

MISES VERSUS WEBER ON BUREAUCRACY AND SOCIOLOGICAL METHOD

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Max Weber and Ludwig von Mises offer contrasting examples of how one can “do sociology.” Left unanswered, however, is the question of which way of doing sociology is a more fruitful and accurate method of social scientific analysis. Because Mises and Weber both authored studies of bureaucracy, their approaches can be compared and assessed.

This article begins by contrasting the distinctive methodological starting points of Weber and Mises, and proceeds to review and discuss each thinker’s analysis of bureaucracy, both as a theoretical construct and as a dynamic element within a society’s structural and cultural organization. It finishes by assessing the scientific utility of Mises’s and Weber’s descriptions of bureaucracy, concluding that the dynamism inherent in Mises’s emphasis upon human action offers not only a better description of the emergence of bureaucracy, but also a superior scientific and ethical assessment of its dangers.

THREE APPROACHES TO SOCIOLOGY

Early sociology was an unformed social science, lacking a coherent body of epistemological and analytical writings to distinguish it as a discipline.¹ Many “sociologies” fell under its rubric, although they

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¹See Jörg Guido Hülsmann, “Introduction to the Third Edition: From Value Theory to Praxaeology,” in *Epistemological Problems of Economics*, by Ludwig von Mises (Auburn, Ala.: Ludwig von Mises Institute, 2003), pp.

tended to group into one of three tracks. First were those who used social and cultural variables to displace economic concepts and explanations. Idolized figures such as Emile Durkheim, Ferdinand Tönnies, and Werner Sombart are representatives of this school.²

The second strand includes non-economists who emphasize institutions and culture without rejecting economic theory. These scholars produced highly respected analyses of law, bureaucracy, religion, and other phenomena, and they generally view economic behavior as one type among several different kinds of human action, each of which must be conceptualized uniquely. Georg Simmel, Robert Michels, and Max Weber are three notable figures of that school.³

Making up the third strand were economists who applied marginal utility theory to non-economic questions. They saw economics in a subordinate position to a more general sociology. Vilfredo Pareto is a notable example of this approach. So, too, were some early members of the Austrian school of economics. Just before his death, Frédéric Bastiat started (but never finished) his *Social Harmonies* as a complement to his earlier *Economic Harmonies*, and Friedrich von Wieser devoted many years to an extended study of leadership and other sociological questions.⁴

Which perspective best accounts for human action and social order? To answer the question requires a comparison of the schools on a common topic, if possible. However, such common topics are rare, since each strand's analytical distinctiveness stems from its treatment

xvi–xviii. Hülsmann traces the intellectual history preparatory to Mises's essays on general social science.

²See, e.g., Emile Durkheim, *The Elementary Forms of the Religious Life* (New York: Free Press, 1995); Emile Durkheim, *The Rules of the Sociological Method* (New York: Free Press, 1982); Ferdinand Tönnies, *Community and Civil Society* (Cambridge: Cambridge University Press, 2001); and Werner Sombart, *Economic Life in the Modern Age* (New Brunswick, N.J.: Transaction Publishers, 2001).

³See, e.g., Georg Simmel, *Simmel on Individuality and Social Forms*, ed. Donald Levine and M. Janowitz (Chicago: University of Chicago Press, 1972); Georg Simmel, *The Philosophy of Money* (New York: Routledge, 1990); and Robert Michels, *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy* (New York: Free Press, 1966).

⁴Frédéric Bastiat, *Economic Harmonies* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1997); and Friedrich von Weiser, *Social Economics* (New York: Augustus M. Kelley Publishers, 1966).

of economic behavior. The first strand sees it as derivative of the socio-cultural forces external to the individual that determine his action. It believes that economic concepts are secondary in any model of human action. The second group recognizes economic behavior as specific and unique, and requiring equally unique theoretical categories. Economic behavior fits, as do other specific types of action, within such collective entities as bureaucracies or religious groupings. The third tradition, as advanced through Ludwig von Mises's early work, views economic behavior as a subset of a more inclusive theory of human action whose axioms are *a priori* and apply across the spectrum of human behavior. Thus, while certainly economic in its application, the third school was also trying to construct a general sociological theory of human action itself, of which economic action was a subcomponent.

It is rare that these three strands focus on the same phenomena. Durkheimian sociology holds little in common with the other two. Central to its analysis are religious and cultural systems and how the individual reflects them, not human action. It glories in "social facts" such as norms and symbols that are external to the individual and constrain and channel his behavior. Human action is a product of, not determinative of, the social order to this view.

By contrast, the other two sociologies, although treating human action differently, both see it as important. The Weber/Simmel school pays deference to it, but still emphasizes institutional structures over the individual. For this reason, human action receives secondary treatment as they build sociological theory, and how it is described often lacks the conceptual clarity that it should have. For the third stream, human action, instead of collectivities or structure, is the starting point of sociological theory. Its emphasis, consequently, is upon applying categories of human action that are derived axiomatically from *a priori* truths. Institutions are the outgrowth of human preferences and choice.

Although similar in some respects, the Weberian and Austrian approaches are two genuinely different ways of doing sociology. Typically, they treat different topics, and rarely do they engage in much dialogue, particularly as the discipline of sociology has become institutionalized around the Durkheimian or Weberian schools. This separation makes it difficult to assess the two.

Bureaucracy, however, is one topic on which the Weberian and the Austrian schools do overlap. Each school's central figure wrote an extended analysis of bureaucracy, Weber in his *Economy and Society* and Mises in *Bureaucracy*, thus offering an opportunity for comparison

and analysis of the two schools.⁵ For both, bureaucracy is primarily a modern phenomenon, and for both, it dominates and threatens the social organization of the time. However, each approaches the topic very differently and draws different conclusions. How they treat the problem of bureaucracy offers a fertile example of the framework of each approach and, by extension, gives guidance regarding the explanatory power of each way of sociological analysis.

Interestingly, given their methodological and sociological differences, Weber and Mises were not only acquainted, they shared an admiration for each other's work. Mises considered Weber a "great genius" and his death a blow to Germany. Likewise, Weber comments that Mises's *Theory of Money and Credit* is the monetary theory most acceptable to him.⁶

This paper contrasts these two different sociologies, using their treatments of bureaucracy for comparison. How two classic figures analyze so central a phenomenon as bureaucracy helps us to better understand the strengths and weaknesses of each sociology and, moreover, the necessary foundation for a social science resting upon human action.

