

Chapter 5:

Easing the Encumbered Subject: Security, Speculation, and Capitalist Subjectivity

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Introduction: Universal Capital, Alienation, and Critique

Capitalism has, across its history, often seemed a single and coherent object. Not only within Marxist historical narratives that have critiqued capital, but also within histories and critical analyses that focus on the global elaboration of capital, capitalism has appeared to be a unitary – if not historically invariant – phenomenon (Hall & Soskice 2001; Esping-Anderson 2013; Streeck 2010). Furthermore the capitalist *homo oeconomicus* has, despite recent critiques from the standpoint of behavioral economics, seemed similarly isomorphic across geographic, cultural, and even historical boundaries (Feldner & Vighi 2015). Karl Marx’s foundational critique of capital is a major source of strategies of representation that render capitalism into a unitary global force. Marx’s arguments furthermore trace the accumulation of all capital to the specific phenomenon that enables it: the alienation of surplus value from productive labor. Thus the history of critical theory down to the present day has been a history of the conceptual power of universal capital, within which the forces of alienation stand at the center (Marx [1844]1980; Horkheimer & Adorno [1947]2002; Marcuse ([1964] 2012).

Major critical theorists today take a variety of approaches to the analysis of universal capital. Slavoj Žižek focuses, in his critiques of the “naturalization of capitalism” derived from his reading of elements within Alain Badiou’s thought, on how

capitalism ontologically subsumes other forms of being, particularly in their political stakes. In doing so, he emphasizes capitalism's global reach:

Badiou thus recognizes the exceptional *ontological* status of capitalism whose dynamic undermines every stable framework of representation: the task that should normally be performed by critico-political activity...is already performed by capitalism itself.... Badiou gets caught here in an inconsistency: he draws the "logical" conclusion that, in a "worldless" universe (which is the contemporary universe of global capitalism), the aim of emancipatory politics should be the precise opposite of its "traditional" *modus operandi*... (Zizek, 2008, p. 398).

For Zizek, critique of one mode of argument about the universality of capital thus undergirds claims that it is universal in other ways.

Frederic Jameson, engaging in direct and close reading of Marx in his *Representing Capital: A Reading of Volume One*, explores how, in the chapter from *Capital* on "The General Law of Capitalist Accumulation," Marx's narrative construction of the originary moment of the alienation of value from labor seems to generate the universal character of capital that appears to surmount historicity itself:

So here too with capitalist production (whose systematicity Marx often names "totality").... It is not capital but labor which is at the origin of the process; when the wages finally materialize and the act of exchange of money and labor power actually takes place, it is an "always-already...." This is then the way in which the present of capitalism as a system "extinguishes" its seemingly constitutive moments and elements in the past. This is the sense in which capitalist production is an infernal machine, an autotelic system; even though it is often

exchange or the market this its critics and enemies identify in this manner (particularly in the age of globalization). (Jameson, 2011, p. 106-7; see also Jay, 1984).

Capital, it seems, erases its own historicity, and not according to any Hegelian *telos* of an “End of History” (Zizek, 2008, p. 405), but within itself and through the forms of alienated being that it generates and exploits.

In search of new ways to pursue the history of capitalist development with additional nuance, including through its attendant social dynamics of alienation up to today, this paper therefore turns the reception and critique of a canonical sociological text that has made a uniquely significant contribution to the analysis of the emergence and development of capitalism: Max Weber’s (1930) *The Protestant Ethic and the Spirit of Capitalism*. Weber’s text is read here with its critics and against itself with the goal of developing a differentiated theory of capitalist subjectivity that reflects something of the diversity of the social forms that accrete to capital in different regions, nations, and periods.¹ Central here is an analysis of an internal dialectic within the history of capitalism – and perhaps especially of that nebulous thing that Weber calls capitalism’s “spirit” – which conceptually counters unitary narratives of the emergence of capitalism and the forms of subjectivity adequate to it.² This is the complex and mutually

¹ Steinert (2010), in a careful and revealing critique of Weber’s essay, goes further to suggest that Weber’s conclusions, while contributing to the universalization and de-historicization of capitalism, are themselves deeply historically contingent, and thus that the evidence upon which Weber based his conclusions must necessarily resolve into different arguments today. The authors, however, still see value in close engagement with Weber’s categories of analysis.

