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Bureaucratic Capitalism

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Cornelius Castoriadis was a leftist. Throughout his life he identified with left-wing causes. He began youthful political life as a Communist-turned-Trotskyist. In exile in France he moved to a kind of independent leftism that began with a trenchant critique of Jean-Paul Sartre's apologetics for Communism and mutated into a vision of a non-bureaucratic self-managed society. For a time Castoriadis thought of the benchmark society as ‘socialism’ but he eventually stopped using that term and opted to talk instead about an ‘autonomous society’. It was never entirely clear what Castoriadis meant by autonomy. He didn’t quite mean the autonomous individual of John Stuart Mill’s liberal society. His concept of autonomy referred more to a society than an individual. An autonomous society was one capable of self-critique. It contained individuals who were capable of criticizing the society they were members of. An autonomous society was one that could re-invent itself in a deep-going way with new laws and practices.

That was very much the left-wing Castoriadis. But there is another Castoriadis, one who is less obvious but also less obviously a left-winger. There are several threads in Castoriadis’ thought that have a right-wing resonance. For one thing, Castoriadis thought of autonomy not only in terms of critique, which is a left-wing platitude, but also in terms of creation which has much wider and more interesting significance. Since Schumpeter, many conservatives have strongly identified with capitalism’s process of creative destruction. Furthermore Castoriadis identified the well-spring of creativity with the West, hardly a standard left-wing nostrum. He thought (correctly) that autonomous societies were a function of the Greco-Western tradition. He understood very clearly that the larger part of high-level human creation, not least the arts and sciences, were produced by a relative small band of Western societies. He attributed that to their relative autonomy. They encouraged at their peak critical people who not only
questioned the laws of society (as well as the laws of science and the laws of art) but who also possessed a love of creation—an _eros_ of making, innovating, and bringing-into-being.

Contra-wise, Castoriadis was no fan of Third World politics. While anti-colonial third-world-ism became popular in the 1960s and 1970s, Castoriadis kept a skeptical distance from it. This was a movement that he knew could only end in tears. He was not wrong. Castoriadis was also a defender of the institution of the family. He expressed a deeply skeptical view of feminism. Finally there is the testy matter of capitalism. In some ways Castoriadis was a conventional leftist. This was true of his view of capitalism: _capitalism is bad_. He started out with the view that capitalism is bad because it generates alienation. Later he thought it was bad because it lacked an internal limit. Capitalist economies grow. Economic growth is the most powerfully legitimating force of capitalist societies. Growth equals prosperity equals legitimacy. What is not to like about that? In the past two hundred years, capitalism has improved the living standard of many societies 15-20 times over. It has lifted five out of the six billion of the world’s population out of a fate that previously had caused almost everyone to live on $2 a day or less. Most twentieth-century intellectuals ignored the power of that achievement. Castoriadis did too. He took the view that growth lacked limits. Whatever lacks a limit, a _peras_, will end in grief. Growth is a kind of ancient Greek tragedy. It is hubris de-personified. The person with hubris knows not when to stop. That was the lesson of ancient drama. Christianity made roughly the same point. Pride was the cause of human downfall. Those who are proud do not see what is in front of them. Pride blinds and terrible mistakes follow. The same, Castoriadis reasoned, applied to society.

Capitalism is often equated with greed. Greed is a variation on the flaw of hubris and the sin of pride. The greedy person doesn’t know when to stop eating or accumulating money. There is never enough. Castoriadis’ view of capitalism as an economic system without an internal limit suggested it was an impersonal version of greed. Capitalism’s excess would lead to its own extinction. But the caricature of capitalism as the plaything of fat cats and bloated plutocrats has never been convincing. In fact it is not true that capitalism lacks an internal limit. Conventional leftism, represented by Karl Marx, supposed that capitalism expanded until it fell into crisis and that crisis would lead to Communism. Castoriadis, however, was very skeptical of
Marx. For a decade Castoriadis worked as a professional economist in the OECD in Paris. At the same time, he produced an extensive critique of Marx’s economics. Critique is probably the right word. For although Castoriadis criticized Marx, he also carried over certain assumptions from Marx, principally that growth was a linear (progressive or regressive) phenomenon. Things grew larger, problems accumulated, capitalism experienced crisis. The history of both the nineteenth and twentieth century suggested this was in part true but that capitalism was in fact not linear but cyclical. One of the three greatest economists of the twentieth century, Joseph Schumpeter, made cycles central to his economics. Cyclical analysis supposes that capitalism expands and contracts and expands and contracts and expands and so on. As such, it has limits built into it. In this respect, it functions a bit like a diaphragm. It expands and reaches a limit and contracts and reaches a limit and expands and reaches a limit and so on.

It was not only nineteenth-century liberals who were captivated by the Enlightenment idea of progress; so were most socialists. Yet despite the entrenchment of the notion of progress, much about modern societies does not move in straight lines but rather in loops. The ring, the circle, the old-fashioned revolving revolution, the cyclical rotation—all of these notions better describe certain aspects of modern capitalist societies than does the idea that society or its sub-systems are linear, additive or cumulative in whatever direction one might imagine, be it forwards, backwards, up or down. In an economic cycle, what is going down is already latently preparing for the path upwards. That is not to say that in a modern society there are no long-term linear phenomena to be observed. Over two hundred plus years of modern industrial capitalism, successful capitalist societies have over the long course trended upwards in real wealth per capita. Yet that broadly linear development has been ironically progressed by cyclical mechanisms, one of whose functions is to destroy outmoded types of wealth and wealth creation. The modern dynamic loop or cycle is in fact also a spiral. Creative destruction is the internal limit of creative expansion. Yet it is also the condition of the possibility of further, greater and better creation. Each step forward thus requires a partial step back. Each looping, spiraling partial step backwards is also a trigger for a spiraling loop whose down-slope is simultaneously an up-slope. Figuratively speaking, the modern capitalist imaginary is an Escher-like image. You may think you are going in one direction; but actually you are going in the other
direction. Or rather you are going in both directions at the same time. Naturally this makes economic forecasting, among other things, difficult.

