pollock, who had visited Soviet Russia in the 1920s, was however also impressed by his experiences of the possibility of a successful, centrally planned economy. In *Die gegenwärtige Lage des Kapitalismus und die Aussichten einer planwirtschaftlichen Neordnung* [The current situation of capitalism and the prospects of a planned economy reorganization], Pollock emphasised that the tendency of capitalism to engender oligopolistic and monopolistic interests capable of buying out smaller competitors, as well as to force

¹⁰ Horkheimer 1993.

¹¹ Dahms 2011, 20-21; Wiggershaus 1994, 750-751.

¹² Pollock 1930, 460. See also Pollock 1932; Dahms, 2011, 21.

thereby an expanded role for the state, was leading to a supersession of the market order characterising earlier capitalism.¹³ Decisions concerning production and distribution were increasingly being made by managerial elites within the monopolistic combines and the administrative state, a situation which he already suggested pointed towards a new form of “state capitalism” (Dahms 2011, 22). It was just such a new order of “state capitalist intervention”, Pollock would maintain in 1933, that both the ascent of Adolf Hitler in Germany and Benito Mussolini in Italy attested to, as well as the New Deal in the US.¹⁴

Pollock would develop this framework in two articles published in 1941 in the *Zeitschrift für Sozialforschung*. The first, “State Capitalism: Its Possibilities and Limitations” lays down the theoretical model at a high level of abstraction; while the second, “Is National Socialism a New Order?” applies the model to the Nazi regime.¹⁵ Any economic order, in order to succeed, Pollock postulates, must be able to “define the needs of society in terms of consumer goods, reproduction of plant, machinery and raw materials, and expansion”, manage the production of goods with maximal or tolerable efficiency, relative to societal needs, and “distribute the social product” so that a sustainable satisfaction of social “needs” are fulfilled.¹⁶ Free market capitalism, with the price mechanism as a tool to spontaneously calibrate supply and demand, Pollock argued, had shown itself unable to meet these necessities without “waste and inefficiency”, as well as periodic

¹³ See Pollock 1932; cf. Dahms 2011, 22.

¹⁴ Pollock 1933, 321-354.

¹⁵ See Pollock 1941, 440, n.

¹⁶ Pollock 1990, 74. Already noticeable in these parameters is something which will continually strike the reader: the disappearance of human labour, the principal creator of value under more classical Marxist theorisations, under the categories of distribution or what Pollock calls “the allocation of all available resources”.

crises, “the business cycles with their cumulative processes of destruction” (Pollock 1990, 75). At the same time, the development of new technologies of production and distribution had brought advanced societies to a point “where it seems as if the arguments against the technical workability” of a centrally-planned economy, which could avoid the capitalist boom-bust cycles, “can be refuted.” (*ibid.*) All the means for the technical planning of large-scale economies by calibrating production and distribution, Pollock claims, were by now available (*ibid.*, 86).

What had resulted from these political-economic and technological preconditions, for Pollock, is the transition from “private capitalism” towards a “new order” (Pollock 1941, 450-455), characterised at least ideally (and we will return to this) by what he terms a “new set of rules” (Pollock 1990, 75). This order was “the successor of private capitalism”, one in which “the state assumes important functions of the private capitalist, ... profit interests still play a significant role, and ... it is not socialism” (*ibid.*, 72). In particular, firstly, “a general plan” managed by the State or its “planning board” “gives the direction for production, consumption, saving and investment” (*ibid.*, 88, 75). What needs there are, and which needs shall be satisfied, is no longer left to “the anonymous and unreliable poll of the market”, but instead becomes the object of “a conscious decision on ends and means” (*ibid.*, 75). Secondly, therefore, “prices are no longer allowed to behave as masters of the economic process but are administered in all important sections of it” (*ibid.*). In particular, the relationship between prices, demand, and the costs of production on the supply side are dis severed “in those cases where they tend to interfere with the general plan” (*ibid.*, 75-76). Production, as such, becomes production for use value, as determined administratively (*ibid.*, 83-84), as against exchange value, with “use” being decided on the basis of the general plan (*ibid.*, 79).

Thirdly, and as such, “the profit interest of individuals and groups as well as other special interests are to be strictly subordinated to the general plan or whatever stands in its place,” noting this uncertain qualification (*ibid.*, 76). Profit remains as an “efficient incentive” to enterprise. However, “where the interests of single groups or individuals conflicts with the general plan or whatever serves as its substitute (*sic.*), the individual interest gives way” (*ibid.*). As such, it operates only within “narrow limits beyond which the pursuit of private interests cannot be reconciled with efficient general planning” (*ibid.*, 77). Indeed, most productive facilities are privately owned but, Pollock claims, effectively “controlled by the government” (*ibid.*, 82).

Accordingly, the figure of the capitalist in the old sense, capable of investing where he pleases, in order to maximise his own profits, no longer exists. “The entrepreneurial and capitalist function, *i.e.*, direction of production and discretion in investment of one’s capital, are separated” (*ibid.*, 80). Instead, “management” becomes ascendant in controlling these matters, “without necessarily having an important share in corporate property” (*ibid.*) Moreover, the managements’ decisions are “interfered with or taken over by government,” noting again Pollock’s disjunctive qualification (*ibid.*). All production is subject from on-high to a system of quotas and priorities, which determine what will be produced, when, and by which interests (*ibid.*, 82). All of this reduces the capitalist to a mere “rentier”, a kind of economic *ancien combatant* (Pollock 1941, 442), and his profits to the status of “compensation for efficient investment and management” (1990, 81). The owners of the means of production now only “receive interest on their investments for as long a time and in the measure that the new ruling class may be willing to grant” (*ibid.*, 91) In such an order, the “power motive” supplants the profit motive (*ibid.*, 78). The power of the individual cannot be bought or sold by money alone, as we see most clearly with the expropriation of the Jews by the Nazis:

under state capitalism, men meet each other as commander and commanded: the extent to which one can command or has to obey depends in the first place upon one's position in the political set-up and only in a secondary way upon the extent of one's property (*ibid.*).

