

Review

Werner Sombart and the 'Spirit' of Modern Capitalism. Rediscovering a Classic

by Christopher Adair-Totef

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One century ago, “Werner Sombart was regarded as the leading German authority on modern capitalism” (pp. 1-2). Indeed, Sombart originated the term. Christopher Adair-Totef engaged with Sombart after having worked extensively on Max Weber. In a sense, Adair-Totef’s book is an attempt to explain the gap between the esteem in which Weber and Sombart were held by their contemporaries, and other, more recent assessments of the two. Weber was not as renowned in life as he has been ever since, also thanks to a widow who turned out to be an impeccable vestal of his altar. With Sombart the opposite happened. There may be good reasons for that, including a certain verbosity. For Adair-Totef, “Sombart often preached the importance of value neutrality in scholarly writings, but he failed to adhere to this dictum even more than Weber” (p. 3).

Adair-Totef sees Sombart’s mastodontic work on modern capitalism as quite stronger than the thinner book by Weber on the Protestant ethic and the spirit of capitalism. Both works may be considered as paramount of the German reflection on the nature of a modern economy at the time, yet Adair-Totef finds Weber’s more impressionistic whereas, on this subject, Sombart “wrote numerous books loaded with facts, statistics, and even tables” (p. 164). The fortune of a book, however, is seldom a consequence of its *accuracy*.

Adair-Totef explores thoroughly Sombart’s writings on capitalism and argues that we should read them more than we do. He does not deny that Sombart became sympathetic to Nazism but he maintains that the political faults of the author do not mean that we cannot learn something from his work. He argues convincingly that Sombart cannot be considered antisemitic. And he suggests that we should consider carefully the viewpoints of an author’s contemporaries, before dismissing him. “Even the most critical of his critics admitted that Sombart was a genius” (Ibid.). Perhaps he would not go as far as German historical school economist Gustav Schmoller in considering “Sombart as an equal to Smith and Marx” (p. 62) but shares the appreciation for “the richness of his choice of material and his ability to synthesize his ideas”.

Sombart’s vocation seems to have been first and foremost one of a great classifier. The first tome of his book on modern capitalism bears an epigraph from Blackstone: “Qui bene distinguit, bene docet” (who distinguishes well, teaches well). The German sociologist was busy in differentiating modern capitalism from anything which happened before. Adair-Totef presents his views with great care and is interested in making the case for their relevance, more than to prove them right or wrong by the standard of modern scholarship. He also provides much needed contextual-

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ization and suggests to consider Sombart as an historian of capitalism, much invested in understanding its genesis.

Sombart's characterization of capitalism has a somewhat Weberian taste:

He offered an abstract definition of capital in terms of its goal and that is the accumulation of profit. He also provided three important markers of capitalism which he stressed were always present: (1) an impersonal organization, (2) an emphasis on calculation and speculation, and (3) a rationalistic approach (p. 24)

All of the above came together because of what Sombart labels "the spirit of capitalism", which, different than in Weber's perspective, is not only propelled by religion. Interestingly, Sombart thought that "the notion that the trader was no longer a negative one [sic] was a product of Luther and other Reformers", as the trader had his own *Beruf* and "was his ability to determine the just price" (p. 23). Interestingly, Sombart seems to believe that Protestantism attracted to the trading professions more educate and talented people, assuming that in earlier times people "lacked the means and ability to 'calculate'" (p. 24). Though I am no historian of trade, I find such sketch of a "childhood of trade", lasting for most of human history, quite bizarre, considering the extent and complexity world trade reached way before the Industrial Revolution.