The ambidextrous logic of capitalism means though that Castoriadis was right to question modern rationalism even if he was wrong to suggest that modern capitalism was a function of modern rationalism and that the periodic crises of capitalism betrayed the pseudo-rationality of modern reason. He had two criticisms of rationalism. One, the most important, was that you cannot explain the imagination—and thus all forms of human invention—on the basis of reason alone. This is true. Castoriadis developed this proposition in his earliest writings from the 1940s, in his commentary on Max Weber. Like most intellectuals of the time, Castoriadis spent a lot of time commenting on Karl Marx in the 1950s and 1960s. Yet his more important if often implicit interlocutor was Weber. He rightly intuited that Weber was a much more significant thinker than Marx. Castoriadis took issue with Weber’s view from the early 20th century that the success of modern societies could be explained by the process of rationalization. Reason applied to social processes made them more functional and thus more productive. Castoriadis countered that each society has its form of reason that is posited by that society’s collective imagination. Thus the imagination of a certain kind of modern society had discovered how to rationalize. This type of society was capitalist and imbued with a work ethic, most commonly a Protestant work ethic. Offshoots from such societies spun outwards from North-western Europe after the era of the Renaissance. The rationalizing form of reason, which was demonstrably a modern form of reason, had powerful social applications in industries, markets and more generally in modern institutions. Castoriadis insisted though that rationalization also had its negatives.

The first of these negatives was that the reason of rationalization obscured the function of the collective imagination. This was part of a larger criticism that Castoriadis repeated many times: namely that most societies, both modern and traditional, occluded imagination in favor of some kind of social power, be it ritual or reason that drugged the imagination and put it to sleep. In a way Castoriadis was right. The driving force of modern industrial capitalist societies is the imagination. It produces very high levels of innovation and invention. The national income of many societies is as much as 20 times higher in real terms than it was two hundred years
ago. There is no precedent for this in history. Life expectancy, housing, education, disposable income, transport and comfort levels have risen multiple times in these societies. To do this, these societies unleashed an avalanche of innovation. Moreover, and possibly more crucially, they set in train an expectation of perpetual innovation. Time and again they raised productivity and increased efficiency. Sometimes this was done by rationalization but the greatest developments happened by acts of imagination. They created new products and processes, new technologies and aesthetics. Castoriadis does not link creativity and productivity but he does foreground the act of creation. He does see it as socially central. He may disparage growth but he also theorizes its engine. He might not have Schumpeter’s sense of how much modern industrial capitalism relies on creation but even more than Schumpeter he locates creation at the heart of the modern social drama.

The second of the negatives that Castoriadis raised concerning rationalization was more ambivalent. He suggested that modern societies equated reason with rationalization, rationalization with development, development with growth, and growth with numeric size. From that long chain, a tacit formula emerges that equates bigger with better and better with more.\textsuperscript{6} One has to be cautious with this second criticism. Sometimes it is true that more is not better. It perfectly correct, as Castoriadis argued, that more scientific publications or more people with PhDs is not ipso facto better. Yet, sometimes, more \textit{is} better. If a population increases, then economic growth to produce more jobs to meet that population increase is better than not having economic growth. There is an irony lurking here. The Weberian ethic—the Protestant ethic—assumed that less is more. By being more austere, by trimming waste, cutting slack, reducing expenditure, a company and an economy could grow. Austerity led to riches. Many left-wing critics of rationalization criticized riches in the name of an austere view of the world. They responded to Protestant asceticism with their own brand of asceticism. The Weberian capitalist was ascetic in order to paradoxically produce wealth, a non-ascetic condition. The radical anti-capitalist criticized wealth produced by development and growth on the basis that it offended their ascetic sensibility. Castoriadis was more nuanced this, though. There is a streak of left-wing asceticism in him, the negative theology of a Marx who denounced the Moses of accumulation. But he mixes this, or over-determines it, with the view that
expansion is hubris. It betrays a deluded human sense of omnipotence, of the human God-like ambition for infinity, infinite possibility, and unlimited acquisition. What makes human beings human is a sense of limits. We cannot grow something infinitely. An economic boom will not last forever. The growth of any company is not unlimited. The wealth of any individual will not expand forever. The richest person today will not be the richest person tomorrow. Our knowledge of anything does not progress infinitely. We cannot know everything about ourselves or others. The world around us is not completely transparent. Our society and our morals are not perfect. Human beings are not perfectible. We are not gods. Our society is not transcendent. Our domination of nature is not absolute. That means, as Castoriadis reasonably insisted, that no society can grow indefinitely. But that also—ironically—is the essence of capitalism. For capitalism is cyclical. It is ambidextrous. It supposes that what grows shrinks. But also that shrinkage presages growth. What is interesting about capitalism is not growth or shrinkage but the super-position of the two. Shrinkage is the limit of growth that is also the precursor of growth.

One can read the Weberian Protestant ethic in these terms, but it is not necessary to do so. Unsurprisingly when Weber and Schumpeter met, they argued. Presumably this was partly a function of ego. But equally it was a function of world view. As Castoriadis understood, and here his insight really shines and far exceeds the usual left-wing mumble, the Weberian Protestant ethic represents not just the driver of capitalism or its productive limit; it is also (in one late-appearing version) a negation of capitalism and creation. It is easy to understand, in no small measure thanks to Max Weber, how the relatively austere nature of Protestantism explains the mountainous riches of modern capitalism, especially when the Protestant ethic was translated and refigured in the American context. Even if the Renaissance invented double-entry book-keeping, Protestant religious budgeting amplified and elucidated capitalist economic budgeting. It subtly encouraged individuals and companies to do more with less. Christianity is a religion of paradox. The paradox of religious budgeting lent the modern economic concept of productivity its essence and its power. Productivity is a function of the paradox that less is more. It is an exceptionally potent driver of modern economies. At the same time, every improvement in productivity in a modern economy eventually exhausts itself.
What is today’s innovation is tomorrow’s norm. So that the ‘less’ that produces ‘more’ (eventually) produces ‘less’. And so the cycle goes, on and on. But significantly, as Castoriadis observed in writings in the 1950s and 1960s, rationalization also produces another non-productive kind of capitalism—bureaucratic capitalism—that far from driving the cycle of growth-shrinkage-growth leads to a slow asphyxiation and self-cannibalization of capitalism as a productive system and the emergence of multiple parasitic classes and parasitic offices and processes within modern societies.¹¹