² H. H. Gerth and C. Wright Mills, in the wide-ranging introduction to their extensive 1946 collection of Weber’s writings in English, emphasize the ways in which Weber

constitutive relationship between speculation and securitization, a problem that has received comparatively little attention in the theoretical literature on the social forms that accrete to capital. Capitalism, indeed, is no monolith. It has, across its history, been polyvalent and polymorphic, resolving into widely varying local, regional, and national forms (Hall & Soskice, 2001). Through a re-reading of Weber's narrative of capitalism's roots and "spirit," this paper suggests a historical and conceptual framework that can advance critical theory by linking the analysis of capitalism to the consequences it has for the subjects who act and transact within it.

Capitalism and Subjectivity

Since the parallel disciplinary emergence of political economy and Enlightenment epistemological and moral thought in the later eighteenth century, analyses of capitalism have tended toward two poles to which the discipline of economics still often hews in the discourses of "macroeconomics" and "microeconomics": macroscopic focus on large-scale political-economic forms (cf. the focus on national forms of political economy in Smith, Spencer, Malthus, Ricardo, List, and many more, including much Marxist thought and analysis); and closer microscale attention to individuals and their sometimes collective proxies as firms or corporations (derived similarly from later eighteenth century arguments, but diverging toward the disciplinary economics of the Anglo-

himself, in contrast to Marx, tends to see capitalism as unitary: "The further back Weber goes historically, the more he is willing to see capitalism as one feature of a historical situation; the more he approaches modern industrial capitalism, the more willing he is to see capitalism as a pervasive and unifying affair" (Weber, 1946, p. 66). "Unlike Marx, however, Weber is not interested in investigating the problems of capitalist dynamics" (p. 68).

American liberal marginalist tradition associated with Marshall). This macro-micro divergence has often distracted from close analysis of the dynamics of subjectivity within capitalism, not least because of the ways in which the discipline of economics has tended to build models on the basis of a universalized, rational, utility-maximizing individual subject and its common institutional proxy, the profit-maximizing firm. Recent critical theory of globalization (cf. Zizek, Badiou, Hardt & Negri) has further reduplicated this conceptual tension by treating capitalism as a global and globalizing phenomenon.³

Foucault's later work, sketched out especially in the College de France lectures of the later 1970s (and therefore partly invisible to scholarship until recently because never fully elaborated in published work during his lifetime), proposes a vocabulary that can assist in mapping the historical dynamics and variants of capitalist subjectivity.

Foucault's arguments in the lectures published in English in the mid-2000s as *Security, Territory, Population* and *The Birth of Biopolitics* represent "security" as supervenient upon the structures of juridico-legal and disciplinary organization and institutionalization of the political through knowledge that emerged in the 16th/17th and 18th/19th centuries respectively (and which receive famously close attention in his books like *Discipline and Punish* and *The History of Sexuality, Volume 1*). For Foucault, security means the ways in which knowledge-apparatuses organize, enumerate, and collectivize subjectivity after its historical emergence through law and discipline: individuals become populations, lands become territories, and subjects emerge carrying a double loading (Foucault, 2007, pp. 20-21). They are subject *to* the dynamics of disciplinary-institutional power

³ Symptomatic is the rhetoric found, for example, in David Harvey's description of the rise of free trade and manufacturing outsourcing in the 1980s: "Capital now had access to the whole world's low-cost labour supplies." (2011, p. 16).

(domination; exploitation; state authority), but at the same time they can understand themselves as subjects *of* a range of concepts that resolve as forms of autonomy (ideas; political action; economic behavior; self-fashioning).

This double loading of the modern subject has had many analysts. Perhaps the *locus classicus* of this discursive sphere is Kant's elaboration of "enlightenment" as the "emergence from self-incurred tutelage": the emergent autonomous subject becomes so by realizing that subservience to power is itself the scaffolding of any autonomy. The dialectical emanations of Hegel's thought placed that insight at the core of systematic political, legal, historical, and moral philosophy (Franco, 2002; Patten, 2002). Freedom – for Kant, for Hegel, and also in Foucault's narrative – is therefore a complex and emergent artifact of processes and apparatuses of power (Foucault, 2007, p. 48). In contrast to its framing within so much liberal-capitalist thought, freedom understood this way has no originary or natural form. A further artifact of this historical emergence of coterminous moral forms of subjective autonomy in the later 18th century is the concept of race: race is the concept which allows some human populations to be excluded from the potential for autonomy to be exercised (Eigen & Larrimore, 2006). The trajectory of the psychoanalytic analysis of the layered subject that culminates in Žižek's Lacanian-inflected reading of today's globalized neoliberal capitalism is perhaps the most elaborate, even baroque, form of exploration of these complex dynamics (Amidon & Sanderson, 2012). The subject, in Žižek's understanding, is contingent upon a dynamics of symbolic and imaginary ordering so complex as to render the subject everywhere contingent and foreclosed even in and through the possibility of its emergence.

