In the following, I will describe the emergence, development and transformation of what I call the “Early Model of Critical Theory” in Max Horkheimer’s writings from approximately 1925 until 1940. Erich Fromm, in particular, but also Herbert Marcuse and Leo Lowenthal contributed to the formation and elaboration of this model of critical theory, although there can be no doubt that Horkheimer was its principal architect. When Fromm left the Institute and Horkheimer began working more closely with Theodor Adorno at the end of the 1930s, and when Horkheimer adopted significant aspects of Friedrich Pollock’s “state capitalism” thesis during this same time, the stage was set for a substantial shift in the content and aims of critical theory. The shifts would be on full display in *Dialectic of Enlightenment*, which was finished and first published in a limited edition in 1944. In what follows, I will not address *Dialectic of Enlightenment* or any of Horkheimer’s other writings after 1940. I have chosen to focus on Horkheimer’s early writings, first, because they were his best – in my own view and that of several other prominent commentators (JH1, 51). Second, I am convinced that the early model of critical theory is still, or has become once again, very relevant to contemporary concerns, in a way that *Dialectic of Enlightenment* and Horkheimer’s other writings from 1940 to 1970 are not. Whereas the latter reflected many of the assumptions of the of state-centric, Fordist capitalism that existed in the mid-twentieth century, his earlier writings were still directly concerned with the threat of capitalist crisis and its links to the emergence of right-wing populist and authoritarian social movements – conditions that have reemerged with a vengeance in the post-Fordist, neoliberal period of global capitalism in which we have been living since the 1970s. I have made the case elsewhere for revisiting the early model of critical theory in light of contemporary concerns, so I will not elaborate upon these brief remarks here (JA2). The currently widespread view of *Dialectic of Enlightenment* as the magnum opus of the “first generation” of the “Frankfurt School” is misleading in many ways – because it obscures the differences not only between Horkheimer and Adorno’s independent trajectories before 1940, but also between *Dialectic of Enlightenment* and the early model of critical theory from the 1930s.

In contrast to Jürgen Habermas, who has argued that the early model of critical theory “failed not as a result of this or that coincidence, but because of the exhaustion of the paradigm of consciousness philosophy” (JH2, 518), I would like to argue here that Horkheimer’s critical theory took shape in the period between 1925 and 1930 as an explicit critique of consciousness philosophy as a whole. Horkheimer’s move beyond consciousness philosophy
proceeded along two interrelated, yet distinct axes: a diachronic-historical axis and a synchronic social axis (JA1, 85–90).

The best example of Horkheimer’s move beyond consciousness philosophy and into history can be found in a remarkable series of lectures and unpublished essays from the late 1920s, in which he developed a sophisticated materialist interpretation of the history of modern philosophy, from Bacon and Descartes all the way up to contemporary schools such as neo-Kantianism, phenomenology and vitalism. Implicitly following Marx, Horkheimer demonstrated how modern European philosophy represented a mediated expression of the uneven development of bourgeois society. He argues, for example, that the Enlightenment achieved its paradigmatic form in France rather than Britain or German-speaking Central Europe due to the particular constellation of social, economic and political forces there. Whereas Britain had already carried out a bourgeois political revolution in 1688 and was well on the way to establishing a modern market society during the eighteenth century, the development of bourgeois economic and – to an even greater extent – political institutions lagged behind in Continental Europe. Horkheimer interprets the affirmative character of British political economy and the resigned skepticism of David Hume as expressions of a triumphant bourgeois society. Horkheimer views the remaining elements of theology and metaphysics in the German Enlightenment (which he sees, for example, in Kant’s efforts to rescue a metaphysics of morality) as an expression of the relatively weak state of bourgeois society there. The spread of market relations in eighteenth-century France testified to the growing strength of a bourgeois class eager to emancipate itself from the remaining constraints of the ancien régime and gave Enlightenment ideals a self-consciously political form there. Horkheimer believed that the critical and tendentially materialist principles of the philosophes – the right of all men and women to freedom, equality and happiness in this life – were universal ideals. They were, in other words, not only an expression of ascendant bourgeois society; they also pointed beyond it. Horkheimer’s lectures demonstrate that a critical, historically specific concept of Enlightenment – very different from the transhistorical concept of Enlightenment that he and Adorno would develop later (JA4) – was central to his thought from early on. Horkheimer placed the Enlightenment, along within the rest of modern European philosophy, within the larger context of the uneven development and subsequent transformation of bourgeois society. In so doing, he insisted that ideas could not be understood purely from the standpoint of consciousness but were always historically mediated.

