Weber dichotomy of the formal and material rationality in the light of the capitalism prospects development in Russia

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Abstract. Explication of the Weberian research theory and practice social science dealing with current social problems is one of the most important tasks of neo-Weberian theory. The article considers methodological and theoretic opportunities of the use of formal and material rationality dichotomy for the analysis of different types of economic systems in the light of development of prerequisite analysis and conditions for rational capitalism development in Russia. [Kataev D.V. Weber dichotomy of the formal and material rationality in the light of the capitalism prospects development in Russia. Life Sci J 2014;11(7s):295-297] (ISSN:1097-8135). http://www.lifesciencesite.com. 61

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Introduction

Dichotomy of formal and material rationality serves as the most important selective principle in Weberian methodology both for construction of ideal types and sociological analysis of problems which are brought forth by social reality. Thus, for example, one of the most intensively investigated problems in Russian and foreign literature is the problem of bureaucracy. Contradicting patronimial and rational bureaucracies M. Weber points out that the first ones are specifically irrational, and modern bureaucracies on the contrary have "ability for extensive formal rationality" [1, S. 88]. To the same extend it refers to the investigation of rational capitalism, but this aspect of a scientist's creation is insufficiently investigated in Russian literature.

From the point of view of ontology, capitalism according to Weber is equal to formal rationality (calculative ability, estimation, strict regimentation, predictability) [2, p. 44, 57, 65]; at the same time socialism is based on material rationality which is determined by axiological postulates (ethic, political, practical, estates, hedonistic, egalitarian and other requirements). In this context axiological rationality or material aim-rationality is a characteristic for socialism and communism [2, S.45].

From the point of view of action theory the appearing of capitalism is to the great extend determined by material interests, the appearing of socialism is, on the contrary, considered by Weber in connection with ideology (ideas, subjective values).

Capitalism is focused on the production as on the means for generation of profit whilst socialism considers that the satisfaction of needs is the final stage of production. In this regard such orientation leads to the contraposition of private and collective (social) property from the one hand and market and centralised economy from the other hand. Both in early [3] and late works[2] Weber is sceptical towards the prospects of socialistic economy management since market economy needs constant rationalisation of means of production and cannot exist without their constant modernisation in contradiction from planned economy for which the stability of economy functioning is a key aspect. In this regard socialism from the ontological point of view is identical to the traditional types of economy aimed at satisfaction of needs and based on the material rationality.

Thus, Weber thinks that capitalism is based on market economy and business competition, and socialism is based on traditional economy and monopoly. Both systems are included in the process of exchange and consumption of material benefits, but capitalism is an open system and socialism is a closed one [2, p. 201].

It should also be noted that there were no prerequisites in Russia for appearing of rational or "modern" (as it is called by Weber) capitalism. In the scientist's works there are a lot of references to the origins, prerequisites and conditions of appearing of rational capitalistic business which can be grouped in the following manner: 1) economic conditions: creation of stable mass market for people, presence of open market of goods, services, stock market, separation of household production from enterprise [2, p. 126, 220-221, 266, 268], formal-rational organisation of monetary system, free enterprise, free trade; 2) political-institutional conditions: development and strengthening of national states in the era of mercantilism with the formation of rational norms system within the law institutions, state administration and army [2,p. 128-129, 139, 211, 571-572]; 3) social conditions: social exaltation of commercial bourgeoisie, first predominantly in ancient towns and then during the period of emancipation in Middle Ages, politically and
judicially independent towns [4, p. 271]; 4) technological conditions: concentration of technical knowledge on scientific and correspondingly rational basis, which is economically oriented, i.e. on the reduction of transport and production costs [4, p.267-268], development of rational ways for business accounting, which provide maximum accuracy for capital calculation; 5) social-psychological conditions: development of a human "psychophysical apparatus" that contribute to the intensive and calculable labour as well as formation of a special workplace ethics which has appeared due to the special type of religious ethics [2, p. 292-293]; 6) historical-situational conditions: rapid population growth in Western countries in 18 and 19 centuries; colonization of America, metals of value flow and so on.