What, then, is the status of subjectivity under the condition of contemporary capitalism? Does it inhere radical moral, political, or economic freedom? Or is the subject powerless and contingent before vast impersonal forces? Were either representation to dominate, the subject would be made to recapitulate the ways in which capitalism itself has been rendered unitary and isomorphic in so many discourses. Rather, we argue, the subject exists between poles of representation that tend toward the individual resolved through market forces as speculation and the collective resolved through securitization.

Varieties of (Finance) Capitalism: Securitization / Speculation

Within the emergent forms of capitalism going back to the 16th and 17th centuries, practices can be mapped in a way parallel to that of the contingently “free” or “autonomous” subject described above: some practices appear to adhere conceptually to groups or populations, and some appear to adhere discretely or autonomously to individuals. The former, in particular, can be understood as conceptually contiguous with Foucault’s “security”: these are social practices of capital that create instruments that pool and collect, through knowledge and enumeration, the “securities” based on networks of “trust.”⁴ These dynamics we call “securitization.” The correlative concept that focuses on the individual gains and losses that derive from processes of exchange and flows of securities and currencies within populations: “speculation.” In contrast to forms of securitization in which participative dynamics prevail, allowing the pooling and spreading of risk in ways that can insure and secure, speculation appears as an artifact of

⁴ Compare the focus on the “security of property” in Clark (2007).

the autonomous agency of the participating subjects, for whom securities are representative instruments of the potential for profit – whether or not such profit carries moral, ethical, or normative loading. Securitization and speculation, therefore, are not disjunct concepts. They are, rather, mutually implicated processes that focus on phased dynamics within capitalism, and that therefore further enable a mapping of varying forms of capitalism.

Speculation is used here in a sense generally congruent with common usage, one that throws the focus of analysis upon the actions of capital-holding individuals (or institutions) “speculating” about the future value of their assets. In seeking profit, those individuals place some of their own financial capital at risk. We extend this usage, however, to argue that speculation generates conceptual power because it secondarily alienates value from objects that have accreted it in a variety of ways. Especially in the past 150 years as asset markets have gained sophistication, the value that forms the basis of the assets traded within them has become increasingly rarefied. Speculation has come to transform objects that carry value (real estate, commodities, government debt, corporate stocks and bonds) into instruments with fictitious or fantasy-like character (derivatives, interest-rate and credit-default swaps, futures). Keynes classically represented this point in his (1931) *General Theory of Employment, Interest and Money*:

If I may be allowed to appropriate the term *speculation* for the activity of forecasting the psychology of the market, and the term *enterprise* for the activity of forecasting the prospective yield of assets over their whole life, it is by no means the case that speculation predominates over enterprise. As the organisation of investment markets improves, the risk of the predominance of speculation

does, however, increase. In one of the greatest investment markets in the world, namely, New York, the influence of speculation (in the above sense) is enormous.... Speculators may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation. When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done (1931, p. 159)

Krier (2005), developing Keynes's logic further with reference to more recent capital market mechanisms, argues that from these proliferating forms of speculation a kind of "dark capital" emerges, one that projects value into the sphere of fantasy, and thus generates the kinds of systemic risk that became so widely discussed during the financial crisis and Great Recession of 2007-2009.

Securitization, on the other hand, is deployed here in a sense somewhat counterintuitive with respect to recent usage. Since the financial crisis beginning ca. 2007, this term has entered common parlance to refer to the bundling of assets that became, for example, so problematical in the issuing of mortgage-backed securities that masked risks both that the underlying asset was mispriced in a bubble economy, and that the underlying security, the mortgage, was insufficiently underwritten and therefore at high but unacknowledged risk of default. These financial market dynamics surrounding the Great Recession reveal how securitization depends conceptually upon market processes that can themselves be represented as speculative, and also, vice versa, how speculation can be driven by innovations in securitization. We nonetheless extend the conceptual space of securitization historically to focus upon the ways in which the

development of financial instruments secured the positions and livelihoods of individual subjects within their communities. Since the rise of neoliberalism, the term securitization has in fact become synonymous with speculation. The two terms, and the concepts they signify, have collapsed into one another. Here, we revive earlier usage in which each designated a specific mode of ethically-legitimated economic action.