If Horkheimer’s lectures represented a decisive step beyond consciousness philosophy along an historical-diachronic axis, then the theory of contemporary society, which he developed during the same period, represented its synchronic counterpart. Horkheimer’s critical theory of contemporary society consisted of three main components: Marx’s critique of political economy and ideology, empirical social research and a psychoanalytically oriented theory of social and group psychology. Horkheimer explored the continuing relevance of Marx’s ideas in *Dawn and Decline: Notes in Germany*. Stylistically and thematically, *Dawn and Decline* represents a continuation of his early novellas, a form of “interior” writing in which he could freely express his most radical, passionate and experimental ideas. In his “exterior” academic lectures and writings in the late 1920s, one finds relatively few or significantly mediated expressions of his interest in historical materialism. But this collection of aphorisms, which was written between 1926 and 1931, makes clear that Horkheimer’s interest in Marx remained lively during this time. The collection was not published until 1934, after Horkheimer had already fled Germany, and even then only under the pseudonym of Heinrich Regius. The aphorisms rely on micrological observations of the inequities of everyday life to demonstrate the concrete ways in which people experienced and unconsciously reproduced abstract social domination. Many of them address the social situation in the final years of
the Weimar Republic. For example, in “The Impotence of the German Working Class” (MH1, 61–65), Horkheimer analyzes how the composition of the German working class has been altered by technological developments in production. He focuses, in particular, on the political and ideological divide that had emerged between workers with stable jobs, who tended to support the Social Democratic Party, and the mass of unemployed, who tended toward the German Communist Party. Although his unflinching diagnosis of the deep divisions among German workers seemed to cast doubt on Marx’s predictions about the increasing pauperization, homogenization and unification of the proletariat, Horkheimer did not as a result abandon Marx’s theory. Instead, he recalled Marx’s argument that “there is a tendency in the capitalist economic process for the number of workers to decrease as more machinery is introduced” (MH1, 61), in order to explain the rise of a large unemployed underclass and the resulting schism in workers’ social conditions and consciousness. He also objected to the widespread belief that Marx had advocated a progressive, or even deterministic, philosophy of history. His early study of Schopenhauer and the traumatic experience of World War I had immunized Horkheimer to the idea that progress toward a more free and just society was inscribed in the logic of modern capitalism itself, as many revisionists and Social Democrats had interpreted Marx. Horkheimer recognized that the rational tendencies introduced by capitalism had long since been eclipsed by the irrational tendencies identified by Marx, such as imperialist wars, periodic crises and commodity fetishism. Progressive historical change could be brought about only through conscious intervention, not passive reliance on the “logic” of history or capital. As he would put it later, “as long as world history follows its logical course, it fails to fulfill its human purpose” (EFR, 117). Horkheimer’s rejection of progressive philosophies of history was one example of his efforts to revitalize Marx’s ideology critique. Another can be found in his sharp critique in 1930 of Karl Mannheim’s efforts to relativize Marx’s concept of ideology by interpreting from the standpoint of the sociology of knowledge (MH2, 129–150). But his penetrating observations of the discordant state of the German working class made clear that Critical Theorists should test and, if necessary, reformulate Marx’s concepts in light of changed historical conditions.

