Psychoanalysis and the Spirit of Capitalism

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Although *The Interpretation of Dreams* was published over a century ago, the integration of psychoanalysis into the broad matrix of modern social and cultural history has barely begun. During his lifetime, Freud’s charisma was so powerful that the historical landscape surrounding him remained in shadows. Only decades after his death did light begin to dawn. The earliest significant attempt to historicize psychoanalysis appeared in 1980. Situating Freud in the context of the decline of classical liberalism and the rise of mass politics and mass culture, Carl Schorske’s *Fin-de-Siècle Vienna* was an inspired beginning. My own work, *Secrets of the Soul*, takes the same point of departure.¹

Certainly Schorske was right to situate psychoanalysis in a broad historical frame. The brilliant debut of psychoanalysis in 1899, its spectacular entry into American-style mass culture, the widespread fascination it inspired among youth, flappers, artists and intellectuals, as well as among advertising writers and industrial psychologists, its critical contribution to the post-World War II welfare states, the revival of its utopian dimensions during the 1960s, and the central place it occupied in the history of second-wave feminism and gay liberation, all attest to the depth and pervasiveness of the connections between psychoanalysis and twentieth century culture. In psychoanalysis, it is possible to say, one encounters the spirit of twentieth century culture, at least until the 1970s.

If so, then the problem of situating psychoanalysis historically may have an affinity with the problem Max Weber faced when he made the phrase “the spirit of capitalism” famous in 1905. Whereas Adam Smith and the British school of political economy tended to take the psychology and culture of capitalism for granted, Weber and his contemporaries, faced with the late development of the German economy, viewed psychology and culture as problems requiring explanation.² Distinguishing the “form” of capitalism, especially exchange relations, from its spirit (*Geist*), and describing the modern economic order as a “tremendous cosmos” of meanings, Weber’s *The Protestant Ethic and the Spirit of Capitalism* isolated one crucial moment in the evolution of the spirit of capitalism, namely the origins of such bourgeois virtues as thrift, discipline and self-denial in the Protestant reformation of the sixteenth and seventeenth centuries.³ Specifically, Weber argued that the Calvinist idea of a rationalized, methodical life-plan devoted to this-worldly affairs – a “calling” (*Beruf*) – was crucial in precipitating the spirit of capitalism. Originating in aspirations for salvation, Weber reasoned, rational, goal-directed, methodical self-organization remained integral to the emerging commercial and industrial order even after it lost its support in religious life.⁴

When he wrote *The Protestant Ethic*, Weber believed that capitalism no longer needed a transcendental justification, i.e., a *Geist* or spirit. This-worldly asceticism, he remarked, having successfully remodeled the world, had flown from the iron cage. “Victorious capitalism” rested on “mechanical foundations.” Since Weber wrote, however, others have argued that capitalism always requires a “spirit,” that it can never justify itself. In particular, Luc Boltanski and Ève Chiapello’s recent *Le nouvel esprit du capitalisme* developed this thesis for the late twentieth century.⁵ In this paper, I will build on this suggestion to argue that psychoanalysis played a crucial role in bringing about the changes in the spirit of capitalism that we associate with the second industrial revolution, that is with the rise of mass
production and mass consumption, a process that was just beginning when Weber wrote his famous book.

To make this argument, I will draw on another of Weber’s ideas, one that barely appears in *The Protestant Ethic*, the idea of charisma. According to Weber, even social transformations as vast as the rise of capitalism cannot be explained by objective factors alone. They invariably involve reorientations to meaning sparked by charismatic individuals, individuals who motivate their followers by giving personal expression to new or innovative goals or ideas. Such reorientations to meaning neither reflect nor cause objective social changes; having rather an “elective affinity” with such changes, they serve as catalysts for them. Whether encountered still warm in individuals and sects, or routinized in institutions, charisma guarantees that the aspirations and legitimations that accompany social change will be rooted at an inward and personal level, rather than remaining at the level of interests or coercion. For Weber, then, early Calvinist or Puritan charisma helped spark the crucial inward transformations without which capitalism would not have taken off, or at least would have taken a very different form.

