

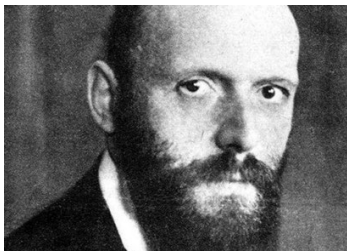
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The Technocratic Socialism of Otto Neurath

BY

[GARETH DALE](#) 02.20.2023

The Austrian economist and philosopher Otto Neurath devised elaborate ideas for a democratically planned economy. They are a monument to the most optimistic strands of the interwar socialist movement.



Otto Neurath photographed in January 1919.

Standing next to the radicals of this and the preceding century, the Austrian technocrat, socialist, and utopian Otto Neurath cuts a strange figure. In our age, technocracy is everywhere a byword for complacent liberalism. Cadres of wonks who, bunkered away at the European Central Bank or the International Monetary Fund, devise piecemeal solutions to environmental destruction and rising inequality. They are as far as one could possibly imagine from utopians.

Neurath, who studied math and physics before completing a PhD in political science and statistics, developed his own incomparably more radical vision of technocratic politics in a very different environment to our own. In the United States, the rise of mass production, exemplified by Ford's car factories, had made possible production at a scale hitherto unknown; in Germany, the chemists Fritz Haber and Carl Bosch had discovered the key to manufacturing ammonia, enabling industrial-scale fertilization of the soil and refuting Malthusian arguments that the production of food could not keep at pace with the growth of populations. This was, more than at any other period in the history of capitalism, a moment in which science and industrial modernity could appear to be revolutionary forces.

It was understandable then that a thinker like Neurath, who advocated socialist planning where the national economy is treated “as if it were one factory,” could emerge during this period in which scientific and human progress could seem to move in lockstep. Recent years have seen a revival of his thinking, most notably in the work of modern-day utopian socialists like [Troy Vettese and Drew Pendergrass](#) who have, under the influence of the Austrian economist, thought seriously about how a planned economy could ensure the basic needs of the whole of society. Similarly, the economic historian Aaron Ben-Ner has revived Neurath’s ideas to conceptualize how politically negotiated planning — what he calls “associational socialism” — could be possible.

Neurath himself was, however, a complex and sometimes contradictory figure. He advocated “monocultures” and “universal mechanization of large plantations,” yet he was an activist in the League of Small Gardeners. He was incarcerated as a revolutionary and yet his socialism was not of that stripe: he joined the Social Democrats (SPD), the main force blocking the socialization he advocated, rather than its rival, the pro-socialization Independents (USPD).

Ultimately, he was the product of a strange configuration of social and economic forces. Chief amongst these was the rise of industrial capitalism and the administrative state, which gave prominence to notions of technical expertise but sat uncomfortably next to mass politics. The latter was predicated on the idea that the working class took a role in managing their own political and economic lives. Neurath, like much of the socialist movement across the world, struggled to hold together these forces. Nevertheless, the ideas that he developed are instructive, even if sometimes only as exemplars of the excesses of productivist thinking.

The Young Neurath

From an early age, Neurath was convinced that the market economy inflicts mass hardship and suffering due to its anarchic organization, crisis tendencies, and failure to ensure the maximum utilization of

resources. The idea that profits reward efficiency, Neurath argued, made no sense as a principle of economic organization. Frustrated by the inadequacies of capitalism as an economic system, he set about constructing “utopian” alternatives.

Paradoxically, his confidence in democratic utopia was buoyed by a bloody total war reliant on mass conscription. World War I’s “violent upheavals” were “breathing new life into utopia.” Looking through the fog of war, Neurath observed that when generals and politicians set targets, no state intervention was off limits. Industries were stamped out of the ground, masses of human beings were shuttled hither and thither, all in the blink of an eye. Economies geared to destructive ends were showcasing humanity’s astonishing capacities.