This insistence upon a rigorous understanding of present social conditions explains Horkheimer’s interest in empirical social research, which was sparked already during his university studies in the early 1920s. This interest also grew out of Horkheimer’s aforementioned interpretation of the history of modern philosophy, which displayed more sympathy for the empiricist than the rationalist tradition. Furthermore, he believed that an empirical deficit existed in the young discipline of sociology in Germany, which prompted him to turn to the work of American sociologists, such as Robert and Helen Lynd’s Middletown, as models for the integration of empirical social research into his own incipient critical theory. In 1929–1930, Horkheimer was able to put his ideas about empirical social research to the test for the first time when he and Erich Fromm organized an empirical study for the Institute of the conscious and unconscious political attitudes of German blue- and white-collar workers. Horkheimer and Fromm’s interest in psychoanalysis informed their conceptualization of the study. Horkheimer wondered why substantial sections of the German working class had initially supported World War I and had proven to be reluctant revolutionaries in 1918/19. With the rising threat of National Socialism, Horkheimer also wondered how the German working class would respond if the National Socialists attempted to seize power. With these concerns in mind, Horkheimer and Fromm used psychoanalytic techniques in their design of the questionnaires and their interpretation of the responses. They distributed over 3000 questionnaires in 1929 and by 1931 over 1000 had been returned. Based on the preliminary results of study, Horkheimer and Fromm were able to identify a divergence between blue- and white-collar workers’ professed political views and their unconscious attitudes, which were,
among many respondents, deeply authoritarian. The preliminary conclusion of the study, that the German lower-middle and working classes would not offer substantial resistance if the National Socialists attempted to seize power, was soon borne out by historical events.

The third component of Horkheimer's theory of contemporary society was psychoanalytically informed social and group psychology. Horkheimer's abiding interest in psychology emerged in the early 1920s, when he was exposed to Gestalt psychology at the J.W. Goethe University in Frankfurt, which was more open than any other German university to innovative research in this field. After abandoning a plan to write a dissertation on a topic relating to Gestalt psychology, Horkheimer's interest shifted to psychoanalysis. In 1927, he underwent analysis with Karl Landauer, a Frankfurt-based psychoanalyst who had studied with Freud and become a member of the Vienna Psychoanalytic Society in 1913. Horkheimer's analysis was motivated primarily by intellectual, rather than therapeutic reasons. At about the same time, Horkheimer established a working relationship with Erich Fromm, which would prove decisive for the further development of critical theory. After undergoing analysis in 1924 with his future wife, Frieda Reichmann, Fromm decided to become a psychoanalyst. He completed his training in Frankfurt with Karl Landauer. Soon afterwards, he became an active participant in the Berlin Psychoanalytic Association, which was conducting pathbreaking discussions of the social and political implications of psychoanalysis. As we have already seen, Horkheimer was drawn to Fromm not only because of his knowledge of psychoanalysis but also because he had completed a PhD in sociology and was thus in a position to help Horkheimer integrate psychoanalysis into his critical theory of society.

By the time Horkheimer had been installed as the new director of the Institute for Social Research in January 1931, the basic components of his critical theory were already in place: a materialist interpretation of history of modern philosophy and a theory of contemporary society based on a critical synthesis of Marx, empirical social research and psychoanalytic social psychology. The further development of Horkheimer's critical theory in the 1930s should be seen as the attempt to carry out, test and refine these ideas. In his inaugural address as the new director of the Institute, Horkheimer outlined “The Current Situation of Social Philosophy and the Tasks of an Institute for Social Research” in precisely these terms (MH2, 1–14). He begins by showing how Hegel laid the groundwork for modern social philosophy by moving beyond Kant’s consciousness philosophy. Nevertheless, Hegel remained beholden to a metaphysical philosophy of history, which justified the newly emergent bourgeois society as part of a preordained process of the historical realization of reason. Since the emancipatory ideals of the bourgeoisie had given way to the reality of class conflict, economic crisis, imperialism and social catastrophes – such as World War I – Hegel’s faith in the inherent rationality of history was no longer tenable. But Horkheimer also objected to the two principal contemporary philosophical responses to this situation: a rejection of social philosophy in the name of “rigorous” positivist social research or a rejection of science in the name of metaphysics. As an alternative, Horkheimer argued that social philosophy should grasp bourgeois society as a totality, but not assume that this totality was already rational. To this end, Horkheimer proposed an interdisciplinary research program based on the “continuous, dialectical penetration and development of philosophical theory and specialized scientific praxis” (MH2, 9). Of particular interest for the Institute’s future work would be “the question of the connection between the economic life of society, the psychical development of individuals and the changes in the realm of culture” (MH2, 11). By this time, the study of the attitudes of German workers was already well underway; Horkheimer would soon initiate a second major empirical research project on the relationship between authority and family structure in Europe and the United States, which would be published in 1936 (SAF).