Fourthly, the whole presents a picture of ever-tightening central control, facilitated by (and facilitating) the upmost modern technical rationalization. "In all sphere of state capitalism (and ... that means in all spheres of social life as a whole)," Pollock writes, "guesswork and improvisation give place to the principles of scientific management" (*ibid.*, 77). Society as a whole becomes in effect a single combine, under the management of a single executive "planning board" (*ibid.*, 88) comparable to a giant vehicle, chemical, or steel plant. The military and war, the management of public opinion, the use of coercive force, international trade and foreign relations; all of these are subject to a top-down "general planning" which at once calibrates each micro-level action and transaction within the larger whole, and as such, ensures the minimisation of "waste or error" at every level (*ibid.*, 78).

It must be said that, at nearly every step of Pollock's argument, the reader can ask for greater specificity, illustration by example, quantitative evidence, and the testimony of actors involved in the momentous historical transformation "State Capitalism" putatively details.¹⁷ *Is National Socialism a New Order?*, which turn specifically to really-existing Nazism, highlights some of the tensions and deficits of Pollock's theoretical perspective. Having stressed in "State Capitalism" that "a general plan for the structure of the

¹⁷ See Dahms, 2011, 21-22.

social product” will be in existence in any such regime (Pollock 1990, 82), and that “the closest approach to the totalitarian form of [state capitalism] is made in National Socialist Germany” (*ibid.*, 72), Pollock is forced into telling concessions. “National Socialism has not created a planned economy so that the whole economic life might be directed and performed according to a well-conceived and detailed plan,” he begins his section on “The Operation of Economic Life” disarmingly:

Its so-called Four Years Plan has never been published, because it does not exist and must be considered a mere ruse to enforce concentration of control and speed-up of armament production. As late as 1941 the *Frankfurter Zeitung* declared that ‘the problem of a totally planned economy has never been seriously discussed’ (Pollock 1941, 444).

Nevertheless, Pollock insists, “a clearly defined general program exists”, which stipulates goals of full employment, “autarchy” in terms of necessary resources, and maximal efficiency in production, notably in armaments (*ibid.*, 445). Those authors, like Neumann (see Part 3) who insist that the absence of a codified general plan indicates that “no new economic order has arisen” are charged by Pollock with having taken “the surface phenomena at face value” (*ibid.*, 445). Even though Nazi officials state otherwise, “the objective force” of the manifold State interferences in the German economy speak louder than “pious wishes”: “even against its desires and preferences the objective facts are on the way to destroying the old order” (*ibid.*, 445). It is a matter of a quantity of change, actual or at least projected (“on the way”), putatively effecting a qualitative shift. The same hedging is evident in Pollock’s evocative but imprecise claims that “most productive facilities” are “controlled by the government,” when the most we

are told, more concretely, about anything like such nationalisation concerns “the trend towards socialisation of medicine, of journalism and other free professions [which] transforms their members into government employees” (*ibid.*) Then there is Pollock’s dismissal of the rapid growth of undistributed profits being used by private firms to fund new investments under Nazism (see Part 3), a seeming disproof of his claims concerning State direction of investment. When Pollock addresses this in a note with the claim that “internal financing is deliberately furthered by the ruling groups to facilitate expansion” (*ibid.*, 442 n) it is difficult to avoid the impression that we are in the presence of an explanatory *deus ex machina*, rather than a falsifiable socio-theoretical hypothesis.

In any event, the significance of Pollock’s analysis, especially given its take-up by his codirector of the Institute for Social Research, Max Horkheimer, was profound. Firstly, as Pollock himself specifies, this is an economic analysis of the conditions of contemporary societies which heralds the destruction of its own theoretical object. If Pollock’s analysis of “State Capitalism” holds, “nothing essential is left to the functioning of laws of the market or other economic laws” (Pollock 1990, 77):

We may even say that under state capitalism, economics as a social science has lost its object ... where the economist formerly racked his brain to solve the puzzle of the exchange process, he meets, under state capitalism, with mere problems of administration (*ibid.*, 87).

In this way, as Tobias ten Brink (2015) has identified, Pollock’s argument represents a landmark moment in the history of critical theory. This is the move within the Frankfurt School away from

the kind of interdisciplinary program of social research announced by Horkheimer in 1931 (1993), in which some form of Marxist critique of political economy was to play a key role, towards an increasing focus on “a negative philosophy of history and towards a diagnosis of the self-destruction of reason” (ten Brink 336) In ten Brink’s incisive formulation, Pollock’s conceptualisation of State capitalism “represented a *carte blanche* for critical theorists to put aside the work on economic development and economic crises” (*ibid.*). Pollock’s work does not yet take a specifically cultural turn, concerning itself exclusively with issues of communication, representation, identity, recognition, and ideology, rather than class and relations of production. But it makes the road straight for such this subsequent turn, which would be taken firstly within the Frankfurt School and then in subsequent post-structuralist-influenced theorising.

Indeed, and this is a second point of significance, Pollock’s concept of “state Capitalism,” explicitly developed in response to the weakness of free market systems, presented the argument that the new order he envisaged would suffer no necessary or cyclical forms of crisis. “Forewarned as we are,” Pollock intoned:

We are unable to discover any inherent economic forces, ‘economic laws’ of the old or a new type, which could prevent the functioning of state capitalism. Government control of production and distribution furnishes the means for eliminating the economic causes of depressions, cumulative destructive processes and unemployment of capital and labour (Pollock 1990, 86-87).