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After the war, socialism looked within reach. Across Central Europe, movements with a base in the working class and located in key industries were backing the sorts of socialization proposals that Neurath had been making. In Munich, he headed the Central Planning Office, the agency tasked with economic socialization — the collective democratic management of production — during the “Bavarian Soviet” of April 1919. The Soviet was initially an artifice of party-political machinations with few roots in the still-weak workers’ councils, but in its second phase the councils were resurgent.

Neurath’s ambition was to achieve full socialization for Bavaria within a decade. He brimmed with ideas — for example that housewives should be given a workers’ wage and the right to elect delegates to the councils. Because his plans found support among the newly powerful councils, Bavaria enacted more socialization measures in a couple of weeks than Austria managed under the influence of Austromarxists Otto Bauer and Karl Renner in as many years.

For a moment in 1919, the prospect existed of the councils’ republics in Bavaria and Hungary being connected through Austria. But the Bavarian Soviet was [strangled in its cradle](#) by the proto-Nazi

Freikorps, dispatched by the SPD government in Berlin. The new government rewarded Neurath for his efforts with internment.

In Austria meanwhile, the revolutionary impulse, though powerful, was inchoate and the social democrats (SDAP) successfully smothered it. The councils, Bauer recalled, could have inaugurated a Soviet republic at any moment and “no power was in sight to stop them,” but the SPAD leadership’s aim was for the existing state to accommodate working people, not for them to dismantle it. Political democracy, Neurath astutely observed, was “mobilized against the masses and the republic of councils they were asking for,” and this enabled “capitalist circles” to retrieve the reins.

During the war, Neurath had gravitated to Marxism, but not its mainstream. His critique of Marxist orthodoxy centered on its rejection of economic planning and utopia. The “Marxists,” he wrote, had “killed playful utopianism.” This “paralyzed” their ability to construct society anew. Neurath felt that his Marxist contemporaries, forgetting their teacher’s insistence on “active engagement,” and lacking any clear sense of an “economic future that could have guided the will,” fell into “quietism.” Instead of creative action, they fussed over “the doctrine of surplus value and other parts of the Marxian edifice of ideas.” Neurath, in contrast, approached Marxist orthodoxy with suspicion.

Despite the quietism of social democracy, Neurath’s socialist optimism reached its zenith in the 1920s. He was convinced that a “collectivist form of society” was coming into being in Red Vienna and beyond, and “the happiness of all” was becoming “the supreme law.” He threw himself into cooperative housing and allotment movements, as well as a Social and Economic Museum and the design of a graphic system to render statistical data intelligible, in furtherance of workers’ education.

What Neurath objected to in capitalism was not primarily its exploitation and domination but its anarchy. Capitalism, he argued, is irrational, therefore *not properly modern*.

He had begun this project earlier, when directing the War Economy Museum in wartime Leipzig, and in the 1920s, with his wife and fellow social scientist, Marie Neurath, and the council communist Gert Arntz, he codesigned an international picture language. The Vienna Method of Picture Statistics, later known as the ISOTYPE (International System of Typographical Picture Education), provided playful images which could communicate complex information in simple ways.

After fleeing fascist Austria and then The Hague, Neurath arrived in Oxford. Although no longer a Marxist, he remained a democrat and humanist, championing an active role for the “common people” in shaping their life conditions. Shortly before his death in 1945, he visited the Midlands to advise officials on postwar reconstruction. One of them recalled his “compassionate and charitable” demeanor and his advocacy of [popular participation](#). This was the great age of planning but its success, the Austrian visitor advised, depends upon the “assent and cooperation” of the people it affects.

Pragmatic Utopias

Neurath’s utopia was moneyless. This may seem like a holdover of romantic ideas, but at heart the vision underlying it was modernist. The notion of a moneyless society emerged from its author’s peculiar critique of free-market capitalism. What Neurath objected to in capitalism was not primarily its exploitation and domination but its anarchy. Capitalism, he argued, is irrational, therefore *not properly modern*. For Neurath, modernity is inherently progressive. It is an evolutionary process in which capitalism is but one step. Its telos stretches from market anarchy via statism to a moneyless collectivist society. In this respect, aspects of Neurath’s thinking mirrored the nonconflictual view of socialism, which came to be known as Fabianism in the Anglophone world.