In addition to directing these collective projects of the Institute, Horkheimer continued to develop the philosophical and historical foundations of critical theory in a
series of remarkable essays he published over the course of the 1930s. The main themes of Horkheimer’s essays from this time were materialism, the anthropology of the bourgeois epoch and dialectical logic (JA1, 227). In the essays “Materialism and Metaphysics” and “Materialism and Morality,” which were both published in the second volume of the Zeitschrift für Sozialforschung in 1933, Horkheimer develops a thoroughly historical concept of materialism, in order to elucidate the philosophical foundations of critical theory (MH2, 15–48; MH3, 10–46). Horkheimer recognizes that materialism has usually been a pariah in the history of philosophy, a seemingly easily refuted metaphysical dogma that higher mental processes can be derived from “matter.” Horkheimer argues that this definition contradicts the basic anti-metaphysical tendency of materialism to locate reason within history and society, and to see it as a means of improving the quality of human life, and not as an end in itself. Philosophical materialism is less concerned with absolute truths – such as the primacy of “matter” over “mind” – than with the possibilities of augmenting human freedom and happiness at a particular time and place. Materialism has practical, political implications and has often been associated with concrete freedom movements. Its aims and content are derived from the barriers to human freedom and happiness that exist at any given time and its efforts to comprehend and overcome them.

Horkheimer’s 1936 essay “Egoism and the Freedom Movements: On the Anthropology of the Bourgeois Epoch” contained the first comprehensive formulation of the theoretical results of his collaboration with Fromm in the early 1930s (MH2, 49–110). Although Horkheimer had already applied psychoanalysis to empirical studies of contemporary society, by this time, he had integrated psychoanalysis into his theory of history as well. He had moved from the “history of bourgeois society” – which served as the foundation for his lectures on modern philosophy in the late 1920s – to the “anthropology of the bourgeois epoch.” Horkheimer’s use of the concept of anthropology must be distinguished from the tradition of philosophical anthropology, which maintains the possibility of determining fundamental characteristics of human beings outside of history. Horkheimer, in contrast, analyzes the origins and function of the characteristics of man which have become dominant during the bourgeois epoch. Drawing upon Fromm’s efforts in the late 1920s and early 1930s to synthesize psychoanalysis and historical materialism (EFR, 477–496), Horkheimer demonstrates how common historical experiences can create similar psychic structures among members of the same social group. Since these psychic structures are relatively autonomous from the dynamic economic base of society, they can play a crucial role in either advancing or – as is more frequently the case – retarding historical progress. Insofar as Marx’s theory of history presupposed a relatively straightforward interest psychology, it needed to be supplemented by the more sophisticated insights of psychoanalysis, which could account for the relative autonomy of psychic structures and the frequent willingness of the lower classes to act in ways that ran contrary to their own best interests.