Before examining the phenomenon of bureaucratic capitalism more closely, some political context is important. I noted previously that Castoriadis began political life as a Trotskyist. This is not just a curiosity. There was a generation or two of twentieth-century thinkers who, like Castoriadis, at the start of their political lives had brief spells as Trotskyists and then moved on—many of them to become standard-bearers of the intellectual and political right. A good portion of the first generation of American neo-conservatives falls into this category.¹² Why is this important? Trotsky was one of an endless stream of tyrannical and authoritarian figures that Russian politics produced—and has continued to produce to this day. The thing that made him odd though was not that he was purged by Stalin but that he lived long enough to create a critique of Stalin that had one interesting characteristic. It charged that Stalin ruined the Russian Revolution by creating a parasitic bureaucratic caste personified by the dictator. Most who passed quickly through Trotskyism grasped that Trotsky had the same tyrannical traits as Stalin and realized the Russian Revolution was a tyranny from day one. However they saw some validity in the theory of the parasitic bureaucratic caste. This theory helped explain the Soviet-era nomenclatura. Some Trotskyists suggested that communist bureaucracies would eventually acquire capitalist traits. This went a long way to explaining the survival of the Communist Party in China, which managed to successfully transition China from a totalitarian command economy in the direction of authoritarian bureaucratic capitalism. Trotskyist intuitions about bureaucratic parasites were also helpful in explaining some of the less-than-healthy characteristics developing in capitalist societies in the twentieth-century West. This was underlined by James Burnham in his 1941 book *The Managerial Revolution*. Burnham was an American Trotskyist apostate who became in short order a *National Review*
The essence of his view was that managers were becoming a new ruling class. This extrapolated from what Adolf Berle and Gardiner Means had observed in their 1932 study *The Modern Corporation and Private Property*, namely that the ownership and the control of companies were separating. What Berle and Means, and later Burnham, observed was arguably the consequence of the procedural rationality, the processes of rationalization that Weber observed in the early twentieth century. In this moment, the methodical nature of the Protestant ethic was producing not paradox but a kind of suffocating step-by-step process that everyone would soon start to recognize as bureaucratization. As bureaucracy spread in modern organizations, control was substituted for command. Rule was replaced by rules; obedience by compliance; direction by method; and initiative by system. This was the source of the ubiquitous world of paper work, a world in which information could become a technology, a system and a science. In this world, form was replaced by paperwork forms.

Burnham astutely figured out that the supposedly impersonal procedures of managers represented a very personal claim on power. They wanted to rule in place of others while claiming they were doing no such thing. They used rules to rule. The Burnham thesis in turn influenced the neo-conservative theory of the new class in the 1960s. Neo-conservative writers in that era observed the rapid expansion of a new imperious class of the tertiary-educated that—streaming out of universities, their heads filled with all sorts of social ideology—began capturing the state, enlarging it, and driving the expansion of unsustainable entitlement programs and all manner of bureaucratic law. They too wished to rule by rules. They proceeded forthwith to make up the rules that others were supposed to live by. This was a project of the political left not of the political right. In the mind of the left, procedural rules equaled the state equaled the public good. The rest was capitalism which was the public bad. Castoriadis never wavered from a nominal identification with the political left. He espoused all the requisite conventional ritual-sounding criticisms of Margaret Thatcher and Ronald Reagan in the 1980s. Yet for all that he was still an unorthodox type of character. He was savage in his criticism of Soviet tyranny and unstinting in his repudiation of leftists, and that meant most of them, who defended the Soviet Union explicitly or implicitly right until the day it died. Castoriadis also recognized very early on the pathological phenomenon of bureaucratic
capitalism. From the late forties to the mid sixties he was a member of the French intellectual group *Socialism or Barbarism*. This group was persistently critical of the bureaucratization of modern society and it argued at length for a self-managed society that was not reliant on behemoth bureaucracies. Castoriadis had a distinctive frame of mind.

So what—in Castoriadis’ view—made bureaucratic capitalism a delinquent phenomenon? Much of his critique reads and feels like standard left-wing discourse of the time; much of this discourse would become the platitudes of the nineteen seventies. Yet at the same there is something else in Castoriadis’ work, something that transcends the clichés of the time. Both the standard and the non-standard critiques of bureaucratic capitalism are interwoven in his 1960 *Socialism or Barbarism* study ‘Modern Capitalism and Revolution’. At that point in time, he observed that bureaucracy had become the logic of contemporary society, its response to everything. He saw bureaucratization in a fairly conventional sense—as the management of activity by hierarchical apparatuses. These had become omnipresent—in production, in the state, in consumption, leisure and scientific research. He offered the left-wing cliché that bureaucracies manipulate human beings: the apparatuses of sales, advertising, and market research manipulate human needs and that, through the bureaucratization of press and radio and the universities, culture and science had become similarly organized. He alludes (first) to the Berle and Means’ theory that owners had been replaced by managers and (second) to the syndicalist theory that bureaucratization had separated the direction of production from its execution. What follows from the latter is instrumentalisation. Human beings become a means to the end of production. Workers are reduced to the position of tool-like executants. This is Marx’s theory of alienated labor read through Kantian philosophical categories. Again it was standard fare by the nineteen seventies, and hardly conceptually original in the nineteen fifties. What followed from this, in the eyes of Castoriadis and many others, was the idea that workers who were reduced to taking orders and denied intrinsic satisfaction at work found alternate satisfaction in income and promotion and status distinctions. In the nineteen sixties, a thousand theories of alienation bloomed. All owed something to the early Marx. All said the same thing.
And so did Castoriadis. Yet he also said something different. He offered a view that suggested that bureaucratization was also something other than Kantian-Marxian alienation. It was actually a loss of meaning. Bureaucratization is more than simply the generation of hierarchical apparatuses, or the separation of direction and execution, or the cleavage of ownership and direction, or the turning human beings and their needs into instruments. In fact, truth told, all of those things came before what twentieth-century commentators began to call the bureaucratization of the world. Bureaucratization may or may not be connected with those things that so rattled the cage of the nineteen sixties. But it is also distinct from them. It stands apart from them. For bureaucratization at its core is an inversion of meaning. If all societies require the production of meaning, then bureaucratization can be best understood as the production of nonsense. There are various ways of producing nonsense. Hierarchies, alienation, and instrumentalisation are all capable (to a degree) of producing nonsense. But neither do they or their effects explain the pervasive way in which all aspects of society became subject in the twentieth century to bureaucratic logic, or more precisely to bureaucratic illogic.