WEBER ON BUREAUCRACY

Weber's sociology differs from others of his era in that it is not "descriptive" so much as what Mises refers to as "General Sociology" which "approaches historical experience from a more nearly universal point of view than that of the other branches of history."⁷ Thus, Weber was deeply imbedded in historicism, opposed "to all general schemes,"

⁵Max Weber, *Economy and Society* (Berkeley: University of California Press, 1978); and Ludwig von Mises, *Bureaucracy* (Grove City, Penn.: Libertarian Press, 1983).

⁶Ludwig von Mises, *Notes and Recollections* (South Holland, Ill.: Libertarian Press, 1978), p. 124; Weber, *Economy and Society*, p. 78; and Ludwig von Mises, *The Theory of Money and Credit* (Indianapolis, Ind.: Liberty Fund, 1980). For other connections between Austrianism and Weberian sociology, see Robert J. Holton and Bryan S. Turner, *Max Weber on Economy and Society* (New York: Routledge, 1989); and Christopher Prendergast, "Alfred Schutz and the Austrian School of Economics," *American Journal of Sociology* 92 (1986), pp. 1–27.

⁷Ludwig von Mises, *Human Action*, Scholar's Edition (Auburn, Ala.: Ludwig von Mises Institute, 1998), p. 30.

and refused to “explain in causal terms.”⁸ Mises also notes that Weber was “deluded” by historicism’s errors. These traits define Weber as a “historical relativist,” unable to proffer universal laws of human action, and erroneously subdividing that action into types that overlap and contradict.⁹

In place of general schemes and causal explanations, Weber substitutes ideal types, “conceptual instruments for comparison and the measurement of reality,” which he uses to avoid assertions of scientific laws.¹⁰ By contrast, Mises argues that ideal types are not scientific concepts. Nonetheless, Alfred Schutz attempted to bridge these two positions when he tried to resurrect Weberian ideal types as a component of deductive model-building from an Austrian perspective.¹¹

Although ideal types never correspond perfectly to reality, they are a theoretical tool for the description of phenomena, representing the very marrow of sociological theory. Weber notes:

Sociological analysis both abstracts from reality and at the same time helps us to understand it, in that it shows what degree of approximation a concrete historical phenomenon can be subsumed under one or more of these concepts.¹²

Reinhard Bendix notes that while Weber’s ideal types are helpful in a comparative analysis of social structures, they are so general that they miss important aspects of real actors in real life. Such actors are constantly modifying and changing their subjective understandings and even the social structures of which they are a part. In reference to religious beliefs and behavior, Bendix comments:

⁸Mises, *Notes and Recollections*, p. 1; and R.I. Frank, “Translator’s Introduction,” *The Agrarian Sociology of Ancient Civilizations*, by Max Weber (New York: Verso, 1988), p. 20.

⁹Ludwig von Mises, *Theory and History* (Auburn, Ala.: Ludwig von Mises Institute, 1985), p. 308; and Ludwig von Mises, *Economic Freedom and Interventionism* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1990), pp. 18, 43–44.

¹⁰Max Weber, *The Methodology of the Social Sciences*, ed. E.A. Shils and R. Finch (New York: Free Press, 1949), p. 97. See also Guenther Roth, “Translator’s Introduction,” *Economy and Society*, p. xxxviii.

¹¹See Mises, *Epistemological Problems*, p. 84; and Prendergrast, “Alfred Schutz and the Austrian School of Economics,” pp. 14–15.

¹²Weber, *Economy and Society*, pp. 20–21.

Thus, Weber never quite came to grips with the question of how to assess the influence of religious ideas on the mundane activities [of actors], especially on the economic behavior of believers.¹³

This is because Weber's intent was to create genetic rather than generic types of abstraction, as Holton and Turner note.¹⁴

Indeed, Weber's *magnum opus*, *Economy and Society*, might be better subtitled "A Compendium of Sociological Categories." It is a general sociologist's dream: a stream of ideal types with historical examples of their applicability. It is more taxonomic than analytical, more descriptive than explanatory, and more correlative than causal. For example, even Weber admits that his thoughts on bureaucracies are a "purely formal and typological discussion."¹⁵

For Weber, bureaucracies are an end-point of the evolution of social organization from more traditional to more rationalistic bases of social order. Bureaucracy and the bureaucratic order are inevitable. Prerequisite to its rise are the money economy (to pay salaries of officials, versus compensation in-kind), taxation (to raise revenue for salaries), increased communication and coordination among agencies, and what Weber calls their "technical superiority"—i.e., their efficiency of decision-making at lower cost and with less friction because of rational rules preventing partiality. Bureaucracy also accompanies mass democracy, making the state dependent upon it, as economic and social differences are blurred and the economic complexity of modern civilization imposes more complex administrative tasks upon the modern state and even businesses.¹⁶ "Today," Weber writes, "capitalism sets the pace for the bureaucratization of the economy."¹⁷

Weber defines bureaucracy by structural characteristics that are not restricted to government; large private enterprises show them as well.¹⁸ He goes to great lengths on this point, noting it repeatedly as he

¹³Reinhard Bendix, *Max Weber: An Intellectual Portrait* (Garden City, N.Y.: Doubleday, 1960), p. 281.

¹⁴Holton and Turner, *Max Weber on Economy and Society*, p. 58.

¹⁵Weber, *Economy and Society*, p. 991.

¹⁶Weber, *Economy and Society*, pp. 217–26, 963–73, and 983.

¹⁷Weber, *The Agrarian Sociology of Ancient Civilizations*, p. 365.

¹⁸Richard Swedberg correctly suggests that Weber exaggerates these similarities, in *Max Weber and the Idea of Economic Sociology* (Princeton, N.J.: Princeton University Press, 1998), pp. 41–42, 62–63, and 236.

describes the essential nature and structure of bureaucracy. Typologically, bureaucracies are characterized by a hierarchical pyramid of authority with each level assigned distinctive jurisdictional areas, all of which is governed by rational rules or policies. Managers generally are qualified credentially by having specific training for their office, and conduct their affairs through written documents and files. Moreover, their responsibilities are not bound by a set working day, but demand their full commitment. Lastly, bureaucracy is permanent. Weber, in fact, describes it as “indestructible,” and adds that occupying armies frequently use the existing bureaucracy to their own ends, often only replacing the conquered bureaucrats with conquering bureaucrats, and the country continues to operate as smoothly as before. Such is the power of bureaucracy.¹⁹

Weber compliments bureaucracy for its greater efficiency and its leveling effects on society. However, he recognizes that bureaucracy is not entirely a positive development. Weber suggests that it may stifle enterprise, as it did in ancient Rome.²⁰ It creates a new class of officials who exert inordinate power over their respective administrative areas, and become domineering, imposing their own agendas upon their subjects.