Any “limitations” the system might face would accordingly be “natural or non-economic” (Pollock 1990, 87), another reason for

critical theorists to neglect the economic heretofore. As ten Brink again has observed, “Pollock’s analysis of a non-contradictory state capitalism became a decisive economic basis for a form of critique that despaired in the face of the closedness of social life and was transformed into general resignation” (ten Brink 2015, 335). Even the object of the total, civilizational critique proposed by Horkheimer and Adorno soon after in *Dialectic of Enlightenment* – a work devoted to Pollock (see *ibid.*) – is anticipated in those passages of Pollock’s articles on state capitalism which exalt the putative rationality of the new administrative order (Pollock 1990, 77, 83-85, 86-87). The administrative economy and state apparatuses under Nazism, Pollock claims, present the image, if not yet of instrumental reason triumphant, of “machine-like” precision (Pollock 1941, 448). Hence, the “prophets of downfall” concerning the Nazi regime miss what Pollock’s analysis putatively reveals: how “National Socialism applies a new set of rules to its economic policy, rules which make its economic policy more efficient than anything known heretofore” (*ibid.*, 452). Pollock even gestures directly towards the administrative control of needs under Nazism through what Adorno and Horkheimer will soon call the culture industry (Adorno & Horkheimer 2002, 94-136). He assures us, faced with concerns about planning capacities, that no “‘God-like’ qualities are required” for such control of human needs:

It has been shown that freedom of consumers’ choice actually only exists only to a very limited degree. In studying large numbers of consumers, it becomes evident that size of income, tradition and propaganda are considerably levelling down all individual preference schedules (Pollock 1990, 85).

A third implication of Pollock's analysis is only skirted by ten Brink. It can be said that, for all of Pollock's insistence on the primacy of "the political" in the new era of state capitalism¹⁸, the nature of politics in the new order is unclear. It seems vanishing beneath the ever-more-all-encompassing securing of totalising state control. Labour is treated only passingly in either of Pollock's pieces, principally under the heading of "control of distribution" (*ibid.*, 83) (as if labour was a matter not of production), but the fate of unions and class struggle is not mentioned at all: striking omissions in a piece of post-Marxist social theory. Amongst the "non-economic limitations" State capitalism can face (*ibid.*, 87), Pollock significantly points to antagonisms between the different interests within what he calls "the ruling group" or "ruling class" (*ibid.*, 73, 90-91).¹⁹ This elite has resulted, we are told, "from the merger of the most powerful vested interests, the top-ranking personnel in industrial and business management, the higher strata of the state bureaucracy (including the military) and the leading figures of the victorious party's bureaucracy" (*ibid.*, 73). These vested interests may well disagree about the ends to which the vast machinery of the State, which we are told serves as their "tool" or "power instrument" (*ibid.*, 92, 73) – incidentally setting up another tension in his account concerning what he calls the "seemingly independent" status of these elites (*ibid.*, 92). Outside of this ruling cabal, in any case, "everybody ... is a mere object of domination" (*ibid.*, 93) through terror and propaganda 'on the supply side', as it were, and by full employment (albeit at the cost of "brutalization") as a means to purchase compliance or consent (*ibid.*, 92).²⁰

Given these parameters, it is not difficult to see why Pollock, fourthly, hesitates before the question of whether "State

¹⁸ See esp. Pollock 1990, 78.

¹⁹ Cf. also Pollock 1941, 451.

²⁰ See also Pollock 1941, 453.

capitalism” *per se* could be consistent with anything like a democratic form of government. Clearly, he is himself in favour of democratic governance.²¹ Yet, Pollock is quick to state that “since no approaches to [democratic State capitalism] have been made in practice, ... no attempt will be made here to construct a model for it” (*ibid.*, 92). He asks, but does not answer, about what measures could enable control of the state by the majority, preventing the domination of the “industrial and state bureaucracy under state capitalism,” and allowing for the maintenance of political liberty given the loss of economic freedoms, on more than a temporary basis (*ibid.*, 93). These hesitations bespeak eloquently the tendential collapse of differences between fascist, socialist, and liberal-parliamentary regimes the thesis of a new stage of “state capitalism” necessarily brings in its wake. Here we have a further feature that anticipates the terminus reached by the civilizational critique in *Dialectic of Enlightenment*, as well as post-war forms of Rightist total critique of modernity led by that of Martin Heidegger.²² Fascism in this post-Pollockian configuration is far from being set apart from its modern competitors by its radical, avowed opposition to the ideals of the bourgeois revolutions, led by any notion of equality. Instead, it becomes the fullest realisation of the model Pollock asks us to see as normative for advanced societies in the 20th century.²³

²¹ Cf. Pollock 1990, 72, 93.

²² On the rebadging of the total critique of modernity which led thinkers into proximity with Nazism, after 1945, as including Nazism (and exonerating specific responsibility for crimes), see Payk 2012, esp. 691.

²³ Cf. Pollock 1990, 93; cf. ten Brink 2015, 335.

III

Totalitarian Monopoly Capitalism:

Franz Neumann on the Nazi Behemoth

Friedrich Pollock is not named in the main text of Franz Neumann's *opus*, *Behemoth*. He hardly needs to have been. The opening chapter of Part II on "Totalitarian Monopoly Capitalism" bears the title "An Economy without Economics?"²⁴ Its opening sections address "an increasing tendency" to identify the Nazi system as "brown bolshevism ... state capitalism ... bureaucratic collectivism, ... the rule of a managerial bureaucracy" (Neumann 1942, 222). The thinkers embodying this tendency (Hilferding alone, who influenced Pollock²⁵, is quoted) believe that there are no longer entrepreneurs in Germany, only managers; no freedom of trade or investment, hence no markets *stricto sensu*; "prices are administrative prices, wages only administrative wages" (*ibid.*). Accordingly, "the obstacles such a society meets are exclusively natural, no longer economic" (*ibid.*, 225).²⁶ It does not matter that, in fact, the State does not own all of the means of production in Germany; such a 'statist' terminus is in this instance "an ideal type or model, and they believe it is rapidly being realised" (*ibid.*, 223) so far most fully in Nazism (*ibid.*, 225) As such, the political prognosis of these analyses can only be profoundly pessimistic: "in our view, these theorists must admit that their system may well be the millennium" promised the German *Völk* by Hitler and his seconds (*ibid.*): "if we share this view, we must also conclude that nothing but a series of accidents can destroy such systems" (*ibid.*, 226).

²⁴ Neumann, 1942, 221 ff. See Kettler & Wheatland 2019, 275-292.

²⁵ See Dahms, 2011, 20.

²⁶ Cf. also Pollock 1990, 87-90.