Rationality, according to Neurath, refers above all to the determination of production and distribution by need, not profit. In market capitalism, many widely needed goods aren’t produced on a sufficient scale, due to the masses’ lack of purchasing power.

Producing them, Neurath saw, would yield “more happiness than not producing them” and therefore, in human terms, would be “more efficient.”

To illustrate the point, he gives as an example of the fishing industry. When market fluctuations plunge it into recession, “fish remain uncaught on purpose — ships lie in harbor, unemployed fisheries’ workers starve.” Leaving fish uncaught is as pernicious as catching them and tossing them back into the brine — in both cases “working people bear the burden.” Socialism would replace the underutilization of resources in a market economy with an economy of “total utilization.”

The money economy, then, is irrational. But Neurath recognized that a planning dictatorship would be little better at fairly organizing the allocation of resources. Instead, he proposed democratic deliberation, the weighing up of alternative economic plans based on multicriterial analysis and aimed at addressing the multiplicity of human needs. In his envisaged socialist order, “growing crops will be decided in the light of people’s nutritional needs in much the same way as building schools is decided in the light of educational needs.” The planned economy would be concerned above all “with utility,” with the interest of the social collective and providing all citizens with “housing, food, clothing, health, entertainment, etc.”

The planning process would begin by gauging the interests of the social whole. Would this, for instance, “include the prevention of the premature exhaustion of coal mines or of the karstification of the mountains” and “the health and strength of the next generation?” Once such questions have been broadly settled, the next step is to gather up-to-date production and consumption data and calculate how best to deploy “raw materials, machines, labor power etc.,” always seeking the most efficient means of achieving a variety of ends (“a non-wasteful exploitation of the coal mines, to ensure the health of the next generation, etc.”).

Essential to Neurath’s vision of socialism was the totalizing collection of statistics. For example, “a man needs so much fat, protein,

carbohydrates” such that, each year, he’ll require, according to Neurath’s calculations, fifty liters of milk and a hundred kilos of meat as well as sixteen of butter and five of cheese, and so on. To feed the citizens of Austria-Hungary, “3,444,000 male and 2,024,000 female workers” would be required to produce food; “1,973,000 male workers to construct living quarters; 2,560,000 female workers to produce clothing,” and so on. For basic needs to be covered, each man would work for thirteen years and each woman for eight.

Neurath presented his proposal as a utopia, with pragmatic and radical facets. Pragmatic, in that he defends utopias as “sociotechnical constructions,” realizable futures rather than quixotic fantasies. All designs and projections are in this sense, he insisted, utopian, whether Michelangelo’s for the dome of [St Peter’s](#), Leonardo da Vinci’s for a [helicopter](#), or Otto Neurath’s for a planned economy. Whereas in the past, he wrote, utopians “dreamt of a far-off Atlantis,” their successors today resemble “Columbus and his men [who] muster the determination and energy to weigh anchor, hoist the sails, and steer toward the happy isle.”

The radicalism consisted in the central goal of Neurath’s utopia: “full socialization, the complete rule of the people over the economy.” Money would remain, at most, “a token for a claim on goods and services, which the individual consumer is given to enable him to arrange his consumption,” but beyond this stretched the horizon of full collectivization, at which point even money’s shadow forms would eventually disappear. This proposal was utterly scandalous to bourgeois thought, for it regards its own order — commercial society — as history’s final stage and crowning glory, an already-achieved utopia that can only be improved along quantitative axes: more rights and liberties, more goods and goodies, and above all, more money.

Socialism With Bourgeois Characteristics

Neurath’s socialism was democratic and, in some ways, blisteringly radical. Why, then, can it also seem conventional, even elitist?

To contemporaries it could appear as if Neurath had an alter ego. Max Weber once expressed his surprise that, from being “the candidate of the field marshals” he had suddenly crossed to the socialist camp. Bauer quipped that Neurath’s approach to socialist planning was modeled on the Austro-Hungarian war economy, an observation that, as we’ve seen, was not too far from the truth. His socialism, said the SDAP leader, “is authoritarian. He recommends enforcing from the top down a planned order and a transformation of economic life by a government over and above society.”