Fundamentally, securitization represents the possibility that economic subjects can act in concert to create means of addressing and mitigating risk: securitization is the creation of risk pools. It takes shape in a proliferating range of transactional forms. Francois Ewald's claims – and Ewald was Foucault's student and the general editor of the College de France lectures – that a society emerges into modernity in that it becomes an “insurance society” are further congruent with these arguments (Sørensen & Christiansen, 2013, 16). Weber's attention in “The Protestant Ethic” to specific German, Dutch, and Anglo-American religious communities is particularly revealing here, especially in how those communities tended toward the development of practices that theologically and institutionally sanctioned either the individual and personal stakes of economic activity (thus driving speculation), or attended more significantly to the possibility that community action could generate security (driving securitization). From the simplest personal guarantee to the most complex credit default swap, from the state-granted privilege of limited-liability incorporation to the vast emanations of modern welfare states, individuals and institutions have sought to shape the future more securely. Securitization is thus always and everywhere both social and political.

The subject under the condition of capital always participates in these dynamics of securitization and speculation. The subject is therefore circumscribed within a sphere

in which necessity and autonomy are at once contiguous and contingent. Just as freedom cannot be understood historically without the recognition of its status as an artifact of apparatuses of power, and is therefore generated as a kind of excess of the emergence of those apparatuses, so too are securitization and speculation linked, both conceptually and in practice. As markets have emerged historically, they have cycled through periods in which the one or the other has risen to symbolic primacy, only to be recycled into the other through perceptions of collapse, crisis, depression, or decline. Secondary conceptual accretions like “social capital” or “human capital” serve to further embed and reify these dynamics.

Protestant Master Narratives and the Re-Reading of the Weber Thesis

Understanding of the layered dynamics of capitalism has been set back over many decades by misreadings of Weber’s theses on “The Protestant Ethic.” Weber’s claims that are usually emphasized in the literature, those about Puritan-Calvinist capitalist traditions and the ways they emphasize the links between theological salvation and (usually) individually conceived, speculative economic practices are in fact accompanied by a line of argument that focuses on parallel capitalist traditions ordered around not primarily around speculation but rather securitization. Alastair Hamilton’s essay on “The Protestant Ethic” in the (2000) *Cambridge Companion to Weber* is classically symptomatic of the overemphasis on the Puritan-Calvinist trajectory within Weber’s ideas about the “spirit of capitalism.” After a few biographical reflections that focus on the “Reformed faith” of Weber’s mother and many of his close colleagues, and which stretch credulity by dubbing the Heidelberg of 1903 a “Calvinist university” – the period

of Reformed dominance of the university ended permanently at the outset of the Thirty Years War in 1620 – Hamilton reduces Weber’s thesis (a few largely dismissive reflections on Pietism and the “authoritarianism and passivity” of Lutheranism notwithstanding) to the following: “He looked above all at the system in England and concluded that the economic success both of England and America could be traced back to a Puritan or Calvinist tradition” (2000, p. 153).

We argue that alongside arguments about Puritan-Calvinist moments, close attention must be paid to the Pietist-Quaker traditions within capitalist development. Weber himself gave them – Pietism in particular – at least as much, and likely more, analysis in his essay, particularly in the extensive footnotes that he appended in 1920 to the original essay written in 1904-5 (Ghosh 2014, pp. vii-viii). Nonetheless he organized his essay in a way that masked their significance by dividing varieties of Pietism too strongly from Quakerism, especially in the ways their branches developed in the United States.⁵ In a reading of Weber adequate to his focus on these multiple varieties of capitalism, the Puritan-Calvinist trajectory emphasizes the moral-theological loading of speculative profit and the at-risk character of salvation as a representation of capital. It therefore focuses on the ways in which the subject is encumbered by the stakes of capitalist practice: capitalism is an avatar of salvation, and the subject is always and everywhere encumbered with these stakes. The Pietist-Quaker traditions, on the other hand, emphasize the pooling of risks within the religious community (cf. the Quaker “meeting house”), and the ways in which salvation can be mapped through forms of

⁵ For an extended discussion of the academic controversies that Weber’s claims about Protestantism have unleashed both during his lifetime and after, see: Steinert, 2010, pp. 219-60.

community or congregational participation. They therefore instantiate a subject potentially eased of the encumbrances of moral-theological and economic uncertainty.