Neumann's criticism of Pollock and others' "profoundly pessimistic view" of Nazism as "state capitalism" or a "command economy" is marked by both a theoretical complexity, and a proximity to empirical data (specific legislation, actions and dates, documents, examples and statistics) far greater than in Pollock's two articles in the *Zeitschrift für Sozialforschung*. His is a genuinely interdisciplinary approach to Nazism, bringing together legal, political, economic, and social theoretic approaches. For Neumann, what the data suggests is that National Socialist Germany has enshrined an uneasy combination of a market economy, a monopoly economy, and a command economy – not the complete or even tendential triumph of the latter.²⁷

The conclusions of Neumann's analysis are in many ways diametrically opposed to those of Pollock (Part 2). Pollock sees the increasing proximity of the state and big capital under Nazism. But Neumann argues that this proximity reflects *the subordination of the State to the interests of monopoly capital*, on which it depends, not the opposite.²⁸ Pollock mistakes the destruction of the free market of classical liberalism, with the introduction of price controls and quotas, as signalling the end of the operation of economic laws *per se*²⁹, rather than their transformation under monopolistic conditions. Pollock overreads the unlimited control over the means of terror and violence (Neumann 1942, 254), including the powers in-principle to close down independent economic activities, for a situation in which private initiative, and the pursuit of private profit, is wholly "subordinated" to a "general 'plan'"

²⁷ Pollock 1941, 450. Neumann's account of the economic development of National Socialism from 1933-1941 also works with a periodization absent from Pollock's more blanket assertions: the period of consolidation (1933-34), the Schacht reforms (1934-1936), the period of the abortive "four-year plan" (1936-39), and the war period (September 1939-1941).

²⁸ Neumann 1942, 261, 354.

²⁹ Pollock 1990, 75.

which we have seen he is nevertheless forced to admit did not ever exist under Nazism.³⁰ Above all, Pollock's analysis of National Socialism involuntarily reproduces the Party's own ideological image of exercising total control over German life, which the economic evidence does not support (Neumann 1942, 225-226).

As a result of these interpretive errors, Pollock in Neumann's view fundamentally misunderstands Nazism, as well as the relationship between this militantly far Right regime's aetiology and formation to monopoly capitalism. Far from the state triumphant, Neumann famously declares the Nazi regime to be a species of polycratic "chaos" or "non-State" (*ibid.*, 459): an unstable arrangement brokered between the competing power blocs of Party, bureaucracy, Army and monopoly capital, held together by nothing but "the reign of terror, and fear lest the collapse of the regime destroy them all" (Neumann 1942, 396)³¹ Pollock's analysis, at the same time as it proclaims the triumph of "politics" over economics, systematically obscures the political-economic aspects of the "rationalization" of the German economy. This rationalization involves (on the side of capital) the destruction or "combing out" of small and inefficient operations, favoured by compulsory cartelisation legislation, and favouring the largest industrial interests (*ibid.*, 265). On the side of labour, which Pollock's analysis as we noted largely submerges under the category of distribution (Pollock 1941, 448), Nazism has enshrined the destruction of independent unions at the behest of business, whilst posing fraudulently as a form of "socialism" (Neumann 1942, 337-353). By the time Pollock announces in Nazism the paradigm of "rationality", he has reduced rationality to "one-sided technical rationality" (Pollock 1941, 447) in a way which obscures the manifold irrationalities that characterised the unstable, dynamic

³⁰ Cf. Pollock 1990, 76.

³¹ See also Neumann 1942, 2nd ed. 1944, 523-524.

compromise formation between the polycratic blocs. Yet, what is rationality from above is also not, decisively, rationality from below, in the lived experience of ordinary Germans facing a legal system in which all civil and industrial protections against authoritarian *diktat* were withdrawn.³² There is also the small matter of the regime proceeding in the absence of any coherent political theory “that derives political power from the will or the needs of man” (Neumann 1942, 463), and amounted to more than a syncretism of “idealism, positivism, pragmatism, vitalism, universalism, institutionalism--in short, of every conceivable philosophy” to justify its competing initiatives (*ibid.*, 462).

Pollock for Neumann finally at most glimpses, and passes over, the contradictions that characterise Nazism as an ideological-political regime: between the all-unifying “Leadership principle” and the polycratic, anomic reality (Neumann 1942, 396-397, 469); between an idealized *Volksgemeinschaft* and industrial laws which enshrined egoism, fear, atomisation, and growing inequality (*ibid.*, 402); between the organizational redundancies of a system in which four competing power blocks all exercised executive and judicial powers (*ibid.*, 468-469), and the demands for coordination of an advanced industrial society (*ibid.*, 471); between the ruling elites, their shock troops, and the vast mass of the disempowered *Gefolgschaft* (*ibid.*); between the potential for creative production and the reality of an economy directed towards war and destruction; and between a ruthless imperialism, driven by expansionary economic and ideological imperatives, and the international resistances such a program necessarily engendered (*ibid.*, 471-472).

It is illegitimate for any theorist to try to sell a putatively descriptive theory, like that of “State capitalism”, as naming an “ideal type”, when “the new theory [of state capitalism] violates the

³² See Kirchheimer 1939.

principle that the model or the ideal type must be derived from a reality and must not transcend it” (*ibid.*, 224). Nationalisation in Germany, the take-over of private business by the State, declined under National Socialism, to around 7% of all joint stock companies (*ibid.*, 296). The only exception was the banks, whose relative share in financing capital (relative to industry self-financing through undistributed profits) markedly declined (*ibid.*) Contra Pollock, it is also “impossible to say that investment planning exists in Germany” (*ibid.*, 326). Industry’s self-financing through undistributed profits “was completely free from regimentation” (*ibid.*) by the State, in fact, and the 1934 *Dividend Limitation Act* (concerning dividends over 6-8%) “had no intention of cutting down profits but merely of restricting the distribution of dividends to shareholders ...” (*ibid.*, 316). Leading Nazi voices repeated that the federal State never intended to “enter into unbearable competition” with industry,³³ let alone “take [them] over” (Pollock 1941, 80). Indeed, even in wartime, the profit motive was considered essential to generating maximum productivity: “extensive restriction of free market production does not mean obstructing the entrepreneurial initiative; on the contrary, the more active, resourceful, and daring the head of the enterprise, the more it will be able to fulfil his war task.”³⁴ Pollock’s reading of Nazi legislation handing greater powers to managerial boards over stockholders (Neumann 1942, 287-288) as evidence of the end of the figure of the capitalist under Nazism quietly presupposes what needed proving: that all capitalists under the Nazi regime were effectively reduced to rentiers. However, when we examine the stellar careers of “industrial *condottiere*” under Nazism like Friedrich Flick and Otto Wolff (or Krupp, Haniel, Gutehoffnungshütte, or

³³ Major General von Kannekan, Director of Department II of the Ministry of Economics, at Neumann 1942, 299.