Anyway, what matters most, for Adair-Toteff, is that this idea of a business vocation is not enough for Sombart to mark the beginning of the capitalist era. He insisted on calculation, profit, and what we may call the severing of craftsmanship from its traditional ways, in order to work at a bigger, mechanized and impersonal scale. In discussing Sombart's answer to the question "how is profit possible", Adair-Toteff writes that "his short answer is Marxist: the appropriation of labor; but his longer answer is far less Marxist and far more complicated" (p. 25). Yet there is a lot in Sombart which sounds like Marx (perhaps all that doesn't sound like Weber!) though Sombart's argument seems less mechanistic. Yet his vast historical account seems, not unlikely Marx's historical *tour de force* in *Das Kapital*, conceived as to explain a domino effect backwards. Given that modern capitalism has such characteristics, let us see how and where it did pick them up.

Of course Marx would not have concentrated so much on the "spirit" of capitalism, which Sombart considered the result of mixing together the spirit of the entrepreneur with the "bourgeois spirit", the subject of another of his big books. Distinguishing three kind of individuals, the conqueror, the organizer and the trader, Sombart was convinced that only the third type "manifested the genuine spirit of capitalism" (p. 87). In pre-Industrial times, he was convinced that the only people who were genuine "merchants" were the Florentines, the Scots and the Jews. It is interesting that he outlined thirteen "economic virtues" that, being considered "holy during the end of the medieval period", allowed for the making of the bourgeoisie. Not by chance, he seemed convinced that capitalism was a wholly urban phenomenon and considered carefully the role of cities in its development.

From Adair-Toteff's elegant survey of Sombart's works, it is quite apparent that there is nothing even vaguely associated with capitalism Sombart has not written on: mechanization, globalization, the "decline in taste" associated with mass production, competition, the emergence of the proletariat, et cetera. Adair-Toteff reports that Sombart was convinced that he had incorporated in his work some insights of the Austrian school of economics (p. 17). Yet the reader is at loss when she tries to understand which ones. Sombart did not share Weber's methodological individualism, which is what Weber shared with the Austrians. The Austrians emphasize subjectivism, which paves the way for an account of capitalism in which the consumer is the key actor. A "good" is not properly such, Carl Menger thought us, if it is not only scarce but perceived as useful by the individual. The process of production is oriented by the needs and wants of the consumer. Sombart seems to be convinced, not unlikely your average college professor, that producers perform "tricks" to force their customers to buy what they make (p. 146). This counts for their alleged "dependency" on the producer. Sombart apparently held Bohm-Bawerk's work on the nature of capi-

tal and interest in great esteem (p. 120) but there are no reflections of such appreciation in his own understanding of capital.

In one of the most interesting section of his monograph, the one devoted to the reception of Sombart's work, Adair-Totefff reports that German "liberal" Friedrich Naumann, in reviewing Sombart's work, insisted that the latter "underestimated the role that state played in capitalism's rise". "A history of capitalism without Napoleon and Bismarck is at outset something that contains gap" (p. 59). Such a remark is interesting and goes well with something Adair-Totefff hints at, that is Sombart's understanding of capitalism as a totally un-political and un-heroic matter. Such intuition will riverberate spectacularly in his WW1 propaganda pamphlet on *Merchants and Heroes* (1915).

Christopher Adair-Totefff has done a splendid job in presenting the views of a very influential writer who is indeed less read today than he used to be. He makes the case that Sombart should be read. The question is: by whom? Sombart's verbosity makes him an unlikely subject of continuing reverence. Style may not be (the whole of) substance, but it matters. Weber's *The Protestant Ethic and the Spirit of Capitalism* may be more superficial than the thicker Sombart's books, but is a manifesto of how you write for the ages. Was Sombart's account of the origins of capitalism foreshadowing successive scholarship? It does not seem so: his genius was more in weaving together different things, than in coming up with the new, big one. Does his understanding of the origins of capitalism still keep up with contemporary scholarship? Perhaps not. Those who should read Sombart more carefully are historians of ideas and culture, those who are more interested in how we speak about capitalism than in the nature of capitalism itself. To them, this agile and yet carefully researched book by Christopher Adair-Totefff provides a most needed compass.