The “authoritarian” tag is unfair and Bauer’s critique is hyperbolic. Yet there is something to the criticisms. The peculiarity of his utopianism lies in its origin in bourgeois traditions with little or no connection to the workers’ struggles to which, however, it later came to productively and intensively relate.

As a young man, Neurath’s economic thought [took inspiration](#) from economists of the German Historical School (GHS), such as Friedrich List and Gustav von Schmoller, while his utopianism looked to reformers of the Saint-Simonian stripe. Saint-Simonian utopians, broadly conceived, target economic efficiency and prosperity through scientific and technological advancement and the improved management of social organization; they look forward to the progressive rationalization of control by people over things. One of them, Josef Popper-Lynkeus, was an early proponent of a Universal Basic Income. Another, Neurath’s own father, Wilhelm, advocated nationwide cartelization, as a way to increase growth rates and overcome economic crises.

The same era had seen a divide in European socialism. Marx and Engels, pulling against the Saint-Simoniens and Owenites, sought to reinvent socialism as [revolutionary democracy](#). Drawing inspiration from workers’ struggles, from the 1848 revolutions and above all the Paris Commune of 1871, they held that “the emancipation of the workers must be the act of the working class itself.”

The young Neurath, who believed that state intervention in capitalism is effectively noncapitalist, anticipated that the war economies of the 1910s heralded a progressive — because efficiently organized — new era. Others defined socialism altogether differently, as the advance of state intervention. They saw economic nationalization, even when simply a war measure, as “[state socialism](#).” The state, as theorized by the German social-democrat Ferdinand Lassalle, is not an instrument of class domination but of rational regulation and social justice. The GHS economist, Albert Schäffle, argued likewise. For him, socialism is economic centralization: the transformation of competing capitals via cartelization into a united [collective capital](#).

The young Neurath leaned in the latter direction. When governments organize industries into cartels, he reasoned, “the restrictions on production that, unfortunately, characterize our current economy” can at last be removed — and “successfully, without provoking crises.” The trends to cartelization and statism, pervasive in early twentieth-century Central Europe, were, Neurath thought, driving a shift from low-utilization competitive economies to high-utilization cooperative ones.

In Neurath’s Vienna, economics went furthest in conflating markets with capitalism and state intervention with socialism. The philosopher of science Thomas Uebel calls it “the Austrian exclusive disjunction” — the “either or” that Austrian economists drew between the free-market system and state planning. On this line, Ludwig von Mises and Friedrich Hayek drew their dichotomies of freedom versus serfdom, and Neurath his marketless socialism.

The young Neurath, who believed that state intervention in capitalism is effectively noncapitalist, anticipated that the war economies of the 1910s heralded a progressive — because efficiently organized — new era. Thanks to war, Central Europe was transitioning from an antiquated market system toward rational order. The army top brass, he effused to his mentor Ferdinand Tönnies, “has no sympathy for restrictions on production in the profit interests of capitalists.” Instead, it seeks to ensure “a planned and regular increasing

production [and] does not even shy back from state socialist interventions.”

Later, he grew more equivocal. Given that monopoly corporations “impede planned production and consumption,” he came to think, they are better regarded as “organizational exercises for the future” than as “the beginnings of a planned economy.”

It is striking that Neurath mapped out his utopian planned economy *before* becoming a Marxist, and that his turn to Marx coincided with his shift away from a technocracy-tinged statism and toward guild socialism. What exactly Neurath made of Marx is something of a puzzle.

Epicurean Marxism

For a decade or more in interwar Vienna, Neurath identified with Marxism in a characteristically original fashion. In essence, the Austrian yoked Marx to the subject of his PhD: the Greek philosopher Epicurus.