Charisma was especially important to the rise of capitalism because of its effects on the family. Normally, Weber believed, charisma was directed against everyday, mundane economic life, and therefore against the family. Thus Jesus and Buddha – early charismatic figures – urged their followers to leave their families to create an authentic spiritual community. By contrast, the Puritan “saints” of the seventeenth century redefined the family as a locus of charismatic meanings, sanctifying its everyday labor and giving it a religio-ethical character. During the early centuries of capitalism, when the family was the engine of economic development, this redefinition fostered such family-based virtues as thrift, industry and discipline. Several centuries later, Methodist revivals and awakenings served related ends. Embraced by the English and American industrial working classes, Methodism served not only as an “opiate,” but also as a vehicle of personal transformation encouraging the sobriety and familial responsibility that enabled the first industrial revolution. In both cases, then, a charismatic reorientation toward the family was crucial in precipitating a socio-economic transformation.

In this article I want to suggest that the second industrial revolution – the rise of the vertically integrated, bureaucratically organized corporation with its orientation toward mass consumption – also involved a charismatic reorientation toward work and the family, one comparable to, if not as intense as, the Reformation. Just as men and women did not embark on the transition from agrarian society to industrial capitalism for merely instrumental or economic reasons, so in the twentieth century they did not become consumers in order to supply markets. Rather, they separated from traditional familial and communal morality, gave up their orientation to self-denial and thrift, and entered into the sexualized “dreamworlds” of mass consumption on behalf of a new orientation to what I will call “personal life.” Psychoanalysis, I will argue, was the “Calvinism” of this shift. But whereas Calvinism sanctified mundane labor in the family, Freud urged his followers to leave behind their “families” – the archaic images of early childhood – not to preach, but to develop more genuine, that is, more personal relations.

I will make this argument in four parts, each of which focuses on a phase in the history of analysis. In the first phase, which runs from the 1890s until World War One, and which encompasses the early years of mass production, psychoanalysis was effectively a sect expressing in an intensely charismatic form then-new aspirations for “personal life.” In a second phase, which encompasses the interwar period (1919–1939), psychoanalysis became a mass cultural phenomenon, integral to and diffused by the new mass media, such as film.
and radio. It thereby helped generate the utopian ideology of individuality that accompanied mass consumption. In a third phase, which runs from World War Two to the mid-1960s, psychoanalysis was integrated into the Keynesian welfare states becoming, in Weber’s phrase, a “this-worldly program of ethical rationalization,” and supplying what I will call the “maturity ethic” for post-World War Two domesticity. Finally, in a fourth phase, running roughly from 1965–1974, the New Left and women’s movement attacked the “maturity ethic” and the welfare state, while drawing on psychoanalysis in combination with many new currents such as Foucault’s theories and deconstruction, thus helping to usher in the post-Fordist, network based spirit of capitalism that characterizes the present. In half a century, then, psychoanalysis ran through the familiar Weberian cycle of charisma, routinization, and diffusion although even in its period of decline it continued to spark new charismatic upheavals.

1.

Let me begin by quoting Boltanski and Chiapello’s description of the nineteenth century bourgeoisie: “owning land, factories and women, rooted in possessions, obsessed with preserving their goods, endlessly concerned about reproducing, exploiting and increasing them... thereby condemned to meticulous forethought... and a quasi-obsessive pursuit of production for production’s sake.” The essence of the description is the attempt to extend control. Since most property was either rooted in land or small-scale, and since the family was the center of small-scale property, the family was also at the center of this system of control. It organized not just daily life but lineage, inheritance and marriage. Its patriarchal or paternal relations were reproduced in shops and trades, as well as being at the center of communal life. The depressing devotion to duty that resulted was what Weber – who grew up among burghers – referred to when he wrote that the Puritans wore their economic responsibilities “like a light cloak, which can be thrown aside at any moment” while for his generation the cloak “had become an iron cage.”