³⁴ Major General George Thomas, Head of the Division of Defence Economy in the High Army Command, at Neumann 1942, 314.

Klöckner), and of monopolistic enterprises like the Günter Quandt Combine, the Mannesmann Combine, the Count Bellestrem Combine, and the Wintershall potash Combine (*ibid.*, 289-291), we see clearly that the big capitalists:

are not *rentiers* who at the end of the year cut the dividend coupons of their stock certificates to cash their dividends. Nor are the managers themselves simply managers, that is, salaried employees. They have long ago assumed the role of capitalists proper, investing their savings in shares and often speculating with the funds of their own corporations, thereby strengthening their personal financial power within them ... (*ibid.*, 291).

With the Göring combine, likewise, we do not see proof of any attempt by the Nazi Party to effectively control economic activity, so much as testimony to how “even in a one-party system, which boasts of the supremacy of politics over economics, political power without economic power, without a solid place in industrial production, is precarious” (*ibid.*, 305). The Party, one Nazi commentator tells us, “restricts itself to questions of philosophy of life and the selection of leading personalities in the performance of the economy ...” (*ibid.*, 355); a kind of “spiritual”, as against economic, nationalisation (*ibid.*, 270).

Nor do Pollock’s uncertain appeals to the “planning board” or “plan authority” (Pollock 1990, 88, 85), or a “general program” supposedly directing all economic activities³⁵ serve to clarify the mechanisms and function of industrial legislation passed by Nazism in the different phases of its rule. If we take Nazi pronouncements at face value, Neumann comments, “we shall indeed gain the impression that Germany is a state-capitalist

³⁵ Cf. Pollock 1941, 445.

country ...” (Neumann 1942, 254) However, we should also not forget the way that language, and even law, serves in an antagonistic society to “veil and hide the antagonisms until it becomes almost impossible to piece through the mass of words” (*ibid.*). State subsidies, guarantees on profits, and cheaper credit to business to replace old equipment and write off new investments, alongside tax remissions for new investments, and tax privileges for developing new production methods³⁶; these measures do not mark out the profile of *ersatz* State control of industry, for Neumann. They represent the subservient bending of the will of the new regime to the demands of monopolistic capital³⁷ in a time when technological changes (notably in chemistry, polymerisation, textiles, and glass) made the starting costs of production far too expensive for all but the largest ventures.

If the costs were thus socialised, the profits remained in the monopolists’ hands, in a scenario to which more than one neoliberal regime, and Trump’s infrastructure program³⁸, has recently given echo. Likewise, compulsory cartelisation for Neumann³⁹ does not involve the creation of effective “government agencies for the control of production” (Pollock 1990, 79), so much as a weapon in the hands of the most powerful combines for ruthlessly excluding new entrants to the market, and “combing out” smaller and less efficient competitors without indemnification.⁴⁰ Such cartels were not organised in anything more than a formally egalitarian manner, with voting power assigned based on quotas of production, and hence on sheer scale. Accordingly, despite Pollock’s assertion, “time and again the

³⁶ Cf. *ibid.*, 294.

³⁷ *Ibid.*, 261.

³⁸ See Fuchs 2018, 97-98.

³⁹ See Neumann 1942, 263-267.

⁴⁰ Cf. Neumann 1942, 307.

complaint has been raised [in National Socialist outlets] that cartels dominate” the trade associations and economic chambers established by the State, “and not *vice versa*” (Neumann 1942, 270).

As for legislative price controls, Neumann stresses that these did not end marketized competition, but reproduced economic conflicts “at a higher level.” (*ibid.*, 280-315). In 1936, price controls were established, with penalties imposed from June 1939. Further controls followed with the invasion of Poland.⁴¹ But we can only understand these measures when we note how they applied only to certain “free prices” (as against “bound prices” set by cartels⁴²), secured rates of profits for “economically necessary” plants, allowed exceptions “if economically required or urgently required to avoid special harshness”⁴³, and left individual enterprises “free to undertake in their own right” alternations of sale prices, within set limits, and quotas, in order to maximise profit.⁴⁴ Within the new “pseudo-market”, competition for raw materials, labour, and market share continued: if anything, the profit motive was “sharpened” (Neumann 1942, 315). By limiting the scope for varying quotas and sale prices, far from enshrining a situation in which “losses for the individual producer and even less economic disaster” was prevented by administrative oversight⁴⁵, price controls thus served as another capitalistic means to weed out smaller, less efficient competitors operating with tighter margins and further concentrate industrial capital.⁴⁶

The scant attention Pollock pays to labour relations, as we have indicated, is deeply telling in a post-Marxist theorist. Nevertheless,

⁴¹ Cf. Neumann 1942, 306.

⁴² See *ibid.*, 307.

⁴³ See *ibid.*, 309.

⁴⁴ Cf. Neumann 1942, 312-313.

⁴⁵ Cf. Pollock 1990, 81.

⁴⁶ See Neumann 1942, 307.