Our view of Weber parallels Peter Ghosh's (2014) thorough reading of Weber's scholarly biography through close analysis of "The Protestant Ethic," and reveals the level of care necessary to understand the differentiated levels of Weber's argumentation. Ghosh carefully explicates Weber's statements about the various branches of Protestantism, noting regularly how Weber's close scholarly and personal relationship with Ernst Troeltsch shaded his claims (as does Steinert). Central here is Weber's placement of Pietist thought in relation to the "spirit" of ascetic accumulation-work through a "calling" or "vocation" that represents the core element of the capitalist "spirit." Ghosh explains how Pietism works as a foil to Calvinism in Weber's text. Importantly, the focus turns from the individual toward the social:

The Pietist emphasis on the *praxis pietatis* (practical piety) and group organization in the conventicle offered an alternative stimulus. Its consequences for social behaviour might not be entirely predictable, but normally the "effect of Pietist principles was simply a still *stricter* ascetic control of conduct within the vocation, and a still firmer religious anchorage for vocational ethics than could be engendered by the mere, worldly 'respectability' of the normal, Reformed Christian...." In short, Pietism in its social aspect could trump dogmatic Calvinism if the latter was simply predestinarian and individualistic (Ghosh, 2014, p. 351; the internal quote is from Weber, 1930, p. 131).

Weber clearly charts a tension between two streams of the capitalist spirit: individualistic Puritan-Calvinism and socially-engaged Pietist-Quakerism. Throughout Weber's

writings on economic ethics, the socially-engaged Pietist-Quaker variants of Protestantism fare as well, or better, than their individualist Calvinist counterparts as spirits conducive to capitalism. Indeed, socially attuned business practices among Quakers, Baptists and Methodists meant that - as Weber stated in his *General Economic History*, “piety [was]... the surest road to wealth” (Weber, [1927] 1992, p. 367; see also Weber, 1946, p. 302-22).

Ghosh further reflects upon Weber’s interest in the ecstatic blood theology of Count Zinzendorf and his Herrnhut community, a complex embranchment of the Pietist tradition usually marked as “Moravian.” In doing so, he trenchantly dismisses traditionally reductive readings of Weber that attend only to (Calvinist) individualistic elements:

If we take the *PE* at face value, as an account of the individual psychology of ascetic Protestantism..., the amount of attention devoted to the emotionalism and outright silliness of Zinzendorf and the *Herrnhuter* must appear perplexing. However, Weber was not interested in Zinzendorf because of his “*childlike quality*” or his irrational reliance on random “*lots*”... – i.e. his relative failure to reproduce Calvinism’s psychological hardness and rigour – but as the pioneer of a distinctive, communitarian form on German soil that went beyond the conventicle... (Ghosh, 2014, p. 347).

The Herrnhut community, and the sometimes bizarre theological and organizational emanations of it through Zinzendorf’s activities both in Europe and in America (including substantial influences upon Anglo-American Methodism), point to the ways in

which “vocation” could become not a just driver of individual striving, but more significantly the basis of social practice.⁶

Ghosh further recognizes the tension in Weber’s treatment of the Quakers, who were so important to the development of finance capital in America, particularly in Philadelphia. He frames this in the context of a short discussion of Weber’s own statements about the two most glaring deficits of “The Protestant Ethic”: inadequate discussion of the issue of credit, and, in Weber’s own words, an undifferentiated “discussion of the social policy of ascetic Protestantism” (Ghosh 2014, 358). The latter issue relates specifically to how Weber analyzes the Quakers. As Ghosh describes it:

...In the *PS* [Weber’s essay on “The Protestant Sects and the Spirit of Capitalism” that Talcott Parsons excluded from his translation of “The Protestant Ethic,” but which Gerth and Mills included in their 1946 collection] this [discussion of social policy] is reduced to a single reference to the “highly developed” and indeed overdeveloped “support system of the Quakers.” Now it must be assumed that Weber wanted to discuss the hostility of a deliberately impersonal ascetic Protestantism towards what he regarded as an enfeebling and sentimental “welfare policy” here.... But this brief utterance cannot be construed here. Instead it raises an unsolved mystery: how did the Quakers whom he admires so much come to take such a wrong, anti-individualistic turning? (Ghosh 2014, 358).