This threat was one of Weber’s greatest fears, as shown in his political writings. In his 1918 lecture on socialism, Weber quipped:

It is the dictatorship of the official, not that of the worker,
which, for the present at any rate, is on the advance.²¹

Bureaucracy’s power grows as its greater technical knowledge (buttressed by secrecy) invites influence that outstrips its supposed neutrality. The bureaucratic order would become a “housing of that future serfdom to which, perhaps, men may have to submit powerlessly, just like the slaves in the ancient state of Egypt.”²² People would be required to work where the bureaucrats assigned them, unable to move up in social status because future economic mobility would be closed off. The historical inevitability of such domination, combined

¹⁹Weber, *Economy and Society*, pp. 956–57, 987.

²⁰Weber, *The Agrarian Sociology of Ancient Civilizations*, p. 365.

²¹Max Weber, “Socialism,” in *Weber: Political Writings*, ed. Peter Lassman and Ronald Speirs (Cambridge: Cambridge University Press, 1994), p. 292.

²²Max Weber, “Parliament and Government in Germany Under a New Political Order,” in *Weber: Political Writings*, p. 158.

with an increasing element of formalism (i.e., rationality) that strips variety and innovation from life, worried Weber deeply.²³

Faced with such a future, Weber offers three questions that must be asked:

1. How can this momentum be stopped and freedom of occupational movement salvaged?
2. How can bureaucrats and their power be limited (especially, can democracy, which has a natural affinity with bureaucracy, protect itself against it)? And, most important to Weber,
3. How can political leadership transcend bureaucracy and stop its advance?²⁴

By responding to the third question, Weber answers the first two. He entrusts his hopes for protection upon two other “types” of leaders: the politician and the entrepreneur.²⁵ Only they can check bureaucracy’s reach and restore freedom. The politician is accountable to the people, not to the bureaucrats, and may appeal to his legislature for political support that counters bureaucratic power. The entrepreneur is a counter “type” to the bureaucrat. Whereas the bureaucrat is risk-averse and focused upon order, the entrepreneur takes great risks, and his expertise is an alternate source of power and knowledge to the bureaucrats.

As noted earlier, Weber’s use of ideal types limits his analysis to generalities and directs it away from concrete human action, causing Weber to neglect an important characteristic of bureaucrats and bureaucries: their real actions often differ from what an ideal-typical definition would predict. Bureaucrats are more permanent, not less, than politicians or entrepreneurs. Their permanence, bolstered by law and the

²³Weber, *Economy and Society*, pp. 225, 992; and David Beetham, *Max Weber and the Theory of Modern Politics* (New York: Basil Blackwell, 1985), p. 71. For a discussion of Weber’s sense of “historical inevitability” and the pessimism it introduces into his writings, see Lawrence A. Scaf, *Fleeing the Iron Cage: Culture, Politics, and Modernity in the Thought of Max Weber* (Berkeley: University of California Press, 1989), pp. 65–72.

²⁴Weber, “Parliament and Government in Germany,” p. 159.

²⁵Max Weber, “Politics as a Vocation,” in *From Max Weber: Essays in Sociology*, ed. Hans Gerth and C. Wright Mills (New York: Oxford University Press, 1946), pp. 90–91; and Weber, *Economy and Society*, pp. 993–94; cf. Beetham, *Max Weber and the Theory of Modern Politics*, pp. 82–83.

threat of force, makes the politician and entrepreneur more subject to bureaucracy because the actions of bureaucrats, like any human action, are purposeful.

Their permanence even makes it in the interest of politicians and entrepreneurs to perpetuate the bureaucracy if it furthers their respective power or presence in the marketplace. If politics is, as Weber defines it, a struggle over who shares power or how to influence its distribution, then certainly politicians and entrepreneurs would want to utilize and advance bureaucracies according to their own self-interest. The dangers of bureaucratic absolutism are inherent in the nature of human action and, thus, in bureaucratic officials themselves and those to whose advantage it is to play to them. Mises notes this clearly, as is shown later in this article.

MISES ON BUREAUCRACY

Mises's starting point is much different from Weber's. Weber begins with general ideal types based upon restricted historical examples. Weber's ideal types intentionally blur individual distinctions, both in the phenomena they purport to represent and in the actions of actors themselves. They also commit their greatest error by explaining history according to how collective phenomena dictate individual action, leaving the individual no more than a "refractory rebel" if he fails to follow suit.

By contrast, Mises begins with human action and the precision conferred by *a priori* praxeological categories and concepts:

[Praxeology] conveys exact and precise knowledge of real things [because] the starting point of praxeology is not a choice of axioms and a decision about methods of procedure, but reflection about the essence of action.²⁶

Thus, praxeology brings concreteness and exactness to the analysis of social action.

By necessity, praxeology is methodologically individualistic, and understands society as the product of individual actions, not the other way around. "Human beings construct society," Mises notes, "by making their actions a mutually conditioned cooperation."²⁷ Purposeful

²⁶Mises, *Human Action*, p. 39.

²⁷Ludwig von Mises, *Socialism* (Indianapolis, Ind.: Liberty Fund, 1981), p. 466.

social cooperation, not conflict, is the basis of social order as individuals seek to remove their unease and increase their satisfaction. When conflict does emerge, it results from real differences in the real minds of real men—not some neatly integrated group competing within the institutional configuration of society.²⁸

To Mises, bureaucracy is no different. It is the outcome of human actions, and, most important, conflict over bureaucracy and its proper place in society is genuine—the consequence of deliberate choices in the minds of men, not inherent to the institutional type or point in societal evolution, as Weber posits. This is very important, because it exposes the escape route from bureaucratic monism and the philosophical determinism that enfeebles Weber’s sociology as a basis for scientific analysis, liberation, and hope.

Mises’s most systematic description of bureaucracy is in his book of that title.²⁹ Mises starts with human action, and defines bureaucracy by its style of management, referring to it as “a principle of administrative technique and organization.”³⁰ Bureaucracy is a product of choice beginning in the minds of men, a choice between two distinctive ways of managing organizations: profit versus bureaucratic. In cases of basic government services (external defense, internal protection, and the court system), it is necessary; in all others, it is destructive. In either case, bureaucratic management is one of the means through which men achieve desired ends through purposeful behavior.