These aspects are not the full list of interpretations of prerequisites and conditions for capitalism appearing. Some interpreters give much more number of conditions which are far beyond the Weberian texts [5, p. 66-67], others, on the contrary, reduce the capitalism theory to the causal explanation of the concept of protestant ethic [6]. As A. Giddens [7] points out in his work, the key conditions are rational organisation of an enterprise with rational accounting, separation of an enterprise from household production, rational-capitalistic organisation of labour as an institutional and social-psychological prerequisite [4, p. 240]. This in its turn stipulates the appearing of rational management and jurisdiction since there appears a necessity of clear regimentation of actions in accordance with labour agreement and labour discipline. Capitalism in the social-economical paradigm of Max Weber has a lot of historical manifestations, and in this case it is only about modern or rational capitalism. Political, trade-speculative capitalism has existed and now exists without those prerequisites.

In his articles about Russia [8] Max Weber point out that the main deterrent of the capitalistic relationships development was the autocracy, as well as historical specificity expressed in the fact that Russia had not suffered from the reformation influence, hadn't have the experience of long-term development of democratic institutions, private property institution, a centuries traditions of private enterprise and free hired labour. That means that none of the conditions and none of the prerequisites of rational capitalism appearing were not created to the full extend by the beginning of the XX century.

That's why the idea of reformation but on the orthodox basis, the idea of selfless labour which must be the basis for the "economic recovery of Russia" and "Russian resurrection" [9] laid the foundation for the creative rethinking of Weber's works by the Russian religious sophist and economist S.N. Bulgakov. As it is reasonably noted by Yu. N. Davydov, Bulgakov operationalises the ideas of "protestant ethic" towards the modern Russia: 1. "We need to free ourselves from many ideological ghosts including the "economic human" by means of understanding how difficult is from the psychological viewpoint the appearing of "economic human", which is taken for something simple, elementary and integral in political economy". 2. "We have to understand that economic activity can be both the public service and execution of moral obligation, and only with such an attitude to it and with the upbringing of the society according to such understanding of it, the most favourable spiritual climate is created both for the development of production and for the reforms in the sphere of distribution as well as for economic and social progress". 3. "...Pursuing the aim of economic recovery of Russia one shouldn't forget about its spiritual prerequisites, particularly about production and corresponding economic psychology which can only be the issue of social self-education" [10, p. 136, 137].

As Yu. N. Davydov has noted, on the modern stage of theoretical thinking of capitalism in the light of destinies of Russia the most important problems connected with this issue are [10, p. 503]: 1) legitimation of property, which was privatized on the stage of original accumulation and plundering of capital. On the one hand this is the tendency to legalization of collective property by means of nomenclative bureaucracy and on the other hand it is the attempts of legalization of trade-speculative and foolhardy-usurious capital; 2) formation of business capitalism but not the brigandish or speculative one. Both powers mentioned within the framework of the first problem are the objective brake for the development of rational capitalism.

Dichotomy of formal and material rationality is expressed by the investigations of patrimonial type of bureaucracy by Max Weber which is referred to the soviet type bureaucracy by a range of sociologists such as Pipes [11], Breuer [12; 13] and Maslovskiy [14; 15]. In this case it is not about contrastive-structural, but about contrastive-historical prospect for pointing out specific rational features of legal bureaucracy. In this time this type of Weberian historical claque for formal-rational analysis of types of modern type bureaucracy is transformed into the goal of investigation and actualisation. The interpretation of soviet bureaucracy as a patrimonial one from the point of view of "authentic interpretation" of Weber is quite questionable (Davydov prefers speaking about the new type bureaucracy when applied to the soviet bureaucracy but not about the patrimonial one) since Weber considered that Russia stepped on the inescapable path.
of rationalisation and industrialisation the patrimonial type of bureaucracy is applied to the reign of Catherine II, Peter III and Pavel I. [2, p. 681], and bureaucracy in socialism he considers as the rational bureaucracy oriented to the material rationality within the legal reign [2, p. 834]. Despite such a questionable interpretation, from the viewpoint of actualisation and expression of Weberian commonly historical [16] methodology, modern problems of bureaucracy are to be highly estimated. Such a bureaucracy has been formed only in the conditions of materially oriented socialistic form of business activity which was called a state capitalism in Weber's political works.

Thus, "accursed questions" raised by Weber about the destinies of capitalism and socialism, rational and speculative capitalism in the light of formal and material rationality are still urgent [17].

Conclusion

1. Expression of Weberian dichotomy of material and formal rationality reveals new theoretic-methodological opportunities for the analysis of not only the structures of management but also the economic activity systems.
2. Expression of rationality types allowed revealing main problems connected with the development of market economy basing on the Weberian capitalism typology.
3. Commonly-historical actualisation of the Weberian heritage shifts the investigative vector towards the problems of labour aesthetic content as the main prerequisite of development of rational business capitalism.

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