Neumann stresses, under the Nazis, the share of income from wages, salaries, and pensions fell from 77.6% (in 1932) to 63.1% (in 1938) at the same time as employment increased by some 55.2%.⁴⁷ Welfare spending meanwhile fell from 12.1% to under 10% of GDP: in other words, the exploitation of labour was radicalised.⁴⁸ The achievement of full employment was achieved at the cost of the destruction of the trade unions, dramatically expropriated by the SA on May Day 1933⁴⁹, the elimination of collective agreements, the introduction wherever possible of individual “piece rates” and bonuses, and the arbitration of individual disputes by the German Workers’ Front, a compulsory Party organisation who represented both workers and the “leaders of plants” in said disputes.⁵⁰

“It has been the iron principle of the National Socialist Leadership,” Hitler boasted at the Party Congress of Honour, “not to permit any rise in the hourly wage rate but to raise income solely by an increase of performance.” (*ibid.*, 432). It is as if the *Führer* was a proud CEO boasting to an industry group today. Nazi ideology meanwhile dressed industrial relations up in quasi-feudal language, claiming to sublimate the employer-employee division in “plant communities” (*ibid.*, 419). Workers were to labour with “honour”, pledging “faith” in the “plant leaders,” with any disclosure of workplace activities (now “state secrets”) rebadged as “treason” (*ibid.*, 424-425). In Neumann’s summation, far from the triumph of a neutral scientific rationality, labour relations under Nazism attests to “two decades of progress” for organized labour being “wiped out completely,” with express political intent (*ibid.*, 433).

⁴⁷ See Neumann 1942, 436.

⁴⁸ See *ibid.*, 434.

⁴⁹ See *ibid.*, 414.

⁵⁰ See *ibid.*, 421, 425ff., 432.

This contrasting, empirically far richer account of Nazi economic governance attests for Neumann to the need to reject Pollock's uneasy dismissal (see Part 4) of his earlier category of monopoly capitalism.⁵¹ To understand the new economic configuration, Neumann contends, we need to understand the conflict between liberal-parliamentary forms of governance by the general laws, and the realities created by high levels of economic concentration under monopoly capitalism. When private interests become sufficiently wealthy and monopolistic – a situation which we are again seeing, under new technological conditions, in the US and globally – their governance by general laws (meaningful within the pluralistic marketplaces of classical liberalism) becomes redundant.⁵² Moreover, such general laws have an ethical function to defend the small and the powerless,⁵³ equal in principle under law, in ways monopolists are strong enough to be able to dispense with.⁵⁴ The advent of monopolistic economic systems hence places pressure on the rule of law, which Neumann sees reflected in the proliferation during the Weimar period of decisionistic legal theory (led by the political theology of Carl Schmitt),⁵⁵ and doctrines celebrating the “free discretion” of judges to interpret law.⁵⁶ Parliaments, in an era of democratic mass mobilization, may after all vote to raise taxes on capital or undistributed profits, to loosen protections surrounding cartels and install anti-trust measures, even to promote pro-labour industrial law and expanded social insurance (Neumann 1942, 358-359). If socio-political conditions, and the level of labour organisation, become sufficiently threatening to monopolists, they can hence be readily persuaded

⁵¹ See Pollock 1990, 75.

⁵² See Neumann 1942, 445; and Neumann 1957, 52-66

⁵³ See Neumann 1957, 42-47.

⁵⁴ Cf. Neumann 1942, 447.

⁵⁵ Cf. *ibid.*, 45-46, 446; Neumann 1957, 52-56.

⁵⁶ Cf. Neumann 1942, 446.

that the most “responsible” course of action is to throw their capital behind fascist strongmen. Herein for Neumann lies the explanation of the birth of fascism from the Weimar republic:

The aims of the monopolistic powers could not be carried out in a system of political democracy, at least not in Germany. The Social Democratic party and the trade unions, though they had lost their aggressive militancy, were still powerful enough to defend their gains ... Similarly, the National Socialist Party could not possibly carry out its economic policy on a democratic basis. Its propaganda and program were ostensibly aimed at protecting the small and medium-scale entrepreneur, handicraftsman, and trader--that is, the very groups that have suffered most under the National Socialist regime. The complete subjugation of the state by the industrial rulers could only be carried out in a political organisation in which there was no control from below, which lacked autonomous organisations and freedom of criticism. It was one of the functions of National Socialism to eliminate political and economic liberty by means of the new auxiliary guarantees of property, ... the command, ... [and] the administrative act, thus forcing the whole economic activity of Germany into the network of industrial combinations run by the industrial magnates (*ibid.*, 260-261).

It is with such a diagnosis in view that Neumann proposes contra Pollock and others the label “totalitarian monopoly capitalism” to describe the Nazi regime, and its economic bases (*ibid.*, 179-472). The absence of the term “State” here is telling. So is the introduction of the adjective “totalitarian” to describe means of repression and terror not necessarily exercised by the State apparatus, but at the behest of cartelised industry, in uneasy league with the Nazi Party, and justified within the parameters of the

Nazis' particular species of irrationalist, *Völkisch*-populist, anti-semitic ideology (*ibid.*, 469-470).

IV

On rethinking authoritarian ethnonationalism, and its relationship to capitalism, in light of the Pollock-Neumann debate

By 2020, the time has become overdue for critical reconsiderations of the relationship between capitalism, as an “institutionalized social order” based in an economics geared towards “endless accumulation of surplus value” (Fraser & Jaeggi 2018, 52, 195, 62), as Nancy Fraser formulates things, and the rise of forms of far Right, authoritarian ethnonationalist political movements. The GFC in particular, and subsequent debt crises, has shown that the neoliberal attempt to sell privatisation, the divestment of the State, and the deregulation of business as an exercise which does more than promote the freedom for a few to accumulate at the expense of the many has failed. Peoples around the world now are now seeing how these measures produce growing inequality and alienation and how, if pushed, such neoliberal economic policies can be carried forwards, with full support of many economic elites, by the most politically oppressive political forms, from crippling austerity measures to open ethnonationalist authoritarianisms.⁵⁷ At the same time, in order to participate in this reconsideration, this paper has argued – again following Fraser – that critical theorists need urgently to reopen paths towards interdisciplinary approaches in which the importance of economics, both in itself and insofar as questions of the organisation of work and distribution of wealth remain political

⁵⁷ See esp. Brown 2019 and Schram & Pavlovskaya (eds.) 2017.

and cultural questions, is recognised. To move forwards, and halt what one commentator calls “the fascist creep” (Ross 2016), we need to better understand how far right ethnonationalist movements relate to, and can be engendered within capitalist societies, how they gain popular support, and how they govern economically and socially, if they gain power.