The choice between bureaucratic management and profit-based management is symptomatic of a deeper struggle in the minds of men, a struggle between totalitarianism and freedom, collectivism and individualism. Mises, thus, locates his discussion of bureaucracy within a broader question: “Will society be organized on the basis of private ownership of the means of production . . . or on the basis of public control of the means of production?” He then clarifies the stakes:

The struggle against the encroachments of bureaucracy is essentially a revolt against totalitarian dictatorship. It is a

²⁸Mises, *Human Action*, pp. 173–75; and Mises, *Economic Freedom and Interventionism*, pp. 37, 251, 257, and 263.

²⁹Mises, *Bureaucracy*; also see Mises, *Socialism*, pp. 183–84; Mises, *Economic Freedom and Interventionism*, pp. 217–20; Mises, *Human Action*, p. 305; and Ludwig von Mises, *Money, Method, and the Market Process: Essays by Ludwig von Mises*, ed. Richard M. Ebeling (Norwell, Mass.: Kluwer, 1990), p. 98.

³⁰Mises, *Bureaucracy*, p. 49.

misnomer to label the fight for freedom and democracy a fight against bureaucracy.³¹

The difference between bureaucratic and profit management may be reduced to economic calculation. What bureaucracy accomplishes has no monetary value on the market, and hence, the head of the bureau cannot make a computation of the profitability of its operation. Absent the guiding light of profit and loss, he can determine neither which costs to incur in producing his output nor how to constrain them. After all, more output of better quality can always be obtained by incurring greater costs.

This output, however, is by nature part of the division of labor—i.e., not personal to him, but social, having value to society at large instead. Because the value of output is subjective to each person in society and, hence, differs from one person to the next, its social value cannot be determined. Only by having a market for the output, in which the valuations of each person for it are referenced to money and therefore result in revenues from the sale of the output, can he make a determination.

Even if he could determine the social subjective value of the output, he could not compare it to the monetary costs. The bureaucrat only has his own subjective valuations of the output for judging the result. His problem is compounded if the bureau is so large that his mind lacks the capacity to manage its details. Then, he must delegate much oversight to his subordinates. It is not that simple, though. He cannot merely command them to earn profit and avoid loss. To set limits on their incurring costs, he must issue detailed rules and regulations for them to follow. This is bureaucracy's problem, Mises concludes, and is fundamental to understanding it:

The criterion of good [bureaucratic] management is not the approval of customers resulting in an excess of revenue over costs but the strict obedience to a set of bureaucratic rules.³²

Consequently, and in contrast to Weber, what constitutes efficiency in public and private enterprises is not the same. Within a bureaucracy, efficiency means subservience to the regulations, not to the consumer, and grants no harbor to deviation, innovation, or creativity. Business efficiency, on the other hand, depends upon economic

³¹Mises, *Human Action*, p. 307; and Mises, *Bureaucracy*, pp. 11, 29–30.

³²Mises, *Bureaucracy*, p. 68.

calculation. Applying one definition of efficiency to the other style of management invites disaster for the manager.³³

Mises's reasons for bureaucracy's growth strikingly contrast with Weber's. Bureaucracy's spread does not come from inevitable pressures of the social forces of modernization, because people—not "forces"—determine societal development. Bureaucracy's spread is not because it is more efficient (it is not), nor because of the large size of businesses (the goal of profit-making, not size, matters), nor because of the type of organization (churches and other non-profits must, by definition, be bureaucratic). Rather, bureaucracy spreads through the intervention of government into the private sector and people's lives, interventions that force businesses to answer to the power of the regulating agencies.³⁴ In other words, absent economic calculation as a check on its growth, bureaucracy's spread is politically, not economically, fuelled. It spreads because it is corrupted by the desire for power and influence.³⁵

Next, bureaucracy imposes regulations to force

production and consumption to develop along lines different from those prescribed by an unhampered market . . . for whose enforcement the police power, and its apparatus of violent compulsion and coercion, stand ready.³⁶

Such, Mises notes, is the tendency of our times. When bureaucratic management moves into the economy, businesses are forced to recast themselves in its image, lest the full power of the state crush them. Businesses are forced away from seeking profit to emphasizing compliance with bureaucratic regulations. Incentives for improvement and innovation disappear as profits are limited by heavy taxation or price controls, and executive appointments are decided upon the candidates' connections to government, not their business acumen.³⁷

Sadly, private enterprise is left to the absolute rule of bureaucratic agencies and officials, rather than to the sovereignty of consumers. The

³³Mises, *Bureaucracy*, pp. 50–51, 54, 56, and 66–68; Mises, *Human Action*, p. 305; Mises, *Economic Freedom and Interventionism*, p. 98; and Ludwig von Mises, *Critique of Interventionism* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1996), pp. 111–14.

³⁴Mises, *Bureaucracy*, pp. 13, 71, and 76; and Mises, *Human Action*, p. 112.

³⁵Mises, *Human Action*, pp. 735–77.

³⁶Mises, *Human Action*, p. 714.

³⁷Mises, *Bureaucracy*, p. 77; and Mises, *Critique of Interventionism*, p. 113.

political reality is serious, and Mises recoils with horror at what it means. Citizens and businesses experience the nightmare of

a countless multitude of office holders, each zealously bent on preserving his position and preventing anyone from intruding on his sphere of activity—yet at the same time anxiously endeavoring to throw all responsibility of action on to somebody else.³⁸

Though writing of socialist administrations, Mises’s description is no less apt for any bureaucracy. The corruption spawned by interventionism is unavoidable; it is inherent in the nature of bureaucracy and government themselves.³⁹ Consequently, “the main problem for many enterprises is how to avoid as much as possible the animosity of officeholders.”⁴⁰

Many times, companies are left with one of two choices if they are to make a profit: diplomacy with the agency (through hiring insiders from it) or outright bribery. Both drain the resources of business away from that which supports the greatest good for the greatest number—meeting the needs of consumers.⁴¹ As it expands, bureaucracy thus spreads moral decay into the economy and society. It creates the misallocation of resources in ways that harm, not help, people and, as Mises points out, even encourages criminality.

Elsewhere, Mises describes what follows in more detail:

A business that wants to guard itself from destruction by interventionist policy must ingratiate itself both “above” and “below” and must take a myriad of issues into consideration that it would neglect under purely commercial conditions. This influences not only industrial relations but also all other aspects of management. One has to make an accommodation with government and local authorities, one has to allow for all prejudices and wishes of public opinion, one has to trim one’s sails to the wind. One has to do obviously unprofitable business, contribute money to election funds and newspapers, employ friends of government and of politicians, and dismiss those who have fallen out of favor. One has to get on good terms with trade unions and churches, support the arts and sciences, and be “charitable.”