The pseudo-logic of the bureaucratic society is tantamount to the emptying out of meaning. It produces vacuity. It is a kind of logic or reason that, as it unfolds, becomes illogical and unreasonable. If logic or reason is supposed to explain something, then bureaucratic logic makes things, while logical, inexplicable. An explanation is one of the key things by which human beings create meaning. If something does not make sense, then a basic response of all human beings is to ask for an explanation. In a bureaucratized society or institution, you will get an explanation—however the explanation will not make sense. Those who offer the explanation, often members of an apparatus, speak as if an explanation is forthcoming from them and yet manage to say nothing at all or else not anything that other human beings regard as intrinsically meaningful. Twentieth-century societies developed a rich language to describe this impoverished manner of speaking. They learnt to call it spin, verbiage, waffle, gobbledygook, flimflam, guff, blather, drivel, and so on. They learnt to recognize that most people in offices, not least those in high offices, spoke this language. They found that some people managed not to speak in bureaucratic riddles but that these were the exception not the
rule. The tradition of plain-speaking, directness and forthrightness progressively disappeared as the world became bureaucratized.²²

Bureaucratic language tells us a lot about bureaucratic modernity. It suggests that bureaucratization is more than a function of rationalization, even if in part it is also that. It is clear that rationalization does generate bureaucratization. As procedural rationality spread through the course of the twentieth century, the response of organizational actors to problems changed. Rather than fix a problem directly, they opted for the indirect approach. They began to prefer to create a new procedure when-ever a new problem occurred. Procedural rationality pointed human beings away from the personal to the impersonal. No longer did anyone stuff up. Instead any fault and any correction of a fault was the result of rules, methods, and procedures. This had a crushing effect on individual responsibility and on the substantive outcomes of organized human action. Organizations henceforth thought of improvement as procedural change. Every act of problem-solving generated new procedures. The shift from ‘ownership’ to ‘management’ was a symptom of the dominance of procedural rationality. Its rise generated additional offices and multiplied functions. The creation, transmission and implementation of procedures required endless additional staff, resources and time. The resulting bureaus swamped organizations and the larger society with a tsunami of rules, handbooks, processes, plans, steps, guidelines, and policies. These were universally written in an awkward language that was pseudo-juridical and empty.

Resources were re-allocated to rule generation and compliance. As the mid-20th century fascination with ‘planning’ was to show, outcomes were sacrificed to processes. Castoriadis was right to dub procedural rationality as a kind of pseudo-rational mastery. It constantly assures organizations that they are doing something when they are not. Procedures encourage the simulation of action. If one has a plan, then one can claim to have done something. Procedural rationality elicits ersatz, pretend, fake and mock action. As bureaucracy spreads, more and more people devote their working lives to producing, auditing, and reporting on fake action. Massive documents and weighty folders are testament to the endless plans of action that are never realized. These are matched by the suffocating reality of multitudinous procedures that break down everything—from science and industry to entertainment and learning—into
fictitious analytic chunks designed to be governed by rules. Every step in these procedures is accompanied by forms, assessments, approvals, and reviews. Each of these demands resources, staff, and time.

Industrial modernity and its passion for productive innovation unleashed a huge quantum of uncertainty. Contingency was its child. Procedure, method and analysis promised that contingency could be mastered. But it couldn’t be. Such mastery is illusionary. No amount of procedural specification can eliminate the unknown and the uncertain. So in every department of modern life unexpected problems appear. Bad contingencies arise. Accidents happen. Follies abound, unabated by rules. However it is not only the illusion of procedural rationality that inspires bureaucracy. Procedural reason supposes that problems can be solved or forestalled by methodical rules. This though assumes that problems in themselves are unproblematic. That is not the case. For the greatest source of bureaucratization in the last century has been the vast effort to rationalize non-problems. Procedural reason supposes that dangerous behaviors can be obviated prospectively or retrospectively by good procedures. That supposes in turn that it is a straightforward matter to identify problem behaviors. It is not. In fact, the trend of the last century has been to identify an endless array of non-problems as problems, and then to devise methods, rules, processes, offices, functions, and agencies to deal with them. This happens in a way that seems remarkably easy. A few very vocal people sound off about a non-problem. That attracts an audience. The audience evolves into a lobby. The lobby gets a trial measure to deal with the non-problem. The measure devolves into regulations, rules, taxes, norms, policies, and plans. Offices, departments, bureaus, branches, units, and working groups are set up to promulgate and administer these. Reviews, reports, audits, inspections, checks, and assessments follow.