Through a close historical examination of several typical “bourgeois freedom movements” in the early modern period – ranging from Cola de Rienzo and Savanarola to the Reformation and French Revolution – Horkheimer demonstrates how bourgeois leaders mobilized the masses as allies in their struggle against feudal, aristocratic and/or absolutist institutions, while at the same time never allowing their demands to progress to a point that would call into question bourgeois hegemony. Horkheimer views these exceptional instances of open political struggle and mobilization as providing insights into the more fundamental and longer-term process of the emergence and consolidation of a historically unprecedented form of society – modern bourgeois, capitalist society. The dominant character structures of both the bourgeoisie and the lower classes were formed in this historical process. Following Marx, Weber, Nietzsche and others, Horkheimer recognized that both the bourgeoisie and the lower classes were subjected to exceptionally high levels of socially mediated repression. But
the function of this repression differed for the two groups, insofar as the self-repression of the bourgeoisie was at the same time its self-assertion, whereas the repression of the lower classes was tantamount to sacrifice. Horkheimer points to the various ways in which the lower classes were compensated for their sacrifices, from the reward of membership in the imagined community of virtuous citizens, to the tacitly sanctioned permission to persecute internal or external “enemies” who refuse – or are simply accused of refusing – to make the sacrifices demanded of them. The latter point, in particular, reflected Horkheimer’s effort to move beyond Freud’s naturalization of aggression in a “death drive” by grasping the historically specific forms of cruelty in the bourgeois epoch. But Horkheimer’s critique of Freud also drew heavily upon his pioneering analysis of the mutability of libidinal drives. Again following Fromm, Horkheimer showed how the partial and compensatory satisfaction of repressed drives could be used to reinforce existing relations of social domination. Finally, it is important to note that Horkheimer’s social and social-psychological analysis of the historically specific forms of demagogy in “Egoism and the Freedom Movements” provided the theoretical foundations for much of the Institute’s later work on prejudice and authoritarianism; the essay can still shed much light on the mechanisms involved in right-wing populist and authoritarian movements today (IA2).

The third key concept in Horkheimer’s critical theory at this time was dialectical logic. It represented a much richer reformulation of his reflections on materialism from the early 1930s and a continuing effort to flesh out the philosophical foundations of a critical theory adequate to twentieth-century societies. In letters from the 1930s, Horkheimer speaks repeatedly of his “long-planned work on dialectics” (MH4, vol. 16, 476) and makes it clear that he viewed the essays he was writing at this time as “in truth merely preliminary studies for a larger work on a critical theory of the social sciences” (MH4, vol. 16, 490). Horkheimer’s seminal conceptualization of critical theory in his most familiar and influential essay from this period, “Traditional and Critical Theory” (1937, MH3, 188–243), should be seen as the culmination of the first stage of this larger project, which would eventually become – in a much different form – Dialectic of Enlightenment. This larger project can only be understood by examining the other substantial essays Horkheimer wrote during this period, including “The Rationalism Debate in Contemporary Philosophy” (1934, MH2, 217–264), “Bergson’s Metaphysics of Time” (1934, MH5), “On the Problem of Truth” (1935, MH2, 177–216), “The Latest Attack on Metaphysics” (1937, MH3, 132–187) and “Montaigne and the Function of Skepticism” (1938, MH2, 265–312). When one reexamines these essays together, the contours of Horkheimer’s larger project on dialectical logic emerge. Horkheimer develops further his criticism of consciousness philosophy, with its reified notion of the ego, which exists outside of history and society, and its static and dualistic concept of knowledge, which is unable to conceptualize qualitative change or the relationship of knowledge to society. Horkheimer also puts forth the argument that the philosophy of the bourgeois epoch as a whole is characterized by a recurring dichotomy between science and metaphysics. Horkheimer shows how this antinomy attains its most consequential formulation in Kant’s philosophy; for example, in his efforts to limit the natural sciences’ claims to absolute knowledge while at the same time preserving certain key metaphysical principles in the sphere of practical reason. According to Horkheimer, this antinomy appears in different forms throughout the history of modern philosophy: from Montaigne all the way up to vitalism and logical positivism. Although Hegel’s philosophy moved decisively beyond the static and dualistic character of traditional logic, he too ultimately reproduced the antinomy of science and metaphysics, with his notion of history as the preordained self-realization of Absolute Spirit.