³⁸Mises, *Socialism*, p. 183.

³⁹Mises, *Human Action*, pp. 735–77.

⁴⁰Mises, *Economic Freedom and Interventionism*, p. 220.

⁴¹Mises, *Bureaucracy*, pp. 70–80.

In a word, one has to incur all sorts of expenditure for matters not related to one's business.⁴²

With interventionism, in contrast to Weber's belief, businesses are forced to become more bureaucratic and less rational, if by rational we mean profit-seeking. Calculating profitability now must include various "non-economic factors." The contributions of these factors to a firm's profitability are difficult to measure, particularly when they have to be balanced against the costs of hiring and retaining employees on the basis of their government connections rather than their direct contribution to the firm's profitability. Under interventionism, therefore, profit management comes to mirror bureaucratic management because of the calculation question. Ironically, the interventionist policy that compromises a firm's profitability becomes the basis of that firm's very survival because of the adaptations that it makes, "since it could not survive without intervention in its favor."⁴³

Mises highlights two ways that bureaucracy's corruption spreads.⁴⁴ First, it de-civilizes a people by appealing, at its foundation, to our basest motives:

- It appeals to cowardice, luring those who fear competition into its ranks.
- It appeals to covetousness. Theft becomes acceptable, as taxation takes some people's money to subsidize the remainder.

⁴²Ludwig von Mises, "Economic Calculation Under Commercial Management and Bureaucratic Administration," in *Selected Writings of Ludwig von Mises*, ed. Richard Ebeling (Indianapolis, Ind.: Liberty Fund, 2002), p. 378. Contrary to Prendergast, "Alfred Schutz and the Austrian School of Economics," p. 11, Mises's comments indicate an appreciation of the intersubjectivity necessary for business people to function within an interventionist economy, in particular, the understanding of the motives and intents of bureaucratic officials and their policies. Also in contrast to Holton and Turner, *Max Weber on Economy and Society*, p. 51, Mises here shows an appreciation of how factors outside of the individual (such as institutions, relationships, and, most important, the role of power) guide and color the choices of actors. Thus, human action is truly social, influenced by power, and affected by marginal utility considerations, and occurs within a cultural and institutional context that shapes its direction.

⁴³Mises, "Economic Calculation Under Commercial Management and Bureaucratic Administration," p. 379.

⁴⁴Mises, *Bureaucracy*, pp. 29–30, 58, 65, 88, 100, and 114.

- It appeals to craven self-interest—the votes of its increasingly large number of employees to support candidates advocating greater interventionism and therefore protection of their jobs.
- It appeals to prejudice because personality becomes the basis of the bureaucrat’s evaluation in the absence of economic calculation. Subordinates within bureaucracies concentrate on developing positive personal relationships with their supervisors, rather than on performing well.
- It appeals to pride and vanity, as these same self-absorbed bureaucrats readily posit themselves the better judge of what is good for others. And,
- It appeals to hatred and division. Bureaucracy breeds the machinations of personal politics and intrigue, luring men to vie for position, power, and influence within its ranks.

Perhaps worst of all, bureaucracy’s power appeals to men’s fear of freedom and consequent desire to dominate and control. Bureaucracy creates two classes of people: the powerful bureaucrat against the powerless citizen. Bureaucrats are permanent, not subject to the whims of voters, like politicians are. They can resist political and entrepreneurial pressures to change because they know they will outlast their critics.

Not accountable to their “consumers,” bureaucrats assume a God-like attitude toward citizens and the private sector, seeing themselves as representing “good” and fighting against “evil.” They escalate disagreement into a Manichean struggle between light and darkness, a war in which bureaucratic laws and regulations assume a sacred quality. And if there is any doubt remaining, the coercive threat of violence always is in the background. Everything is shrouded in the propaganda of self-sacrifice and the good of the people. Tyranny, Mises fears, cannot be far away.⁴⁵

Mises recognizes the religious intensity of bureaucracy’s ideological grip. He observes:

Today, millions are fascinated by the plan to transform the whole world into a bureau, to make everybody a bureaucrat, and to wipe out any private initiative. The paradise of the future is visualized as an all-embracing bureaucratic apparatus. . . . The post office is the model for the construction

⁴⁵Mises, *Bureaucracy*, pp. 60–61, 81–82.

of the New Jerusalem. The post office clerk is the prototype of the future man.⁴⁶

“Statolatry” follows, as people worship the state and its culture. Orthodoxy is anything that supports the State; heresy is that which does not. Opponents are vilified for being “against the people,” while civil servants are canonized as self-sacrificing public saints. Universities serve as its seminaries, surrendering their independence to become ideological extensions of the party line. Critical thinking disappears. Economics departments require specialization in narrow, arcane subjects and purposely ignore the general study of economics that reveals the contradictions inherent in the interventionist agenda. Bureaucracy’s theologians and priests command its new army of apologists.⁴⁷

Bureaucracy’s impact upon civilization is enormous. Bureaucracy regiments social life, spawning “petrification and death.” It kills ambition and destroys initiative, sucking the vigor out of life. It closes off opportunities for change, subordinating the passions and idealism of youth to the fear and conservatism of the bureaucrat. Society stagnates. “For its entire officiousness, such a bureaucracy offers a classic example of human indolence,” Mises writes. In the end, bureaucracy even threatens the peace of the community, waging war against healthy and free social cooperation by setting people against each other with its laws, policies, and agendas.⁴⁸

MISES VS. WEBER: SOCIOLOGICAL METHOD

Mises’s and Weber’s analyses of bureaucracy can be assessed at two levels—the conceptual/methodological and the ethical. Both are important to appreciating the differences between their sociological methods. We will begin with the conceptual level.

Weber emphasizes the idealized shape of bureaucracies, since he believes that the ideal types are intentionally free of contradiction. They are drawn from so many historical examples that only certain non-contradictory aspects are stressed. For this reason, Mises concludes that Weber is not constructing sociological theory at all, but

⁴⁶Mises, *Bureaucracy*, p. 133.

⁴⁷Mises, *Bureaucracy*, pp. 83, 91.

⁴⁸Mises, *Bureaucracy*, pp. 60, 72–73, 111, and 130; and Mises, *Socialism*, p. 184.

rather “universal history.”⁴⁹ Because Mises emphasizes managerial style, his sociological method has broader application without needing to resort to ideal types and their accompanying shortcomings.