The greatest time and attention in a bureaucratic committee is always given over to the least important topic of discussion. Such committees will spend much more time discussing the name of a new building than they will in devising measures to deal with a devastating budget deficit engulfing their institution. Likewise in the choice of problems, a bureaucratic society devotes most of its attention not to serious problems but to specious non-problems. It gravitates to non-problems like global climate cooling or warming or the industrial emission of
carbon dioxide into the atmosphere or the use of fossil fuels in automobiles. War and depression seem inconsequential in comparison. Of course the drive of bureaucratic societies is to make non-problems seem super-consequential. That is their curious nature. In these societies non-problems come to possess fake significance. They emit bogus urgency. They generate mock meaning. They give rise to faux crises and ersatz outpourings of human emotion. While they may be all sound and fury signifying nothing, nonetheless accompanying them always is a flood of fatuous language that implores human beings to take the non-problem seriously. Evidence is marshaled, polemics deployed, and arguments unleashed. The more bogus a problem, the greater is the weight of sententious opinion. That is why bureaucratic societies, though they are very procedural and are filled with empty methodical language games, are also aggressively moralizing. Moralizers aim barrages of ‘oughts, shoulds and musts’ at those who refuse to believe in the spurious weightiness of non-problems and who refuse to spend their time dignifying ridiculous topics with gravitas. The function of the moralizer is to ‘prove’ that what is silly is important. Thus we get from institutions in bureaucratic societies an onslaught of self-important language. It is engorged with a sense of its own significance yet conveys at the same time a distinct sense of its own absurdity and emptiness. It is barren, it is bare, and it is blank while it thinks of itself in the very opposite terms.

Castoriadis’ gift was to give a name to the larger syndrome that generates an endless stream of prattle, claptrap and blather from social institutions. He pointed to a kind of capitalism that did not just produce hierarchy, alienation or instrumentalisation but that produced meaninglessness. Its agents said things, and did things, and undertook things that were hollow. Its endeavors, if looked at closely, were pointless. Castoriadis often fell back on older explanations of what was going on. He would talk about the body of managers who prepared or directed the work of others in the production process. But Kant and Marx did not really illuminate this new phase of capitalism. For what distinguished bureaucratic capitalism was that it systematically destroyed the significance of social activities; and following that it destroyed people’s responsibility and initiative. This was not the function of alienation or instrumentalisation. Rather it was a function of the destruction of meaning. Bureaucratic
capitalism and the bureaucratization of the world generated insignificance. As it sucked the significance from activities in all domains of life, it caused human beings to disengage from life and substitute for that feckless irresponsibility.

As a consequence of bureaucratization, all kinds of human activities—from work to politics—stop being signifying activities. They stop being productive of meaning. Castoriadis explained this is in quasi-Hegelian-cum-Romantic terms. Accordingly meaning is a whole. Social systems that destroy meaning fragment things. They separate activities and things into parts without recomposing them. Castoriadis, again not quite being able to follow the implications of his own insight, thought of this carve up at work as being a variation of Adam Smith’s division of labor. Labor is fragmented on the shop floor and only those who work in the office can give it meaning. But the bureaus that metastasized everywhere in twentieth-century society could not synthesize what had been set asunder. Marx’s Critique of Hegel’s Philosophy of Right echoes in Castoriadis’ work at this point. And beneath that, the over-tones of the Romantics are to be heard. But if we forget about Smith, Hegel and Marx, the basic point still stands. Bureaucratic society cannot synthesize and cannot therefore generate meaning. Castoriadis doubted therefore that it could ensure its own cohesion. The question, though, is why not? At several points Castoriadis offers a traditionalist account of its failure. At several crucial junctures through his career he did the same. He says that two centuries of capitalism had resulted in the collapse of the traditional system of values (religion and the family). Castoriadis actively disliked religion but regularly defended the family. He appealed to community and solidarity, classic Romantic tropes, against fragmentation. And he thought that the attempt to substitute ‘rational’ modern values in their place was pathetic. All that one got from that were streams of platitudes from political racketeers, which is certainly true.

In short, tradition fails in modernity but modern values are laughable. Writing in 1960, Castoriadis excoriates the vacuous chatter about ‘the new “lay and republican’ morality in France’ spun by the Radical Socialist party. Nothing changes—think today of the spine-tingling de-industrializing piffle proffered by the Greens parties or the juvenile inanity of the British Liberal Party to get a sense of the ridiculous nature of this vacuous values talk. Castoriadis shrewdly noted the effect of all of this on political participation. Subjected to wall-to-wall
poppycock, people disengage from politics. Political parties were once mass organizations with huge memberships. Castoriadis observes, already in the late 1950s, how people were exiting from these parties in droves, and from the trade unions, even though by comparison with today these organizations were still huge relative to the population.

The former party and union members decamped into private life. Why? Because they saw that participation was meaningless. It obliged participants to agree with patently untrue or absurd statements. An alternate explanation of the cause of this disengagement was that it was an effect of hierarchy. In his 1911 book on Political Parties, the German sociologist Robert Michels observed what he called the iron law of oligarchy of the party. The party bosses ruled. Yet in 1911, by comparison with our own time, those parties still had massive memberships. Perhaps it is true that over the next century the oligarchs alienated the demos. But then that begs the question: how and why did that happen? True, party bosses over-ride popular sentiment in political parties of all persuasions. But then that is politics and the bosses in their own turn are routinely over-ridden by legislators and presidents and prime ministers. Oligarchs and hierarchs have been around a very long time and frequently have had mass followings. So why were the oligarchs unable to retain large memberships in parties and trade unions in the twentieth century? Perhaps this has to do with the fact that bureaucratization is not simply a synonym for hierarchy and it does not simply work through alienation or instrumentalisation. Its effects are much more direct and its causes are much more specific.