Only with Marx’s determinate negation of Hegel was the groundwork laid for a genuinely dialectical and materialist critical theory of modern capitalist society. Horkheimer stresses,
in particular, how Marx integrated the findings of the most advanced bourgeois theories of society (Hegel and classical political economy), while at the same time developing a critical conceptual apparatus which also pointed beyond the existing social totality. Horkheimer drew upon Hegel's distinction between understanding (Verstand) and reason (Vernunft), and Marx's distinction between research (Forschung) and presentation (Darstellung) to conceptualize the division of labor in a dialectical critical theory of society. In the 1930s, in other words, Horkheimer still believed that critical theory should keep abreast of and – when beneficial – integrate the most advanced findings of traditional theory into its own larger, critical theory of history and society. For Horkheimer, critical still meant – as it had already for Kant – self-reflexive theory, but Horkheimer went beyond Kant in his insistence that the guiding concepts of critical theory be dialectical in a historically specific sense. In contrast to traditional concepts, which presuppose the existing form of society as a given, dialectical concepts grasp the given form of society as historical and subject to transformation in the future. Dialectical concepts – such as Marx's concept of capital or surplus value – not only grasp the essential mechanisms at work in the current society and historical epoch, but they also link these mechanisms to exploitation and social domination, and they call for the practical, historical realization of a different society in which these mechanisms – and thus also the concepts that grasp them – would no longer exist. The concepts of critical theory are dialectical, in other words, because they grasp a historically given state of affairs, while also aiming for its abolition, that is, a qualitatively new society in which the concepts would no longer have an object. In short, Horkheimer's dialectical logic project was an attempt to flesh out the philosophical foundations of Marx's critical theory and, where necessary, to reformulate it in light of changed historical conditions.

Although Horkheimer's essay, “Traditional and Critical Theory,” makes clear that he still accepted many key aspects of Marx's critical theory of modern capitalist society, it also displays his willingness to question reigning Marxist orthodoxies. For example, Horkheimer criticized the tendency among many Marxists – articulated most clearly by Georg Lukács in History and Class Consciousness – to view the “standpoint of the proletariat” as the ultimate source of truth in theoretical questions (HCC, 149–222). Critical theory must be willing to oppose the immediate aims or unreflective consciousness of the working class if such aims and/or consciousness undermine the larger, long-term aims of emancipatory praxis. Accordingly, Horkheimer did not hesitate to criticize the “bureaucratic” socialism of the Soviet Union in the 1930s (MH3, 218). But Horkheimer's arguments here do raise the questions of how he justified the truth claims of critical theory and what he viewed as its long-term aims. The first question is what led Horkheimer to elaborate at length his theory of dialectical concepts, or dialectical logic, which we discussed earlier. To reiterate, dialectical concepts differ from their traditional counterparts insofar as they not only grasp the forms of social domination specific to current historic epoch but also seek to guide a historical praxis that would abolish these forms through the creation of a qualitatively new society. The question of the justification or verification of the truth claims of critical theory cannot be resolved in the same manner as traditional theory because those claims presuppose a transformation of the existing, “factual” conditions which would be used to judge them (MH2, 177–216). As Marx put it in his second Thesis on Feuerbach, “The question of whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. Man must prove the truth […] of his thinking in practice” (MER, 144). In this regard, critical theory reveals its affinity with the imagination and its opposition to positivism, pragmatism and reified “common sense,” which are unable to transcend the given state of affairs (MH3, 221). Regarding the closely related second question, Horkheimer does offer a number of different formulations of the long-term aims of critical theory. He speaks, for example, of a “new organization of labor,” a transformation of the blind necessity of capitalism
into conscious planning and a future society as a “community of free men” (MH3, 209, 229, 217, respectively). Yet, in the end, Horkheimer remains true to Marx's critique of utopian socialism, insofar as he refuses to provide any concrete blueprints for a future, emancipated society. Only through identifying and striving practically to eliminate the essential features of the existing capitalist society can a different society be brought about. Horkheimer writes, “critical theory cannot appeal to any specific authority, other than its inherent interest in the abolition (Aufhebung) of social injustice. This negative formulation [...] is the materialist content of the idealist concept of Reason” (MH3, 242).