⁶ For a reading of Weber’s interest in Zinzendorf that further emphasizes the significance of social practice in the Herrnhut theological community see Smith (2013). Pietism and its communitarian yet ascetic economic ethics were addressed, with considerable success, to working classes who had remained resistant to the individualist ethos of Calvinism.

Thus Ghosh points to the core of the tension in Weber's text between speculation and securitization by showing how the question of social relations in Weber's "spirit" of capitalism remains oddly fragmentary and mysterious: Weber's text itself contains a tension that makes Puritanism and the forms of speculative practice associated with it appear to be a purer form of the "spirit" of capitalism. Groups in the Pietist-Quaker traditions that were associated with more socially complex, securitized forms of capitalist practice, while clearly and unmistakably capitalist, seemed less purely an embodiment of that "spirit." This issue forms a central moment in Steinert's (2010) critique of Weber as well.

Two further aspects of Weber's analysis highlight how speculation overshadowed securitization as a result of Weber's vocabulary and interpretive practices. The first of these is the treatment of "free labor"; the second is the question of Weber's treatment of finance capital as an aspect of capitalism. For Weber, a precondition of the emergence of capitalism and its spirit is freedom from coerced and corvee systems of labor, as within slavery, patriarchy, patrimonialism and feudalism. Unlike coerced labor, "formally-free labor" is dominated by market practices and speculative dynamics. These reflections particularly color Weber's 1920 essay on the sociology of religion that Parsons translated as the first section of "The Protestant Ethic" (Weber, 1930, pp. 21, 22, 24).⁷

⁷ This essay concludes with Weber's reflections upon how another scholarly form of social taxonomy, that derived from "the importance of biological heredity" and "comparative racial neurology and psychology" may provide additional answers in the future (Weber, 1930, pp. 30-31). For discussion of Weber's criticism of the ideas of Alfred Ploetz, founder of the German Society for Race Hygiene, see Proctor, 1991, pp. 110-11.

While Weber, in his *General Economic History*, identifies speculatively determined, formally free labor as a condition of capitalism's emergence, his list of preconditions does not, curiously, include speculative financial markets.⁸ In an additional correlative of his analysis of labor, Weber does not explore how individual capitalists act in financial markets. In fact, the institutions of finance capital seem to exist outside the spirit of capitalism (Ghosh 2014, 164). Weber thus implicitly shows how the tensions between securitization and speculation affect both capital and labor.

The Bismarckian Welfare State and the Stakes of Pooled Risk

Many moments in the historical development of European states and economies, particularly in the German-speaking world of the eighteenth and nineteenth centuries, demonstrate how the mapping of capitalist practice onto moments of securitization and speculation enriches and clarifies the classical Weberian narrative. One significant example is found in the relations between the Prussian state and the emergent forms of economic and intellectual practice found in Pietist circles centered in the city and

⁸ Weber's list of preconditions includes: "appropriation of the physical means of production by the entrepreneur, freedom of the market, rational technology, rational law, free labor, the commercialization of economic life"(1992, p. 286). While he adds speculation as a "further motif," its causal contribution to capitalism as such is negative. The significance of speculation is bounded by "the great economic crises which it called forth" (1992, p. 286). Through speculation, "crises became an imminent factor of the economic order," and hence, as Krier (2005) suggests, a form of "dark capital" or anti-capital frequently destructive of value. Crucially, although speculative markets (bourses) appear as early as the 16th century, the trade in industrial securities does not develop until late in the 19th century, more than a century after the "spirit of capitalism." (1992, p. 293-4).

university of Halle.⁹ Gawthorp (1993) emphasizes how for a short period in the middle of the eighteenth century, the ways in which the Halle Pietists approached the education and discipline of the religious community intersected with the emergent interests of the Prussian state.