Bureaucratization is the production of meaninglessness. A trade union exists to defend the most vulnerable and the least advantaged of its members. It substitutes the power of association and combination for the power of skill or capital. Yet as time passed by, trade unions came increasingly to defend not the most vulnerable and least advantaged but rather the most dysfunctional and least able. Those who most suffered were other union members who had to undertake the work of the lazy and the inept. The hard working and the competent found that the labor market better recognized their skills and wasted their time less than their union representatives who told fairy tales about capacity, competence, reward and opportunity. A credibility gap opened up between rhetoric and reality. The nature of bureaucratic fairy tales is that, as stories, they are unassailable. One is not permitted to
question them. Union members found that puncturing holes in ridiculous official tales (like the tales of class struggle) only caused them to be ticked off. So rather than be chastised for not believing the nonsense they were served up, they simply gave up their membership in the leagues of twaddle. Those who remained were either those who believed the credulous fairy tales or those who most benefited from them. Bureaucratization is successful not because so many people spontaneously believe the quack mythology that it sprouts (though some do) but rather because it generates material interests (offices, apparatuses and incomes) that make the beneficiaries of those interests choose to believe the unbelievable.

An example might help explain this. In 1935 the New York Times introduced to the world the term ‘boondoggle’. The Times reported that the Franklin Roosevelt’s administration had spent $3 million on recreation activities for the unemployed including the making of craft oddments like ‘boondoggles’. The term stuck. It describes waste-of-money projects. Bureaucratic societies, and the bureaucratic form of capitalism, are an endless producer of boondoggles. Roosevelt’s New Deal, which managed to prolong the Great Depression in the United States for many more years than in the United Kingdom and elsewhere, did so by inventing boondoggle capitalism, otherwise known as state capitalism or bureaucratic capitalism. From 1931 to the present, this delinquent form of capitalism has flourished. It has done so by attaching itself to the empty but persuasive signifiers of a bureaucratic society. These are signifiers that are filled with ersatz meaning. ‘Folk art’ and ‘craft activity’ are examples. These are typical of the kind of inverse signifiers that are popular in a bureaucratic society. Industrialism inspires anti-industrial signifiers; sophisticated urbanism recoils with folk and indigenous symbols. None of these symbols mean anything. They are dislocated from any society in which they might have a meaning. They have no functional or substantive role in a modern society. Indeed most of them are complete fictions. They are tokens of a romantic authenticity that is manufactured in high modern urban locations.

Spending programs readily attach themselves to symbols of this type. Partly this is so because there is a big audience for them. Because they are empty, they are free floating and they are easily adapted to all kinds of rhetorical purposes. They come in very handy when policy architects seek to justify public spending. Max Weber declared that substantive rationality had
been replaced by procedural rationality. Ends were replaced with rules. But this is not quite true. In a lot of cases in fact the rationality of ends was replaced by the rationality of spurious ends. Romantic symbols (folk, green, people, community, earth symbols) provide servings of pseudo-meaning in an industrial, urban, machine world. But they are not the only source of fake meaning. Anti-romantic symbols can be just as usefully deployed to that end. A classic one is ‘national security’. In 2010 the US Army in Afghanistan spent $119 million annually to lease 3,000 cars at around $40,000 a year per car. The General Services Administration concluded that the military could have leased and maintained the same number of vehicles for about $60 million a year, half the cost. It is not that economic welfare or military contracting are unreal in themselves (quite the contrary). Nevertheless, accreted layers of fakeness manage to attach to their body. False, faux, make-believe and sham meaning readily projects itself onto substantive meaning in bureaucratic modernity. Almost every modern ‘ism’ is filled to brim with insignificance. It is as though the twentieth century willed itself to satisfy its meaning needs with counterfeit meaning of all kinds. The most fake of all of the ideologies were the authenticity ideologies. Almost anything that is promoted as genuine (genuinely national, natural, popular) is a sham. When Presidents start talking about ‘the folks’, beware. The high-tech money-lenders and bundlers are standing adjacent, off-stage. If patriotism was the last refuge of the scoundrel in Samuel Johnson’s time, then in our own time authenticity is the last refuge of ultra-modern ultra-liberal elites as they squeeze persuasive insignificance from the rock of meaning. One knows that this is something that cannot continue indefinitely.

The capitalism that these elites have created—bureaucratic capitalism—is a capitalism of feint, affectation, simulation, and put on. It flourishies in a world of fauxxitism in which the state grants enterprises large amount of money to satisfy popular excitement about one or other empty signifier that the larger society (for a time) fawns over. The case of the Obama-era scandal of Solyndra the Californian solar cell manufacturer that in 2009 took a $535 million loan guarantee from the US federal government and then filed for Chapter Eleven bankruptcy in 2011 is typical and hardly exceptional. In the 1980s, the US Federal Government provided $147 million of taxpayers’ money to the ‘Solar One’ solar energy plant in California, $1.5 billion in loan guarantees to the Great Plains Synfuels, and $78 million for the New Iberia ethanol plant
constructed by Saudi arms dealer Adnan Khashoggi’s company Triad America. All of these schemes went bust. Biofuels, clean energy, and green energy are classic empty signifiers. Each of them promise the impossible: to match the economy and volume of fossil fuels.

In the last eighty years, we have seen the rise and rise and rise of junk: junk culture, junk science, junk business, and junk everything. Much of this has come with the imprimatur of the state. Many of the junk schemes have their source and more especially their funding in the state. The grant and the subsidy have become powerful mediums for producing junk. The art of those who apply for the grant and those who give the grant is to generate plausible meaninglessness. This is meaninglessness that appears to have a meaning. ‘We will produce energy sufficient to power a modern society from wind or solar sources.’ That is a statement that at first glance seems to have a meaning. It connects with the human impulse not to foul the natural environment. Yet all ‘clean’ energy sources are uneconomic. They cost much more than energy from fossil fuels. These are industries that can only exist if they subsidized. This is a perfect example of bureaucratic capitalism. It only exists through transfer payments from taxpayers. It is a corporate welfare economy. A bureaucratic society produces endless examples of boondoggles. It does this because its inner essence is to produce nothing. The easiest way of producing nothing, though by no means the only way, is for government to subsidize the production of nothing. Now a grant-getter cannot literally say to government that the intention is to produce nothing. Rather what is invariably stated is that what will be produced is of deep, unfathomable and profound importance to society. Its good is incalculable. Its potential benefit is stupendous. If the project is not subsidized then terrible harm will follow. If the unemployed workers do not get their boondoggle folk-art training then they will suffer from alcoholism, suicide, family break up, and martial stress. Their children will despise them and their parents will spurn them. The bunkum works for a while, and sometimes for a long time. But eventually it stops working and the schemes, subsidies and grants are finally closed down, and forever after nobody talks about the great promise that somehow has mysteriously evaporated.