What did Neurath take from Epicurus — a philosopher who argued that our behavior is driven by the goal of achieving pleasure — and seek to mix with Marxism? Certainly his empiricism, and his hedonism — both of which Neurath reworked to foreground the *social* structures that determine the happiness of social groups. Arguably, too, the Greek’s aversion to politics. Neurath regarded political economy as strictly separated from politics. His map of utopia focused on the economic dimension, with the political regime under which planners operate not viewed as decisive. Although democratic planning was preferable, “from the point of view of social engineering” it could be overseen by a monarch or a parliament as well as by a councils’ republic.

As to his inspirations from Marx, these are less apparent. Unlike Marx, he treats capitalism as an institutional complex, not as a mode of production based on the capital relation. With no concept of capital, he has little grasp of the role that exploitation played in

generating profits or the tendencies that capitalist nations have toward geopolitical competition.

He could not see modern war economies as the forms of [state capitalism](#) that they invariably have been. Accordingly, he proved incapable of seeing the role that planning plays in supporting capitalism — whether in 1930s Germany, [1940s Russia](#), or 1950s Japan. Similarly, Neurath refrained from theorizing capitalism's reliance on apparatuses of domination, which is why his critiques of the capitalist state, empire, nationalism, and racism appear rudimentary.

He disagreed with Marx's focus on exploitation, on the grounds that workers suffer more under the suboptimal growth of the market economy than from the surplus extracted from their labor.

Nevertheless, he did hold Marx in high esteem as a theorist of economic crisis, and perhaps of class struggle too (“the behavior of the contented farmers, the anxious petit bourgeoisie [and] the ruling classes”). Neurath recognized the importance of collective action to transformative social change, yet he expressed fears that “the masses” can be “driven by dark longings” and he rejected class struggle as a “slogan” because it pits workers against other classes.

For these reasons he didn't support strikes (at least there's no evidence that he did), and he disagreed with Marx's focus on exploitation, on the grounds that workers suffer more under the suboptimal growth of the market economy than from the surplus extracted from their labor. His critique of capitalism centers, instead, on its irrational organization and not on an understanding of its economic relations as geared to accumulation and mystification. Hence his refusal of the word “capital” — which remained lifelong on his blocklist of “[dangerous terms](#)” — and his disinterest in Marx's critique of the fetishism of commodities and [technology](#).

Marx adapted the concept of fetishism critically, in a “[detournement](#)” of its earlier bourgeois-racist usage, to accuse bourgeois society of its own fetishisms. Neurath, in contrast, uses it descriptively for the

“colored people” trapped in irrational religiosity in the Global South before they “adopted the machine.”

In short, Marxists of productivist or techno-utopian persuasions will find much to applaud in Neurath’s work. They would interpret some of his output, such as [Modern Man in the Making](#) and [Atlas Gesellschaft und Wirtschaft](#), as tributes to the “great acceleration,” and would share Neurath’s optimistic faith in the social consequences of technological advance as well as his veneration of science, social engineers, and social technicians.

(The latter, *Gesellschaftstechniker*, was Neurath’s professional self-designation.)

The pickings in Neurath’s theorization of modern capitalism may be slim, but his revival of utopian thinking was rich, and remains as relevant as ever. Indeed, increasingly so, in view of the current transformation of our sense of future. [Alasdair MacIntyre](#), writing in 1971 on the dearth of popular hopes in utopian futures, observed that “the routines of working-class life, the competitive ladders of the middle classes, absorb us into immediacy.” Our horizons are dominated “by a present to which the idea of a radically different future is alien.”

Fifty years on, the struggles capable of moving society toward a socialist future are weaker while the perceived urgency of transition is greater. The forces compressing us into immediacy are more gigantic, even as the recognition is spreading that “business as usual” — the reproduction and expansion of present economic activity — guarantees that the human future will be [fundamentally and intensely unlike](#) the present.

In a present marked by the chasm between a growing recognition of the systemic causation of escalating horrors and the relative weakness of the struggles that could steer toward a socialist alternative, much leftist thought will inevitably carry notes of melancholy, tragedy, or utopia. In the latter field, Neurath will continue to provide inspiration.