As European nation-states expanded their imperial and economic purview and developed their institutional infrastructures during the nineteenth century, the complex interplay between securitization and speculation became increasingly manifest. As institutions like railways demanded newly extensive sources of capital, financial markets and their regulatory schemes grew in tandem throughout the industrializing world (McGraw, 1984; Amidon 2008). Different nations and different regions, however, accreted varying emanations of these varieties of capitalism. Similarly, critiques of capitalism developed in widely varying ways. A particularly revealing moment in the institutional dynamics of finance and politics during the later nineteenth century is the moment often referred to as the birth of the welfare state. This was the establishment during the 1880s by the German empire, under the chancellorship of Otto von Bismarck, of three forms of social insurance still central to many forms of welfare-state capitalism: health insurance (the Workers' Health Insurance Law, 1883), workers' compensation (the Workers' Accident Insurance Law, 1884), and pension insurance (the Old-Age and Invalid Insurance Law, 1889).

⁹ In his writings on economic ethics, Weber did not consistently distinguish between the rationalist, institution-building, bureaucratic, proto-scientific Pietism centered in Halle and the more emotional, voluntarist communitarian Pietism of Zinzendorf and the Hernhutters. Though both counter Calvinist individualism with social groupings and foster "pooling," their modes of sociality are quite distinct and worthy of separate conceptualization (Weber, 1930, pp. 244-52).

The goals of these innovations in German social policy brought together three elements of Bismarck's policy program during the 1870s and 1880s: firstly, to undermine through positive policy the political power of socialism (in concert with the legislation banning socialist organizations that was in force between 1878 and 1890); secondly to reveal the bankruptcy of liberalism, which itself seemed unable to approach the questions of socialism and national unity with coherence; and thirdly to provide a positive foil to the Empire's conflicts with the Catholic Church (the so-called *Kulturkampf*), by creating a national empire that could claim to enact Christian charity in the industrial age more effectively than Catholic institutions. These three social insurance laws successfully became the abiding foundation of German social policy in the twentieth century (Reinhardt, 1989, p. 614-17).

The rise of the Bismarckian welfare state has been understood by many major historians as a form of policy with direct links to Pietist traditions. Indeed, all three of these forms of pooled risk were prefigured in the 18th and 19th centuries on a smaller scale and with mostly voluntary participation among Pietist-Quaker groups (the "social support" noted by Weber above). While remaining mindful of historian John E. Rodes's (1964) admonishment against overstating Bismarck's power, it is clear that important lines of influence run through Bismarck himself (p. 383). At the simplest biographical level, James J. Sheehan – a scholar hardly prone to overstatement – argues that Bismarck was exposed as a young man to "a particularly potent blend of pietist religiosity and aristocratic sociability" (1989, p. 562). Two of the most significant historians of German social policy, Hermann Beck and Gerhard Ritter, emphasize the continuities between pietist thought, cameralist policy, and the Bismarckian social state. Several figures with

personal influence on Bismarck himself were significant here. Beck emphasizes how Hermann Wagener's "conservative socialism" prompted Bismarck to think of the state as the benevolent protector of the population (1995, p. 107-9), and Ritter calls Wagener "one of Bismarck's closest advisers on social policy" (1989, p. 71-2). Ritter further claims that another of Bismarck's close advisers (who nonetheless broke with Bismarck over the politics of the social insurance laws in 1883), can specifically be seen as one of the figures who brought Pietist thought into nineteenth-century social policy (1995, p. 37).

These ways in which the German state developed and emphasized practices of securitization alongside speculation have had a lasting legacy. Furthermore, German cultural codes became – and remain today – fraught with complex representations of individuals and groups associated with speculation. The most dramatic of these, of course, has been through antisemitism, which of course, while hardly limited to Germany, took on unique forms there. The longstanding tension in German culture between securitization and speculation, heightened by the rise of finance capital in the later nineteenth century, gave that period's new forms and institutions of political antisemitism a particularly powerful symbolic and representational instrumentarium (Pulzer 1988, pp. 42-46; Wistrich, 2010).

Conclusion: 21st Century Capital, Class, and the Stakes of Subjective Autonomy

This chapter has framed a conceptual scaffold whose central beams, speculation and securitization, provide theoretical access to two interrelated problems: 1) the historical and contemporary relationships between subjectivity and capitalism; and 2) tensions in

the internal dynamics of capitalism between social and individual forms of action that resolve today as questions of income distribution, social policy, and economic justice (Krier & Amidon, 2015). The ongoing scholarly resonance of Max Weber's foundational narrative of the "spirit of capitalism," and the critical sparks that his ideas continue to generate, show how significant these issues remain in contemporary society.