As we flagged in Part 1, scholars rightly debate whether contemporary forms of authoritarian ethnonationalism, such as that of the “MAGA” (Make America Great Again) movement in the USA and its international emulators, are politically identifiable with forms of interwar fascism.⁵⁸ The widespread understanding of fascism and Nazism as forms of Statism, hearkening within the critical theory tradition to Pollock, as we saw (Part 2), makes Trump’s probusiness, deregulatory policies in power – let alone the fervour for destroying the “deep state” in activists like Steve Bannon⁵⁹ – seem deeply “anti-fascist”: a proposition which is eagerly publicly upheld by many far Right advocates. At the same time, Trump himself in the US and authoritarian ethnonationalists elsewhere appeal to fears of pervasive cultural decline, conspiracy theorising, xenophobia, masculine protest, appeals to threatened white privilege, nihilistic cynicism, aversive self-assertion, and celebration of the charismatic Leader: all features shared with the interwar fascist regimes, led by National Socialism in Germany.

As the theoretical basis for an account both of the genesis and nature of authoritarian ethnonationalism and its relationship to neoliberal capitalism today, this paper has suggested Franz Neumann’s widely-neglected work on the National Socialist “non-State” in Germany proves an invaluable path not taken by critical theory. Unlike Friedrich Pollock, whose far more influential account we saw (in Part 2) presented fascism as a highly-regulated

⁵⁸ And see note 4 above.

⁵⁹ Cf. Beiner 2019.

form of Statism, Neumann would not be surprised at the coincidence between forms of regressive authoritarianism and appeals to scuttle the regulative state from figures like Trump. National Socialism for him was not the crystallisation of an unprecedentedly rational administrative State, as it was for Pollock, here in close league with Hayek and other neoliberal revisionists⁶⁰ – let alone being the triumph of a civilizational rationalization beginning from Homer's *Odysseus*.⁶¹ As we detailed (Part 3), Neumann instead positions embracing even the most extreme authoritarian ethnonationalisms⁶² from the perspective of big capital as a devil's compromise worth making at political need with strongmen capable of commanding a popular base, whenever economic power is so concentrated that continuing adherence to the rule of law seems avoidable for them; and whenever parliamentary and extra-parliamentary resistance to the present order, whether through workerist or other progressive opposition, threatens the continuing legal-political realisation of their economic powers.⁶³

The potential of this Neumannian explanatory framework in explaining why the neoliberal decades have engendered today's resurgence of authoritarian ethnonationalism, with historical echoes of fascism and National Socialism (as well as the support in the US and elsewhere of avowed neo-Nazis⁶⁴), is clear. The advent of Trump et al, touting irrationalism ascendant, is exactly what Neumann's analyses would predict of forms of highly oligopolistic, inegalitarian capitalism, and the pressures its concentration of wealth and power places on the liberal-parliamentary rule of law.⁶⁵

⁶⁰ See Fitzpatrick and Moses 2018.

⁶¹ Cf. Adorno and Horkheimer 2002.

⁶² See Mudde 2019, 7.

⁶³ See Neumann 1942, 358-359.

⁶⁴ See Lavin 2018; Feinberg 2017; O'Brien 2017.

⁶⁵ See Neumann 1957, 52-65.

In government, we can expect authoritarian ethnonationalist strongmen, given Neumann, to legislate just as Mr Trump did: in ways that favour big business, for instance by massive cuts to taxes on capital⁶⁶ and deregulation of environmental protections⁶⁷; all the while touting their “populist” credentials and deflecting blame for peoples’ disadvantages, alienation, and even physical sickness in a pandemic onto nefarious globalist “elites” and foreign powers.⁶⁸

The State, as a means of exercising repressive force, is something that Neumann’s analyses of National Socialism suggests authoritarian ethnonationalists will be keen to take over and subordinate to their own, non- or extra-Statist agendas. Once installed, they will hand over repressive powers (as well as the delivery of public works⁶⁹) wherever possible to compliant private actors or even militias. They will attempt to remove or neutralise any pockets of parliamentary, judicial, mediatic (“fake news”, “lying press”) or executive independence. The State as the potential means to progressively redistribute risk and wealth, or to prevent business activities which could harm workers, restrict profits, or damage the environment, must be dismantled--not, contra Pollock, more highly regulated. As Neumann documents, Hitler himself expressed hostility to the modern State form as early as *Mein Kampf*⁷⁰, and after the consolidation of power, underlined at the 1934 NSDAP Party Congress that “the state is not our master, we are masters of the state” (Neumann 1942, 65). It is worth underscoring that Nazis always considered their cause as pre-eminently an extra-Statist *Bewegung*, a word which has been

⁶⁶ See Fuchs 2018, 87, 105-106.

⁶⁷ See *ibid.*, 100-105.

⁶⁸ See Fraser & Sunkara 2019, 24-26.

⁶⁹ On Trump’s infrastructure policies, see Fuchs 2018, 97-98.

⁷⁰ See Neumann 1942, 64.

recently appropriated by Steve Bannon and other ethnonationalist ideologues to describe their national and international ambitions.⁷¹

To misunderstand the nature of today's authoritarian ethnonationalism, by responding solely on a cultural and moral level to its progenitors' provocations and outrages, is thus firstly to miss the political-economic preconditions of their rise. It is secondly to fail to understand and anticipate their continually neoliberal agendas once installed in power, as Nancy Fraser's intervention in the debates in *The Old is Dead, and the New is Yet to be Born* again highlights.⁷²

Theoretically, to the extent that our critical methodologies close us to considering economic and structural factors, we can formulate no clear answer to the question of *why now?* concerning the re-emergence of forms of authoritarian ethnonationalism, after four decades of neoliberal economic reforms, then the Global Financial Crisis and consequent Eurozone and sovereign debt crises. As Fraser puts it, despite the Left's materialist, structuralist and functionalist inheritances, today's focus on identity and representation "exaggerates the extent to which the problems are inside people's heads, while missing the depth of the structural-institutional forces that undergird them" (Fraser & Jaeggi 2018, 208).