A key example of this is how “efficiency” is defined. Weber’s ideal type is too general to capture the vital distinction between different types of “efficiency,” so Weber misses the contradiction in how efficiency is used when it comes to human action in bureaucracy versus private enterprise. To him, bureaucracy is inevitable in both government and business because efficiency is the same by his idealized definition. In fact, his greater worry is that public bureaucracy might subsume private bureaucracy, thus removing an important counterbalance, not that their distinctive “efficiencies” might place them in conflict with each other.⁵⁰

Weber’s hope that private bureaucracy might be a counterpoise to public bureaucracy forgets that it can never be so. Bureaucratic management is bureaucratic management, regardless of its locus. Hence, the more bureaucratic a private enterprise becomes, the more likely it is to be absorbed by the interests of public bureaucracy, reorient itself away from meeting consumer needs, and push consumers to look toward the state to meet those needs. The only effective counter to bureaucratic management in the economy is profit management.

Though Weber notes that economic calculation is central to rational economic behavior, when it comes to describing bureaucracy, he mistakenly assumes that bureaucratic management fits into the profit-management model. To him, the rationality directing human action is the same, the efficient coordination of means and ends, instead of being one of several praxeological categories (such as time and valuation) that the analyst might employ. To Weber, the rational value of efficiency drives capitalism and, thus, the adoption of bureaucratic design that is also rationally efficient. Indeed, bureaucratic efficiency fits the private enterprise nicely, he believes, because it complements the profit motive through its “stable, strict, intensive, and calculable administration.” Bureaucracy, then, better generates the revenues necessary to support its structure. He further observes:

Capitalism in its modern stages of development requires the bureaucracy, though both have arisen from different

⁴⁹Mises, *Epistemological Problems*, pp. 81, 115.

⁵⁰Max Weber, “Suffrage and Democracy in Germany,” in *Weber: Political Writings*, p. 90.

historical sources. Conversely, capitalism is the most rational economic basis for bureaucratic administration and enables it to develop in the most rational form, especially because, from a fiscal point of view, it supplies the necessary money sources.⁵¹

Mises sees this danger because his method recognizes bureaucracy as not merely a structure but as a style of management. Mises makes it clear that “efficiency” means different things under each style. Bureaucratic definitions of efficiency ruin private enterprises because private firms practice efficiency on the basis of economic calculation, not rules. Following from this, Mises, because he has a theory of the business firm, avoids Weber’s mistake in misapplying the concept of bureaucracy to private business. Just because a business is large and may have some contacts with bureaucracy does not mean that it is a bureaucracy. Mises, with his emphasis upon economic calculation and the importance of organizational goals (profit vs. bureaucratic) allows us to see this.

Weber, in contrast, does not. He relies upon an integrative *conceptualization* to guide his analysis, not universal laws of human action. General ideal-typical methods like Weber’s blur important distinctions because the analyst depends upon the theoretical construct rather than the axioms of human behavior and how they are reflected in human action. This is ironic, for when it comes to categorizing the types of social action, Weber distinguishes economic action from other types of action—unfortunately, erroneously so. When Weber makes distinctions, he should not, and when he does not, he should. His misunderstandings result from not starting with universal propositions about human action.⁵²

As Mises prescribes:

The laws of sociology are neither ideal types nor average types. Rather, they are the expression of what is to be singled out of the fullness and diversity of phenomena from the point of view of the science that aims at the cognition of what is essential and necessary in every instance of human action. . . . They are a generalization of the features to be found in the same way in every single instance to which they refer.

⁵¹See Weber, *Economy and Society*, pp. 48–50, 224; cf. Mises, *Socialism*, p. 475.

⁵²On this distinction, see Mises, *Epistemological Problems*, pp. 84, 92; also Mises, *Money, Method, and the Market Process*, pp. 43–44.

Thus, when it comes to stating causal relationships, they “express that which necessarily must always happen as far as the conditions they assume are given,” not statements of ideal-typical probability which are, in fact, merely statements of correlation and not causality at all.⁵³

Weber and Mises differ in how they see the emerging bureaucratic class. Weber focuses more on the impact bureaucrats have in spreading structural and cultural uniformity. Mises, by contrast, emphasizes the real coercive and violent power of the state in imposing bureaucratic regulations and models upon other organizations. Bureaucracy’s penetration is not inevitable; it is the choice of bureaucrats. Bureaucracy spreads because the state wields the power to inflict it upon the marketplace. It is an active force within society because of the subjective preferences and choices of its actors and their supporters.

Each man also understands the legitimation of bureaucratic authority differently. For Weber, bureaucracy appeals to rational law and values. There is little of what Weber would call the “non-rational” element in it. Mises, on the other hand, shows that bureaucracies are legitimated through the propaganda of bureaucrats—the Religion of the State. Thus, again, Mises offers a more powerful and comprehensive theory of bureaucracy because it takes into account the structure of bureaucracies, the styles of management within them, why they expand into areas for which they are not suited, and human choice and valuation.

Consequently, Mises offers a more helpful causal analysis than does Weber. Weber’s analysis tends toward correlation, not cause. Weber describes an ideal type of bureaucracy, notes its harmful effects, and illustrates with several historical examples. Mises, because his starting point is human action, has stronger tools. The student can then detect that bureaucracy originates in situations in which economic calculation cannot be conducted, understand that it is legitimated by the ideology of statolatry, and recognize its agenda of interventionism. This is because Mises starts with the scientific laws of human action and one of its consequences: bureaucracy.

Weber’s difficulties, in summary, instruct us about the epistemology of the social sciences. They illustrate what happens when theory

⁵³Mises, *Epistemological Problems*, p. 98.

construction does not begin axiomatically with human action. Mises observes, “for sociology . . . the value judgements that are made in human action are ultimate data.”⁵⁴ Weber errs in his understandings of bureaucracy and human action because he focuses upon the wrong data. Consequently, Weber misreads bureaucracy’s impact.⁵⁵

MISES VS. WEBER: ETHICS OF THE BUREAUCRATIC ORDER

Mises’s greatest strength is his realism about the morally nefarious impact of bureaucracy upon human freedom. This gives his writing an edge, yes, but moreover it gives it a penetrating command of the issue. Unlike Weber, he doesn’t isolate bureaucracy into one of many ideal types as a sociological category for investigation. Mises always has his eye focused on the bigger picture—the corrosive effects of totalitarianism and its henchman, bureaucracy.

Weber is typically ambivalent about bureaucracy’s rise and impact. He praises it for its efficiency, yet fears its influence.⁵⁶ Weber is in a quandary as he struggles over bureaucracy’s impact.⁵⁷ This indecisiveness characterizes much of his writings, setting a tone of intellectual fretfulness and a discomfiting blend of restless urgency dragged down by philosophical and political discouragement. It should be no wonder that, as Mises notes, disillusionment and pessimism “overshadowed” Weber’s life.⁵⁸

⁵⁴Mises, *Epistemological Problems*, p. 127.