When he wrote *The Protestant Ethic* Weber believed that religious asceticism, having successfully remodeled the world, had flown from the iron cage. Writing the book during his own psychical crisis, he never abandoned hope that a new asceticism, a new turn inward, might emerge and challenge or modify rationalization. In fact, his sense of the exhaustion of the Protestant ethic, and his desire to escape from the iron cage, was widely shared. The coming of the market, the railroad, the steamship, new forms of communication such as mass newspapers and popular lectures, and especially wage labor, allowed “the young to emancipate themselves from local communities, from being enslaved to the land and rooted in the family, [and thus] to escape the village, the ghetto, and traditional forms of personal dependence.” It was within the consciousness that resulted, which we often call “modernism” or “modernity,” that psychoanalysis – the new asceticism for which Weber longed – acceded to its special place. The charisma of analysis arose, I believe, because it gave voice to the aspiration to be free from the spirit of nineteenth century capitalism. In *Secrets of the Soul*, I called this aspiration “personal life.”

By personal life, I mean the experience of having an identity distinct from one’s place in the family, in society, and in the social division of labor. In one sense, the possibility of having a “personal life” is a universal aspect of human life, but that is not the sense I have in mind. Rather, I mean an historically specific experience of singularity and interiority sociologically grounded in industrialization and urbanization.

Historically the family was the locus of production and reproduction. As a result, the individual’s sense of identity was rooted in his or her place in the family. Beginning in
the nineteenth century, however, the separation (both physical and emotional) of paid work from the household, which is to say the rise of industrial capitalism, gave rise to new forms of privacy, domesticity, and intimacy. At first, these were experienced as the familial counterparts to the impersonal world of the market. Later, they became associated with the possibility and goal of a personal life distinct from and even outside of the family. In the early twentieth century – when psychoanalysis was born – this goal found social expression in the “new” (or independent) woman, the emergence of public homosexual identities, and the turning of young people away from a preoccupation with business and toward sexual experimentation, bohemia, and artistic modernism. Personal identity became a problem and a project for individuals, as opposed to something given to them by their place in the family or the community. Psychoanalysis was a theory and practice of this new aspiration for a personal life. Its original historical telos was defamilialization, the freeing of individuals from unconscious images of authority originally rooted in the family.

That psychoanalysis was a theory and practice of personal life can be seen in the signature concepts of its formative years – the unconscious and sexuality. Neither concept was new, of course, but Freud gave them both radically innovative meanings. In the case of the unconscious, he articulated the new experience – also evoked by such figures as Baudelaire, for example in the figure of the flaneur – of no longer being comprehensively defined by one’s social relations, such as parentage, religion, nationality or even gender. Thus, the subject of The Interpretation of Dreams, published in 1899, is a sleeping individual, someone who is completely separated from the real, social world. With the external world put at a distance, all stimuli arise from within. No thought that comes to the individual – whether it originally arose in childhood or comes from the “day residues,” everyday impressions – is directly registered; rather, it is first dissolved and internally reconstituted in such a way as to give it a unique and contingent meaning. The result was a new conception of the relations between the individual and the surrounding community. Traditional healers were effective because they mobilized symbols that were simultaneously internal and communal. In psychoanalysis, by contrast, there is no direct relation – no isomorphism – between the community and the intra-psychic world. Whereas the communal world is composed of collective symbols, such as God or la République, intra-psychic signifiers are private: a nervous cough, a tic, the washing of hands. In learning to interpret their private worlds, modern men and women inevitably distanced themselves from collectivities. Psychoanalysis, Philip Rieff wrote, taught individuals to “withdraw from the painful tensions” involved in their relation to society while encouraging them to relate “more affirmatively to their depths.”