The number and scale of boondoggles today suggests that bureaucratic capitalism is more popular now than when Castoriadis was writing in 1960. The alienation model which Castoriadis had recourse to at the time suggested that people do not like meaninglessness, so
they retreat into private life and consume. They compensate for lack of meaning with social irresponsibility. They indulge in irrationality. They produce waste. Work becomes a source of income or security or opportunity for promotion but not a source of intrinsic meaning. In Weber’s terms, the work ethic declines. The stupid ethic rises. With irresponsibility comes indifference. With indifference comes a lack of initiative. Nothing matters, and what if it did? There is some truth in all of this. Yet boondoggle capitalism has had a very long life because one of the paradoxes of the epoch of the bureaucratic society is that people—to a point—love the meaninglessness that it generates. Specious meaning can be at times quite popular—even if it is routinely followed by buyers’ regret. Bureaucracy has spread everywhere into almost every crack and crevice of social life. People despise it, but they also love it—to a point.

How can one love the state of meaninglessness? How can it be that a society that requires, like all societies, a core of meaning is able to live off the endless production of nonsense? Well it can—but it cannot do so forever. For the simulation of meaning has a short shelf life. Simulation of meaning is to life as kitsch is to art. Kitsch has the superficial appearance of art, but it is not art. Bureaucratic language appears to convey meaning, but in reality it does not. If the human imagination rests on the power of analogy, then simulation is the production of false analogies. Bureaucracy produces the likeness or simulation of services, products, and knowledge. Yet when looked at closely, the likeness fades to nothing. Bureaucracy says that it is doing something but in fact it does nothing of substance. The imagination looks at a tree and sees a house. Bureaucracy says it is providing housing and produces a likeness of that in the guise of a paper trail of approvals, compliance procedures, and risk assessments whose medium is a non-language. This non-language does not represent the production of a house, one of the anchors of a meaningful human existence. Rather it represents the production of non-sense in the guise of a method without substance and process indifferent to outcome. The house is the almost accidental by-product of check, appraisal, approval, sanction, and rule. People disapprove of this. They are irritated by the delays, the form-filling, the reviews and the compliance steps. But they also approve of it, for they love the fake meaning that these processes invoke. They loved the ‘planned society’ in the 1950s and 1960s and 1970s and the ‘green society’ of the 1980s, 1990s and 2000s. That none
of these pseudo-societies came to anything but bureaucracy is the point. Socialism and environmentalism are systems of fake meaning. That Castoriadis rather liked environmentalism is beside the point. He was right to grasp that modern bureaucracy is the production of meaninglessness. That it manages to create fake meaning by apparent authentic meanings is the cunning of its reason, no more. We all get sucked in one way or another. The enduring question left from this is whether societies can perpetually live off fake meaning if society relies on the production of substantial meaning. It is doubtful. If so, then what is the future of substantive meaning in a world mesmerized by fauxitalism?
References


Notes

1 Deidre McCloskey in Bourgeois Dignity (2010) proposes that around 1700 a decisive shift occurred in the north-western Europe in favor of innovation, setting in train a history of scientific, technical, mercantile and finally (and decisively) industrial discovery and application that permanently changed the nature of economics.

2 ‘The only cases where we could speak genuinely of “disorder” are, I think, those of “old systems that are in crisis” or “crumbling”. So, for instance, with the late Roman World—or many Third World societies today. In the first case, a new “unifying principle”, a new magma of social imaginary significations, eventually emerged with Christianity... In the second case, that of Third World countries, no new “unifying principle” seems to emerge...’ See Castoriadis, The Imaginary: Creation in the Social-Historical Domain’ [1981], World in Fragments (1997), p. 16.

3 ‘The crisis of the family today does not consist only, and not so much, in its statistical fragility. What is at issue is the crumbling and disintegration of the traditional roles—man, woman, parents, children—and the consequences thereof: the formless disorientation of new generations.’ Yes, agreed Castoriadis, there were moments of legitimate emancipation in the undoing of traditional roles. ‘But the ambiguities of its effects have long been noted. The more time passes, the more one is justified in asking oneself whether this process is expressed more by a blossoming forth of new ways of living than by sheer disorientation and anomie.’ See ‘The Crisis of Western Societies’ [1982], The Castoriadis Reader (1997), p. 259.

4 ‘No doubt, heteronomous societies have created immortal works—or, quite simply, a countless host of beautiful objects. And already, this statement shows—from a democratic perspective, as a matter of fact—the untenability of the historical proscriptions today’s new fanatics want to issue concerning cultural matters. Following the logic of certain feminists, for example, I ought to cast out the Passion According to Saint John not only because it was composed by a dead and white male but because it gives expression to a religious faith that, in my own view, is alienating.’ See ‘Culture in a Democratic Society’ [1994] in The Castoriadis Reader (1997), p. 341.