⁵⁵See further, Holton and Turner, *Max Weber on Economy and Society*, pp. 50, 58–59, and 61. These problems result from Weber’s aversion to building a general theory of social action.

⁵⁶See Wolfgang Mommsen, *The Political and Social Theory of Max Weber* (Chicago: University of Chicago Press, 1989), pp. 110–12. This is why interpretations of Weber vary widely and why, for example, authors such as John Patrick Diggins, *Max Weber: Politics and the Spirit of Tragedy* (New York: Basic Books, 1996), pp. 269–86, can inscribe onto Weber their own politically statist affinities, even up to and including the worship of Abraham Lincoln—a subject that held minimal interest for Weber.

⁵⁷Weber, “Politics as a Vocation,” pp. 154–56.

⁵⁸Mises, *Notes and Recollections*, p. 69. Regarding Weber’s nervous breakdown, see Arthur Mitzman, *The Iron Cage: An Historical Interpretation of Max Weber* (New York: Alfred A. Knopf, 1970), pp. 148–63.

“The fate of our times is characterized by rationalization and intellectualization and, above all, by the ‘disenchantment of the world,’” wrote Weber.⁵⁹ Rationalization has splintered the traditional moorings of our beliefs and left us with discrete spheres of value—what Lassman refers to as a “polytheism of conflicting values”—but no ultimate value for guidance.⁶⁰ We are imprisoned within an iron cage from which there is no escape and are becoming “specialists without spirit, sensualists without heart.”⁶¹

Our path, Weber believes, is in an honest stoicism that confronts the despair of the iron cage, a prison lacking the moorings of values to guide our actions. We long for meaning, but we live in a world without it. Integrity then dictates that one accepts the tensions between his values, desires, and reality. Our choice is purely subjective, for there are no ultimate values to guide us in all spheres of life. He writes:

Nothing is gained by yearning and tarrying alone, and we shall act differently. We shall set to work and meet the “demands of the day,” in human relations as well as in our vocation. This, however, is plain and simple, if one finds and obeys the demon who holds the fibers of his very life.⁶²

Weber’s “demon” was the duty to act responsibly despite doubt and discouragement. And this demon, as Mises notes, drove him into

⁵⁹Max Weber, “Science as a Vocation,” in *From Max Weber: Essays in Sociology*, pp. 155–56.

⁶⁰Peter Lassman, “The Rule of Man over Man: Politics, Power, and Legitimation,” in *The Cambridge Companion to Weber*, ed. Stephen Turner (New York: Cambridge University Press, 2000), p. 98. See also Max Weber, “Religious Rejections of the World and Their Direction,” in *From Max Weber*, pp. 356–57.

⁶¹Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (New York: Scribners, 1958), pp. 181–82.

⁶²Weber, “Science as a Vocation,” p. 156. Also see Max Weber, “The Social Psychology of World Religions,” in *From Max Weber*, pp. 323–59; and Lawrence A. Scaf, “Weber on the Cultural Situation of the Modern Age,” in *Cambridge Companion to Weber*, pp. 107–8. Lassman, “Rule of Man,” p. 98, closes his essay by noting, “Ultimately, Weber’s vision is bleak: that it is our common fate to be condemned to live in and to try to make sense of a world where the ‘rule of man over man’ is an inevitable reality.” See also Rogers Brubaker, *The Limits of Rationality: An Essay on the Social and Moral Thought of Max Weber* (Winchester: Allen and Unwin, 1984), pp. 91–114; and Charles Turner, *Modernity and the Politics of Max Weber* (New York: Routledge, 1992), pp. 143–55, for further elaborations on this point.

politics.⁶³ Even there, however, his own ideal-type apparatus for understanding political life and bureaucracy plagued Weber. As noted earlier, he pined for a Caesar-like leader, an entrepreneurial and charismatic demagogue who could rise above the state and bureaucracy and gain the support of the people.⁶⁴

Yet, Weber cannot foresee that this leader's purpose nonetheless would have the effect of strengthening the central state and, by implication, its vast bureaucracies, as he uses the state to distribute political favors. One iron cage is exchanged for another. Weber's ideal types, thus, limit his vision because they neglect the dynamic relationship between bureaucratic management and politicians, especially in the near permanence of the bureaucratic staff and the necessity of the politician's reliance upon them and use of them for his own political ends. They posit no dynamism to capture the ever-changing nature of social action, nor do they give room to individual choice. They are of necessity too general to do either.

Hence, instead of directing where the engaged critic might look to understand bureaucracy's origins, dangers, and impacts, Weber anchors his hope in the magical qualities of a single individual. No wonder his political efforts failed. Attributing conflict to the system rather than to the purposeful actions of individuals (bureaucrats and citizens), and unable to pose the issue in human terms and the ultimate value of freedom, Weber is left with the worst of both worlds: an incomplete understanding of bureaucracy, and no way to counter its detrimental effects.⁶⁵ Bureaucracy may be ineluctable, but it is an ongoing choice.

⁶³Mises, *Notes and Recollections*, pp. 4–5. Peter Lassman and Ronald Speirs, "Introduction," in *Weber: Political Writings*, p. x, note that politics was always Weber's "secret love."

⁶⁴Weber, *Economy and Society*, pp. 1403–7; Weber, "Parliament and Government in Germany," pp. 218–21; and Sven Eliaeson, "Weber's Politics in their German Context," in *The Cambridge Companion to Weber*, pp. 133–35. Weber does fear the "new despotism" of the bureaucrats, but he believes that the charismatic political leader can overcome it. His demagogic appeal to the masses will be essential, particularly in a democracy, notes J.P. Mayer, *Max Weber and German Politics: A Study in Political Sociology* (London: Faber and Faber, 1944), p. 79.

⁶⁵See Holton and Turner, *Max Weber on Economy and Society*, p. 60, regarding Weber's denial of cultural or evolutionary universals in sociological analysis and its implications. Included here would be the culturally universal value of freedom.