The same reorientation toward a uniquely personal, intra-psychical world characterized the psychoanalytic approach toward sexuality. Whereas in the nineteenth century world described by Boltanski and Chiapello, sexuality was largely organized through familial relations, psychoanalysis emerged in a world in which many circles were repudiating the family-centered morality of the bourgeoisie. These included the Männerbunden such as those centered on Klimt or Marinetti, artistic bohematics in which free love was common; Marxists such as Trotsky, who covertly supported Russian psychoanalysis until his exile; homosexual currents, such as the London world exemplified by Edward Carpenter, which pioneered the idea of sexual life outside of the family; and new women, such as Elizabeth Cady Stanton, who voiced women’s wish to move beyond “the incidental relations of life, such as mother, wife, sister, daughter” to focus instead on what she called the “individuality of each human soul.”

In that context, Freud, who began with an inherited schema that stressed gender difference aimed at reproduction, soon dropped it. Instead, he argued that the distinction necessary to
understand psychical life was not between male and female but between libido and repression. Distinguishing gender or object-choice from sex, he claimed that psychoanalysis was premised on the recognition that every person had a “special individuality in the exercise of his capacity to love –that is, in the conditions which he sets up for loving, in the impulses he gratifies by it, and in the aims he sets out to achieve in it” and that this “special individuality” was the basis of motivation. In spite of the masculine pronoun, psychoanalysis had implications for both sexes. Whereas earlier debates over women’s roles had pivoted on whether men and women were fundamentally the same or fundamentally different, psychoanalysis gave voice to a new sensibility whose governing norm was neither sameness nor difference, but rather individuality.

In its early years, then, psychoanalysis seemed to codify a set of post-Victorian intuitions that until then had been the preserve of artists, sexual and ethnic minorities, and philosophers. The result was a far-flung charisma stretching before World War One from Los Angeles to Russia – which published the largest number of Freud translations of any country – and which by the twenties extended to India, Mexico, China and Japan. Psychoanalysis appealed to both sexes; arguably the largest number of readers were women. And above all, its charisma was deeply felt and experienced. The emotional tone with which Freud was read and discussed in the pre-World War One period is nicely captured in Lincoln Steffens’s autobiography. In 1911 Walter Lippmann, Steffens wrote, “first introduced us to the idea that the minds of men were distorted by unconscious suppressions... There were no warmer, quieter, more intensely thoughtful conversations at Mabel Dodge’s [Greenwich Village salon] than those on Freud and his implications.” Above all, in this first phase of its history, the view that psychoanalysis offered a way out of the iron cage was linked to the way it put sexuality at the center of psychology. As Max Weber wrote, evoking the dead “skeletal grasp” of corporate-led rationalization, sexuality was the “gate into the most irrational and thereby real kernel of life...eternally inaccessible to any rational endeavour.”

In sum, then, even as capitalism was becoming more comprehensively organized, more systematic, and more integrated, it was simultaneously loosening the economic vice, making possible greater ease in the relations between the sexes, and enhancing the sense of individual subjectivity, if at first primarily for certain strata. As a charismatic sect, psychoanalysis expressed the new sense of subjectivity in its most immediate, because most personal, form. As Freud admitted, its key ideas, such as instincts and the unconscious, were not original to it. What distinguished psychoanalysis, he wrote, was not the content of its ideas but its insistence that they “touch every individual personally and force him [or her] to take up some attitude” towards them. Precisely because psychoanalysis reoriented individuals away from the compulsions and demands of the community and toward those that arose from the self, it was to play a central role in the emergence of the new spirit of capitalism.

2.