5 Joseph Schumpeter, Business Cycles (1939).


7 Which led the conservative Castoriadis to comment: ‘Let us put aside that which is perhaps the most important aspect of the pill, the psychical aspect, of which nobody talks: What might happen to human beings should they begin to see themselves as absolute masters over the decision to bequeath or not bequeath life, without having to pay a thing for this “power” (beyond two dollars a month).’ And now not even two dollars a month: the 2012 US Democratic Party and its marquee fool, Sandra Fluke, demanded that employers with religious affiliations offer health insurance plans that provide free birth control. A graduate of Cornell gender studies and Georgetown law, Fluke’s views are a clear sign of an asinine political elite that not only retails frivolities as policy— and would therefore like to exclude reasonable conscience-exceptions out of some kind of over-wrought kitsch moralizing absolutism—but that can no longer grasp the larger implications of what its foot-stamping demands. Fluke is a classic political ladder-climber in a bureaucratic society. By the age of 31, she had co-founded the New York Statewide Coalition for Fair Access to Family Court, was a member of the Manhattan Borough President’s Taskforce on Domestic Violence and multiple other New York City and New York State coalitions, the recipient of a Women Lawyers of Los Angeles’ Fran Kandel Public Interest Grant, and had served as president of the Georgetown Law Students for Reproductive Justice. Bureaucratic societies dress up such political careerism in the garb of the needy, the vulnerable and the afflicted. This is done in a manner that is both cynical and naive at the same time. The presumed public good of such careers is in reality just one long tedious addition to the curriculum vitae—itself an ever-evolving, ever-expanding tool of self-promotion in bureaucratic societies. In these societies, and in loathsome ways, activism readily turns into a career and such careers, reliant as they invariably are on the public purse, are no more and no less a vehicle for redistributing money from the poor to the gilded ultra-affluent upper middle classes for whom anything like real work is an offense against their humanity. See Castoriadis, ‘Reflections on “Rationality” and “Development”’, Philosophy, Politics, Autonomy (1991), p. 194.


This was brilliantly and repeatedly argued by G.K. Chesterton, one of the greatest thinkers of the twentieth century. On the paradoxical foundation of Christianity, see for example Chesterton, The Everlasting Man (2007 [1925]).


Many neo-conservative intellectuals began life as American Trotskyists. These figures had taken seriously the Trotskyist opposition to the entropic Soviet Union, so much so that by the 1970s and 1980s they were embracing the idea of a strong American military capable of defeating the Soviets. They subsequently applied similar notions to reversing the entropic slide of states in the Middle East. One of the initial points of intersection and crystallisation of these forces was the Trotskyist organizer Max Schachtman. His first step on a path that would take many intellectuals from American Trotskyism to neo-conservatism was to leave the Socialist-Workers Party in 1940. He steadily moved across the political spectrum toward the distinctive brand of American anti-communist Social Democracy. Other key figures included Schachtman-ally James Burnham, Burnham’s friend the philosopher Sidney Hook, Irving Kristol (who was a Shermanite—see below), Michael Harrington (a Schachtmanite till the 1970s), Jeanne Kirkpatrick, Albert Wohlstetter, and the Schachtmanite aides to the influential US Democratic Senator Henry Jackson (such as Elliot Abrams), and so on. Kirkpatrick, the Reagan-era Ambassador to the United Nations, was a member of the Schachtmanite Young People’s Socialist League and later joined Schachtman’s Social Democrats, USA at whose conferences Paul Wolfowitz, later US Deputy Assistant Secretary of Defence in the George W. Bush administration, spoke in the 1970s. Kirkpatrick did her PhD. under Franz Neumann, the Frankfurt School Social Democrat. Albert Wohlstetter, a Schachtmanite in the 1940s, was a very important nuclear weapons strategist, Paul Wolfowitz’s PhD. supervisor and mentor of Richard Perle. Henry Jackson employed Wolfowitz and Perle as advisors in his office in the 1970s, along with Abram Shulsky, a student of Leo Strauss. Others who moved in the Social Democrat USA milieu included labor leaders George Meany, Albert Shanker and Lane Kirkland, Paul Nitze, Eugene Rostow, Admiral Elmo Zumwalt, Max Kampelman, Richard Pipes, Seymour Martin Lipset, Bayard Rustin, and Norman Podhoretz. Another key figure, “Sherman”, was the non-de-plume of the Berkeley sociologist Philip Selznick, who was in venerable Trotskyist sectarian style an ex-member and factional dissenter from Max Shachtman’s Workers Party (WP). Sherman’s supporters included Gertrude Himmelfarb, Seymour Martin Lipset, Martin Diamond, Herbert Garfinkel, and Irving Kristol. More recent effects of the intersection between Trotskyism and American foreign policy is powerfully evident in the works of the left Social Democratic critic of Islamist terror Paul Berman (an admirer of another dissenting Trotskyist, C.R.L. James), Stephen Schwartz (a neo-conservative critic of the Saudi regime and also a one-time Trotskyist), and not least of all the journalist Christopher Hitchens, former Trotskyist and eloquent defender of regime change in Iraq. It should also be noted in passing that the Iraqi Trotskyist Kaan Makiya wrote by far the best book on Saddam’s Iraq: The Republic of Fear. The complex family tree sketched above and the story of the remarkable assimilation of Trotsky into mainstream American politics has yet to be properly told. Most accounts of the origins of the neo-conservatives go little way towards understanding such curious phenomena as the intersection between quite a few of the ex-Trotskyists and the political philosophy of Leo Strauss (Irving Kristol was an admirer and Martin Diamond became a Straussian) or such uncanny footnotes to history as the fact that Christopher Hitchens was in Washington State to give a Henry Jackson memorial lecture on the day of September 11, 2001.

James Burnham, The Managerial Revolution (1960 [1941]).

Fusion of the economy with the state, expansion of the state functions to comprise also control of the economy, offers, whether or not the managers individually recognize it, the only available means, on the one hand for making the economic structure workable again after its capitalist breakdown, on the other for putting the managers in the position of the ruling class.’ Burnham, The Managerial Revolution (1960 [1941]), p. 127. Burnham’s notion that managerial control could reverse the business cycle or replace the profit motive proved not to be true, but the vision of a class set upon shifting the locus of sovereignty from parliamentary assemblies to the administrative bureaus of an expanded state was spot on, as was the prediction of managerial hostility to entrepreneurial capitalism, freedom and initiative.


Against this, Castoriadis often referred to the classical Greek tradition of direct speaking, aka *parrhesia*. See for example 'The Greek Polis and the Creation of Democracy', *Philosophy, Politics, Autonomy* (1991), pp. 107, 113.