Mises understands bureaucracy in far darker terms because he insists upon the ultimate value of freedom. Bureaucracy manifests the genuine dangers of totalitarianism itself—“a radical break from the way of life civilizations have enjoyed in the past.” Mises describes its effects:

It is the subordination of every individual’s whole life, work, and leisure to the orders of those in power and office. It is the reduction of man to a cog in an all-embracing machine of compulsion and coercion. It forces the individual to renounce any activity of which the government does not approve. It tolerates no expression of dissent. It is the transformation of society into a strictly disciplined laboratory—as the advocates of socialism say—or into a penitentiary—as its opponents say. . . . Bureaucracy is instrumental to the execution of these plans.⁶⁶

In the face of imminent enslavement, Weber’s stoic relativism borders upon fatalism, and his hope for a charismatic leader seems romantic. In *Socialism*, Mises reflects, almost as if in direct response to Weber:

Everyone carries a part of society on his shoulders; no one is relieved of his share of responsibility by others. And no one can find a safe way out for himself if society is sweeping toward destruction. Therefore everyone, in his own interests, must thrust himself vigorously into the intellectual battle. None can stand aside with unconcern; the interests of everyone hang on the result.⁶⁷

Weber agrees with Mises, but only to a point. Responsibility necessitates compromise, a compromise that, in Weber’s eyes, is necessary and therefore admirable. Weber’s existentialism shuns the engagement of ideas based upon a single ultimate value such as freedom. As Lassman and Spiers note, Weber resists committing to any hierarchy of values at all. What counts for Weber are the passion, sincerity, and responsibility with which ideas are expressed, not their content.⁶⁸

Weber goes to some length on this topic, eventually breaking ethics into two basic categories: conviction versus responsibility. The

⁶⁶Mises, *Bureaucracy*, pp. 19–20.

⁶⁷Mises, *Socialism*, pp. 468–69, 518.

⁶⁸Lassman and Spiers, “Introduction,” p. xiii; and Weber, “Science as a Vocation,” pp. 115–28.

first looks toward an absolutist ethic (for example, the Sermon on the Mount) and leaves the consequences to others. The second considers the means and consequences of every decision and, in Weber's misunderstanding, is thus more responsible. Also significantly, Weber separates value judgments such as either of these categories of conviction from factual judgments that operate by their own laws.⁶⁹

This is more than a mere distinction without a difference. Lassman and Speirs observe that Weber's skepticism toward any "ethics of conviction" places him in the interesting position of supporting liberal institutions but without the philosophical conviction that underlies them.⁷⁰ It is almost as if convictions get in the way, and one must be free to act counter to his convictions, should the means and consequences (i.e., factual judgments) so dictate. Perhaps this is why Weber, so tellingly, focuses his response on the third question raised earlier: What kind of leadership can transcend bureaucracy? That is pragmatic and tactical rather than strategic and philosophical. It stresses practicality and facts, not conviction or ideals.

Consequently, Weber's approach naturally is pulled toward compromising with bureaucracy and interventionism. He more fears the consequences of uncoupling them from our social order than he values the promise of an ethic that could do it. It even denies the possibility that the ethics of conviction might, in fact, comprehend the means and consequences to which the ethic of responsibility is bound. As Mises's analysis of bureaucracy shows, the consequences of bureaucracy and interventionism show us why the ethic of conviction that opposes them is, simultaneously, an ethic of responsibility. By the end of his discussion, however, Weber is forced to conclude that even responsibility must, at some point, be grounded in conviction, that the two are complementary rather than opposites.

But Mises insists that the content of ideas is the battleground. "For it is ideas, theories, and doctrines that guide human action, determine the ultimate ends men aim at, and the choice of the means employed for the attainment of those ends."⁷¹ To use Weber's terms,

⁶⁹See Weber, *The Methodology of the Social Sciences*, p. 19; and Robert J. Antonio, "Values, History, and Science: The Metatheoretic Foundations of the Weber-Marx Dialogue," in *A Weber-Marx Dialogue*, ed. Robert J. Antonio and Ronald M. Glassman (Lawrence: University of Kansas Press, 1985), p. 22.

⁷⁰Lassman and Speirs, "Introduction," p. xix.

⁷¹Mises, *Socialism*, p. 518.

only an ethic of conviction about the value of human freedom takes into account the de-civilization that bureaucratization brings.

CONCLUSION

For Mises, our hope in a world enslaved to bureaucracy begins with each of us, with our reason and common sense. However, neither can progress far without proper instruction from our universities and the seats of scholarship in economics and political economy. Why? Because these philosophers of destruction shroud their intents with a rhetoric that only rational educated thinking can penetrate. Mises dissects their apologetic as follows:

[They] call themselves progressives, but they recommend a system which is characterized by rigid observance of routine and by a resistance to every kind of improvement. They call themselves liberals, but they are intent upon abolishing liberty. They call themselves democrats, but they yearn for dictatorship. They call themselves revolutionaries, but they want to make the government omnipotent. They promise the blessings of the Garden of Eden, but they plan to transform the world into a gigantic post office. Every man but one a subordinate clerk in a bureau. What an alluring utopia! What a noble cause to fight!⁷²

To counter their rhetoric of deceit requires that we educate ourselves about true economics and economic laws, for to understand the “true sense of history,” one must begin with the true theory of human action. That is our only protection against government and bureaucratic propaganda that are but hagiographies for the State, interventionism, and Weber’s hoped-for future Caesars. Logical clarity and sound critical abilities are freedom’s best resistance against the cultural hegemony of the bureaucrats and their agenda. Interventionists, whether they admit it or not, are historicists who insist that the historical era in which we live operates by different laws from previous ones, laws that conveniently require the interventionist agenda be implemented. They fear the challenge of true economics, and construct their apologia accordingly.⁷³

Understanding the universally valid laws of human action and, thus, economics is our protection against the destructionism that Mises

⁷²Mises, *Bureaucracy*, p. 134.

⁷³Mises, *Epistemological Problems*, pp. 72, 104.

recognizes as inherent in the bureaucratic order. Bureaucracy is not inevitable, contrary to what Weber argues, nor is bureaucracy's order an iron cage with no escape. Men choose it because they fear cooperation and competition and the uncertainty that comes from risk. It is a living entity that must be confronted by all men who love freedom and the benefits accorded to all under a market system. There is no room for stoicism, no dignity in dreaming about a new and different kind of statist demagogue, no hope in moral relativism. Rather, the times demand that we engage the philosophers of destruction. It is not Weber but Mises who shows us the way—the path not just to understanding, but to dignity and freedom.⁷⁴

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⁷⁴Holton and Turner, *Max Weber on Economy and Society*, p. 45, argue that had Weber taken into account the role of uncertainty in human action, his analysis of bureaucracy would have been considerably less the deterministic "iron cage" and more the intersubjective social construction of human action. See further Weber, *The Protestant Ethic*, pp. 180–82.

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