Let me turn now to the second epoch in the history of analysis, roughly 1919–1945. In this period, sometimes called Fordism for its most famous exemplar, one encounters a very different spirit of capitalism. The key figure is no longer the property-owning bourgeois, but rather the manager. Heading up a large, hierarchical, bureaucratized firm, corporation or cartel, the manager was often an engineer, or at least worked closely with engineers and was generally more interested in scientific planning and efficiency aimed at cheap, mass consumption goods than at immediate short-term profits. The rise of the large corporation entailed changes comparable to those that characterized the rise of capitalism. Whereas
earlier, productivity depended on increasing the labor time spent in production, now it resulted from technology, new forms of workplace organization, and the creative imagination. Whereas the common school was indispensable to the first industrial revolution, the research university was the key to the second. Even on the assembly line, after the initial wave of scientific management, workers gained greater autonomy. Above all, the age of the large corporation was the age of mass consumption. Whereas until the twentieth century, consumer goods were produced only in quantities sufficient to reproduce the labor force, the goal now became to expand, not restrict, consumption.

These changes were accompanied by a psychological revolution that had psychoanalysis at its heart. Sparked by the World War One shell shock incident, and developing in the shadow of the Bolshevik Revolution and the rise of Nazism, psychoanalysis shed much of its early utopianism. It became a theory of aggression, the death instinct and resistance. Yet, like Calvinism in its relation to early capitalism, it had an elective affinity to the age of the large corporation. The basis for this affinity lay in the fact that psychoanalysis constituted an immanent critique of Calvinism in a period during which the Protestant ethic – the older spirit of capitalism – had become not only obsolete but also dysfunctional. Recall that in Weber’s account, Calvinism had made three contributions to the spirit of capitalism. First, it contributed to the latter’s ascetic spirit. What is “natural,” Weber reasoned, is to work in order to satisfy needs. Capitalism reversed this relationship: it called for the postponement of need satisfaction in order to increase capital. The Calvinist idea of the calling helped justify this reversal. The religious roots of the calling also explains Weber’s second attribute of the spirit of capitalism, namely its compulsive character. If men and women were to persist at unsatisfying and onerous occupations they had to believe that they were called to do so by some transcendent and unfathomable authority, namely God. Finally, Weber argued that Calvinism was crucial to releasing what Weber called the acquisitive instinct. “What the great religious epoch of the seventeenth century bequeathed to its utilitarian successor,” Weber wrote, “was... an amazingly good... even a pharisaically good, conscience in the acquisition of money, so long as it took place legally.”

As an immanent critique of Calvinism, psychoanalysis modified or transformed each of these characteristics in a way that helped to crystallize the new spirit of capitalism. Thus, it qualified and complicated asceticism by making the ubiquity of the instinctual life – orality, anality, exhibitionism, narcissism, phallic pride, sexual pleasure in looking, sadism, masochism – manifest. Second, in contrast to the spirit that Weber described as compulsive and inexorable, it called attention to a new question: how much repression is necessary and how much is not? Third, and perhaps most important, psychoanalysis helped liberate not merely the acquisitive, but the aggressive instinct in general, often struggling to redeem it from the superego, which is to say from moral hypocrisy. Thus, whereas Calvinism had inspired a vicious circle, whereby each moral exertion produced a deeper sense of inadequacy, thereby generating aggression and further moral exertion, psychoanalysis was, at root, an attempt to break out of that circle.

These three transformations help explain its mass appeal during the epoch in which the large corporation became the dominant economic form. During the 1920s, psychoanalysis was mediatized – that is, its intense charisma was projected into and helped transform the powerful new media of the second industrial revolution such as radio, photojournalism, and film. Reflecting an awareness of its role, Antonio Gramsci wrote that psychoanalysis had provided “a new myth of the [noble] ‘savage’ on a sexual basis.” The novelist Nathaniel West called Freud the “modern Bulfinch,” meaning that he had written the fables of the age. W.H. Hearst published the first public account of an analysis, a key moment in the evolution
of a culture of personal revelation. In 1925 Sam Goldwyn sailed for Europe announcing that he would offer Freud $100,000 to assist in devising “a really great love story,” or, failing that, would get Freud to “come to America and help in a ‘drive’ on the hearts of this nation.” Who better than Freud? queried Goldwyn, with his insight into “emotional motivations and suppressed desires.”