Whereas the concepts of the anthropology of the bourgeois epoch and dialectical logic marked the culmination of the model of early critical theory in Horkheimer's thought, the period from 1938 to 1941 witnessed a significant shift in some of his basic positions and set the stage for a new phase in the development of critical theory. This important theoretical shift cannot be fully understood without first examining certain crucial changes in Horkheimer's life during this time. Foremost among these changes was Horkheimer's split with Erich Fromm and his increasingly intimate working relationship with Theodor W. Adorno. Fromm had been Horkheimer's most important theoretical interlocutor from their collaboration on the empirical study of German workers in 1929 through the publication of the Studies on Authority and Family in 1936. During this time, Horkheimer remained distant from Adorno and, to a surprising extent, critical of his work (JA1, 349–393). But when Fromm began to move away from his earlier, more or less orthodox psychoanalytic position in the mid-1930s, serious tensions began to develop between him and Horkheimer. Fromm had become increasingly critical of Freudian drive theory, and he began increasingly to privilege social over sexual factors in the formation of character and the etiology of neuroses. Adorno, who was living in exile in Oxford at the time, attacked Fromm's revisions of Freud in a letter to Horkheimer in March, 1936, claiming that they represented a “genuine threat to the line of the Zeitschrift” (MH4, vol. 15, 498). The final break between Horkheimer and Fromm was precipitated by a financial crisis at the Institute in the late 1930s. In the meantime, Horkheimer had patched up his relationship with Adorno, who left Oxford in February 1938 and finally became an official member of the Institute upon his arrival soon thereafter in New York. Horkheimer's theoretical collaboration with Adorno in the following years would lead to a reconfiguration of his own thought of the tradition of critical theory as a whole, which found its first full expression in 1944 with the publication of Dialectic of Enlightenment.

Horkheimer's theoretical shift in the late 1930s and early 1940s has been variously described as a “pessimistic turn” (TLSD, 104–120), a “rephilosophization of critical theory” (TR, 106) and a shift from “the critique of political economy to the critique of instrumental reason” (EFR, 20). The most important overall factor in this shift was Horkheimer's adoption of a modified version of the “state capitalism” thesis, which had been worked out over the course of the previous decade by his long-time friend and Institute colleague Friedrich Pollock (EFR, 71–94). Pollock and Horkheimer viewed state capitalism as the logical conclusion of a process that had begun with the rise of liberal capitalism in the eighteenth and nineteenth centuries and continued with the transition to monopoly capitalism around the turn of the century. Whereas liberal capitalism had been defined by a large number of small and medium-sized privately owned firms, which competed with each other in both domestic and international markets and whose relations were regulated by formal law, under monopoly capitalism increasingly large corporations and cartels came to dominate domestic markets and compete with each other at the international level, beyond the restraints of formal law. State capitalism reinforced and completed these tendencies by bringing the large corporations and cartels under state control for the purposes of more efficient, planned domestic production and distribution and more effective international competition.
Horkheimer identified the “integral statism” of the Soviet Union as the purest form of state capitalism, but he viewed fascism and the new state-interventionist economies of Western Europe and the United States as different versions of the same basic form. What characterized state capitalism everywhere, according to Horkheimer, was the tendential elimination of the economic, social and cultural forms of mediation peculiar to bourgeois society in its liberal phase. These included not only the market, the rule of law and replacement of individual owners by shareholders or the state, but also relatively autonomous spheres of bourgeois cultural life, such as art, the family and even the individual him or herself. Social domination had, in other words, become much more direct under state capitalism. The independent economic dynamism of capitalism had been replaced by the primacy of politics. The operations of politics came increasingly to resemble a common “racket”: survival and protection were secured through obedience to the most powerful groups (MH4, vol. 12, 287–292). Capital and large labor unions collaborated in the planning of the economy and divided up the spoils between them. Insofar as surplus value continued to be produced and appropriated by a dominant social class, capitalism still existed, but the political and ideological integration of the working class eliminated the possibility of any serious opposition emerging in the future.