Political discourse in the United States today carries significant tension generated by the problems broached here of the relationships between individual freedom, risk pooling, and the (welfare) state. A logic of economic ethics that remains vested largely in the field of speculation, one in which imagined returns remain linked to both individual freedom and rectitude, while the pooled risks characteristic of securitization can be represented as a diminishment of the same freedom, provides a potential for explanation of many current political controversies. Two examples from recent American politics demonstrate these symbolic stakes: 1) the powerful derision expressed toward the policy initiative that overtly raised, perhaps the first time in American politics, the idea that individuals should perceive themselves consciously as part of risk pools: the Affordable Care Act; and 2) the seemingly evergreen idea that both individuals and American society would benefit from a transfer of some of the financial flows of the Social Security system more directly into the financial markets.

Both of these contemporary American political controversies show that even today welfare state policies retain and heighten the conceptual and symbolic tensions between securitization and speculation. In *Economy and Society*, Weber himself criticized the Bismarckian policy initiatives that established the German welfare state because he saw them as creating a double perversion in the functioning of the capitalist

economy. Firstly, they ran the risk of damaging the state's cohesiveness by evacuating the moral stakes of economic behavior, particularly for the working class, a point Weber makes by directly and ironically contrasting the German state's goals in both military and social policy:

A state that wants to base the spirit of its mass army on honor and solidarity must not forget that in everyday life and in the economic struggles of the workers the sentiments of honor and solidarity are the only decisive moral forces... (Weber, 1978, pp. 1391).

Secondly, the Bismarckian welfare policies could reduce to an attempt to recreate affection for the state through bribery rather than moral logic:

“To be turned into demagoguery, and very bad demagoguery at that, was also the fate of the Imperial welfare legislation in Bismarck's hands....Bismarck, in imitation of certain American practices, believed that he could create a positive attitude toward the state, and political gratitude, by granting welfare benefits out of the public funds or compulsory private funds... (1978, p. 1390-1).

Additionally, in a revealing passage in the *General Economic History*, Weber shows the ways in which he perceives speculative finance capital to be something separate from the “spirit of capitalism,” but that at the same time accretes to the forms of securitization found in welfare state policies: he argues that one of the major problems of financial speculation is that it leads to economic crises that further generate a desire for rational socialism among working classes: hence, the primary evil of pooled capital is that it generates speculative excess which leads to a demand for pooled risk in socialism ([1927]1992, p. 291).

Weber's negative views regarding both the Bismarckian welfare state and the capitalistic social support systems found in the Pietist-Quaker traditions are all of a piece: wherever pooling emerges, it tends to undermine the bourgeois subject characterized by its relationship to speculation: autonomous individuality is placed at risk by liquidation into the pool. For Weber, then, risk pooling is not a firm ground upon which autonomous individuals can stand, but a mire into which they sink. Thus Weber's implicit theory of alienation emerges. Weber, shaped by his concerns with bureaucracy, domination, and disenchantment, and by his investment in bourgeois ethics, represented the modern world as one in which only a kind of rigorous self-discipline could generate sufficient meaning to ground individual life. His two famous Munich lectures on "Politics as a Vocation" and "Science as a Vocation," delivered in 1918, thus necessarily recapitulate the language of "The Protestant Ethic" by representing both social fields as spaces in which subjects must, if they wish to act meaningfully, pursue their calling in a carefully self-disciplined manner (Weber, 1946, pp. 77-156).¹⁰ Those individuals are therefore intellectual-moral speculators: they may not be able to realize for themselves the intangible benefit of their activity, but only when they act according to their vocation, can future generations benefit from their political or scientific activity. Today's political subjects may face challenges different from those that Weber metaphorically captured within that *stahlhartes Gehäuse* that comes down to English-speaking readers translated as the "iron cage," but they continue to exist within capitalist forms and practices that map onto

¹⁰ Weber's scholarly and political subjects of 1918 Germany resonate here with Klaus Theweleit's analysis (in *Male Fantasies*) of the severely self-disciplining "soldierly men" who served in the German Free Corps units during the revolutionary period at the close of the First World War, and subsequently wrote about their experiences during the 1920s (Amidon and Krier, 2009).

speculation and securitization. This, it seems, remains one of the characteristic and lasting moments of vigor in the capitalist political-economic order: the future is always in play, and always unknown, but the future can be shaped, ordered and valued by both social and individual action. Capitalism's diversity is this double potential for future meaning.

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