The mass diffusion of psychoanalysis simultaneously democratized and banalized the newly psychological way of thinking. Increasingly the term by which psychological thinking in general was designated, Freudianism not only reflected but also helped construct a new object: personal experience. It introduced into English, or profoundly redefined, such words as “oral,” “anal,” “phallic,” “genital,” “unconscious,” “psyche,” “drives,” “conflict,” “neurosis,” “hysterical,” “father complex,” “ego-ideal,” “narcissist,” “inhibition,” “ego,” “id” and “superego.” Similar lists can be developed for other modern languages. In all cases, it encouraged people to regard much of what they experienced as arising within themselves, thereby contributing to the process of inward development that is the only secure basis for progress.

Psychoanalysis, then, influenced the new spirit of twentieth century capitalism deeply, because of its intimate, even subterranean, connections to the Protestant ethic, and broadly, because it rested on a new mass basis, namely personal life. Thus situated, psychoanalysis made at least three contributions to the ethics of personal life associated with the new spirit of capitalism. To begin with, it helped provide a new conception of autonomy. If one considers earlier conceptions of autonomy, one can see that they were not personal in the twentieth century sense. For Kant, for example, autonomy meant the freedom to exercise one’s reason in order to discover universally valid moral rules. For Freud, in contrast, autonomy meant the freedom to discover what one wants to do with one’s life. This shift resonated deeply with the second industrial revolution. In the age of the large corporation, everyone feared conformity, a fear marked in such iconic works as Chaplin’s *Modern Times* (1936), which opened with a herd of sheep entering a subway, or *Brave New World* (1932), a dystopic society manipulated by a leader variously called “Our Ford” or “our Freud.” The pervasiveness of this discourse demonstrated the esteem in which the new ideal of personal rather than moral autonomy was held. Huxley’s quip notwithstanding, psychoanalysis spoke for this ideal.

In addition, psychoanalysis helped reorient individuals to a new, more personalized ideal of family life, one that incorporated a heightened level of intimacy, including sexual intimacy, between men and women. Some have called this the new heterosexuality. This change too was associated with the second industrial revolution. As the family fully lost its earlier identity as a productive unit based on the ownership of property, psychoanalysis infused it with new meaning as the arena of personal life. As individuals lost their sense of being part of an integrated system of property and hierarchy, psychoanalysis offered them a new sense, according to which individuality was rooted in one’s childhood and expressed in marriage and parenthood. In this period, accordingly, psychoanalysis underwent a shift. Originally an agent of defamilialization, it began to acquire a refamilializing role.

Finally, psychoanalysis helped pave the way for a new sense of identity, ultimately rooted in the experience of personal life, one that helped render obsolete the older emphasis on social class. This is not to say that psychoanalysis did not influence the psychology of productive labor, directly in such areas as “human relations,” and indirectly through its expansive notions of mental power. Nevertheless, its most intense impact was felt in life outside the economy. Premised on the view of the individual as infinitely desiring, rather than capable of satisfaction, psychoanalysis was indispensable to an epoch that sought to expand consumption. It was no accident that psychoanalysis helped revolutionize advertising,
which shifted from addressing perceived needs to addressing unconscious wishes. As a result, psychoanalysis helped change the way in which capitalism was understood, from a mode of production to a mode of distribution and consumption.

To sum up my account of the interwar years, Weber singled out Calvinism from all the other sects and churches of the Reformation because it alone encouraged what Weber called “deep spiritual isolation.” Referring to predestination, Weber wrote: “In what was for the man of the age of the Reformation the most important thing in life, his eternal salvation, he was forced to follow his path alone to meet a destiny which had been decreed for him from eternity. No one could help him.”25 Psychoanalysis at its core, reproduced this spiritual isolation. No less than Calvinism, only one thing mattered for interwar psychoanalysis: not worldly success, not sensory satisfaction, not “self-esteem,” but the state of one’s soul. This gave it a privileged place among the cultural currents of the day.