Politically, while cultural politics remain of decisive significance, the statistics concerning Mr Trump's supporters in 2016, and supporters of authoritarian ethnonationalists from Le Pen to Putin, bespeak not simply an ethnic and gender profile, with strong

⁷¹ According to Carl Schmitt's *Staat, Bewegung, Volk*, the "movement" is the 'politicized', organized element of the otherwise 'unpolitical' *Volk*, without which the State will remain 'static' and ineffective in bringing about the new order. Cf. Caldwell 1994, 416-417; Neumann 1942, 65-66

⁷² Esp. Fraser & Sunkara 2019, 18-24.

majorities amongst white males, as has been widely noted.⁷³ Trump's voters, to take the US example, also have a determinate economic profile, standardly earning between \$50000-\$250000, coming from the 'burbs or outside of major metropolises, often working in un- or semi-skilled work, concentrated in deindustrialised 'Rust Belt' states.⁷⁴ These voters also express, in especially strong majorities, powerful anxieties about the economy: that things are getting worse (79%), and indeed that they had got worse since as recently as 2012 (78%).⁷⁵

Such economic anxieties, as against their ideological expressions, are rational, as Fraser also acknowledges.⁷⁶ Neoliberalism has celebrated deindustrialization, lifting capital export to around 20% in the US by 2015, and outsourcing many industrial jobs to lower-paid, less-protected workforces in the global South.⁷⁷ Economic productivity has nevertheless never recovered 1970s levels in the global North, including the US. Meanwhile, inequality has grown and the middle class been decimated. Since the 1970s, wage share in US GDP has dropped around 5%, whilst taxation levels on capital (as against wages) have been falling, in a rate accelerated by President Trump's corporate tax cuts.⁷⁸ In 1979, whether the richest 0.1% of Americans owned 7% of national wealth, by 2016, this had risen to some 22%.⁷⁹ Between 2000 and 2010 alone, the percentage of American

⁷³ See Fuchs 2018, 83.

⁷⁴ See Fraser & Sunkara 2019, 17. Statistics here from Fuchs 2018, 84.

⁷⁵ Cf. Fuchs 2018, 84.

⁷⁶ See Fraser & Sunkara 2019, 18.

⁷⁷ Cf. Fuchs 2018, 90-91.

⁷⁸ See *ibid.*, 87, 105-106.

⁷⁹ See *ibid.*, 86-87.

households dissatisfied with their economic position rose from around 29% to 36%.⁸⁰

Many in the New Left's exclusive focus on the politics of representation blinds us to the political, social and cultural effects of these startling economic realities, and the rage and alienation to which they have predictably given rise--instead, effectively dismissing these sources of discontentment, beneath their belligerent nativist expressions (Fuchs 2017). The economy is not everything, but neoliberals are right in one thing: the conditions under which people labour, and the distribution of the fruits of that labour, as well as the surplus value they generate, matter for a good society. Especially after many suffering on 'Main Street' were made to witness the craven spectacle of governments bailing out 'Wall Street' after decades of being preached 'austerity' when it comes to welfare, medical, and social insurance (Fraser & Sunkara 2019, 19), material and economic anxiety had become by 2010 a toxic well of discontentment able to be drawn upon by American and European politicians willing to play the race card and scapegoat immigrants, "elites" and minorities, while presenting themselves as the needed messianic saviours (Fraser & Sunkara 2019, 22).

Conclusion

In this paper, we have sought to revisit the moment when, as we have argued, the critical theory tradition turned away from

⁸⁰ Relatively speaking, also, the American middle classes have not seen the benefits of the dotcom, financialization, and real estate booms, with around 1% real income growth since 1975, as against the rising middle classes especially in Asia (around 80% in the same time period), not to mention the proverbial 1% of the super-rich in America and elsewhere. See Luce 2017, loc. 345-375.

political economics in ways which it seems especially necessary to reverse today. This moment can be traced back to the acceptance by Max Horkheimer and the Frankfurt School of the notion of State capitalism for National Socialism, as formulated by Friedrich Pollock in 1941. In other words, *the birth of the cultural turn came at the exact moment when critical theory was faced with the task of critically understanding questions akin to those we face today, about how forms of far-right, authoritarian ethnonationalist political movements could emerge from out of capitalist societies.* Once following Pollock even Nazism, with its celebrations of force, race, soil, and blood, could be considered as a maximally technically rational Statism with effective power over industry, investment, and resolving any crisis-tendencies⁸¹, critical theorists had no reason to any longer attend to economic matters. Older forms of Marxist social theory could be dismissed as economistic or reductionistic, especially after the emergence of the new social movements of the 1960s and '70s which successfully politicised race and gender. The clear and verifiable ways in which economic alienation and exploitation feeds forms of political alienation, and the willingness of voters to countenance authoritarian Leaders as a means of salvation, hence has slipped from our critical radars, at the same time as it has been playing itself out with tragic inevitability.

So, with the advent of new waves of authoritarian ethnonationalism globally, the time has come to reconsider the Pollock-Neumann debate within critical theory. But this time, critical theorists should adjudicate it decisively in the favour of the author of *Behemoth*, and by doing so, retake up the task being undertaken by Nancy Fraser and others, of rethinking the nature of capitalism as a system which, if left unchallenged at the political-

⁸¹ Pollock 1990, 87. If crisis tendencies could be found which might point the way to successful progressive resistance, they would be located amongst what Pollock called “natural and non-economic limitations” for the new regimes.

economic level, tends ineluctably to create crisis conditions generating those “morbid symptoms” we see proliferating globally today. Only by doing so, will we be able to prevent the continuing rise and ascendancy of authoritarian ethnonationalist forces in decades to come.

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