Horkheimer's acceptance of the state capitalism thesis reflected the changed historical realities of state-interventionist economic models which arose in the mid-twentieth century. From our contemporary perspective, it is clear that “state capitalism” was not the “end of history” – as Horkheimer and Adorno feared at the time – but rather a new phase in global capitalist development which would give way to the current post-Fordist, neoliberal phase of global capitalism in the 1970s and 1980s. But Horkheimer's adoption of the state capitalist thesis brought with it a fundamental rethinking of many of the basic assumptions that had informed his critical theory in the 1930s. First, the focus of critical theory shifted from a historically specific critique of social domination within modern capitalism, to a transhistorical critique of instrumental reason and the domination of nature (JA4). Second, this shift was reflected in the increasing prominence of a negative philosophy of history, which Adorno had adopted from Walter Benjamin in the late 1920s. Third, Horkheimer became increasingly skeptical about the emancipatory character of the Enlightenment ideals that had guided his earlier work. During the early phases of his project on dialectical logic, Horkheimer still believed in the possibility of a materialist reinterpretation and realization of basic Enlightenment principles. Dialectic of Enlightenment demonstrated clearly his new conviction that only a radical critique of these principles could create a new, self-reflexive concept of Enlightenment that could transcend its inherent limitations. Fourth, Horkheimer's newfound pessimism about the Enlightenment also translated into a radical critique of science in its traditional forms. Whereas Horkheimer's model of critical theory in the 1930s rested heavily upon a critical integration of research from a wide variety of scientific and scholarly disciplines, in Dialectic of Enlightenment, Horkheimer and Adorno stated unambiguously that they had to abandon their trust in the traditional disciplines (DoE, xiv).

In conclusion, many of the basic assumptions of the model of early critical theory, which had guided Horkheimer and the Institute’s work in 1930s, had been called into question by the early 1940s. A new phase in the history of critical theory had begun. I will not describe that new phase in Horkheimer’s work here. I would like to reiterate, however, that the model of early critical theory may well be more relevant to contemporary concerns, insofar as it reflected the particular dynamics of liberal and monopoly, but not yet state, capitalism. More than any other single historical experience, the emergence of fascism during a period of capitalist crisis and, in particular, a failed attempt to reestablish liberal capitalism in Europe in the 1920s and 1930s, shaped the formation of early critical theory. Horkheimer and Fromm paid particularly close attention to the social and social-psychological dynamics
of authoritarianism and right-wing populism that made the triumph of fascism possible. At a time when the prosperity and security of the “Affluent Society” and the “Golden Age” of post-World War II capitalism have become a distant memory, and nearly four decades of the hegemony of global neoliberal capitalism have recreated the social and social-psychological conditions for the emergence of the authoritarian and right-wing populist movement on a scale unprecedented since the 1930s, the analyses of early critical theory have become unheimlich aktuell (uncannily timely) once again (JA2). Of course, the social and historical conditions are qualitatively different today from the 1930s, and substantial analyses of new forms of capitalist crisis and its relationship to new authoritarian and right-wing populist movements in Europe, the United States and elsewhere would need to be based on extensive empirical studies of those movements. But the uncanny persistence of such phenomena makes it all too clear that we are still living in the bourgeois epoch, and that Horkheimer and the Institute’s analyses of the social forms characteristic of that epoch are still a valuable theoretical resource and one eminently worthy of reconsideration, particularly in light of the inability of more recent normative approaches to critical theory to adequately analyze such phenomena (JA3).

Note

1 This chapter is a revised version of the second section of the following essay of mine: “Max Horkheimer and the Early Model of Critical Theory,” The SAGE Handbook of Frankfurt School critical theory, vol. 1, Key Texts and Contributions to a Critical Theory of Society, eds. Werner Bonefeld, Beverly Best, Chris O’Kane and Neil Larsen (Los Angeles and London: SAGE, 2018). This revised version appears here with the permission of SAGE Publications.

References

Further Reading