As an immanent critique of Calvinism, then, psychoanalysis subverted traditional, religiously based assumptions concerning family life, sexuality, and the work ethic. Just as seventeenth-century capitalism rested on the sacralization of family life, and just as nineteenth-century industrialization rested on a new work-discipline, so the rise of mass consumption society rested on analogous vehicles for the transformation of subjectivity. Psychoanalysis was one of the most effective of these vehicles, triggering internal, charismatically-originated motivations ultimately transforming the family from a tradition-bound and production-oriented unit into a carrier of expressive individuality. To see how, let us turn to the third epoch in the history of psychoanalysis, the years between World War Two and the 1960s.

3.

So far I have been writing about the impact of psychoanalysis on the spirit of capitalism; now I want to switch gears, and describe the impact of capitalism on psychoanalysis. From its inception, psychoanalysis was divided between two impulses: one pushed toward absorption into mainstream institutions integral to twentieth century capitalism, such as the research university and the “social control” professions; the other pulled toward sectarianism, that is the wish to guard a Freud-centered, proto-Calvinist, ultimately, perhaps, Mosaic core. Both impulses had dangers. Absorption would destroy the unique character of psychoanalysis; sectarianism would preserve its identity but at the cost of keeping it marginal. Until the 1930s, psychoanalysis maintained a precarious balance. Beginning in the ’30s, however, when psychoanalysis was destroyed in continental Europe and its refugees fled to England and the United States, the balance tipped. Psychoanalysis became, in Weber’s term, a “this-worldly program of ethical rationalization,” one with strong links to such normalizing agencies as the social service professions, medicine, and the welfare state.

This third phase had its roots in the New Deal and the Popular Front, a period during which the relation to the mother came to dominate analytic theory. “Ego,” “sexuality,” and the “individual” gave way to “object,” “mother,” and “group.” Analysts developed a new “relational” view of the ego as ethically responsible. Ethical responsibility was less a matter of observing universal moral norms than of meeting concrete obligations to particular others. Not incidentally, Bloomsbury with its ethic of transfamilial sociality played an important role in the evolution of object-relational thinking. During World War Two, especially in England, the older meta-psychology – id, ego, superego – collapsed. Under the impress of a terrible war, it was replaced by clinical and theoretical concerns with attachment, loss and mourning. After the war, analysis became integral to the so-called “golden age of capitalism,” that
is the flourishing of the Keynesian welfare states – that is large-scale, organized, state-led capitalism – between 1945 and 1975. This essentially conservative version of psychoanalysis was returned to continental Europe, more or less as part of the Marshall Plan.

Just as the early Calvinist sects trained the personnel of the sixteenth century counting-houses, colonial expeditions, schools and town governments, and charitable foundations, so psychoanalysis was institutionalized in the epoch of the welfare state. For example, during the Second World War, the United States Surgeon General’s Office ordered that every doctor in the military be taught the basic principles of psychoanalysis. When doctors could not meet the demand for treatment, the newly founded professions of clinical psychology and psychiatric social work stepped into the breach. After the war psychiatry shed its custodial image by turning to analysis. As department heads in hospitals, analysts helped transform counseling, testing, welfare, education, personnel, and law, especially new branches such as juvenile and domestic relations, and criminology. Religion became a center for psychological counseling; the schools were transformed. Medicine itself turned from the narrow treatment of specific diseases to the management of the social and interpersonal dimensions of illness.

From its place in the established order, psychoanalysis shaped the core ideas of the large-scale, corporate-organized welfare states of the period. On the one hand, it was associated with the idea that freedom resided primarily in the private realm, an idea that runs through many key works of the period. For example, Bruno Bettelheim’s “Individual and Mass Behavior in Extreme Situations” argued that what made the first concentration camps so terrible was that there was no retreat from the guards. Likewise, Hannah Arendt’s *Origins of Totalitarianism* distinguished the totalitarian invasion of the private sphere from mere tyranny. Stanley Elkins’ *Slavery* portrayed the absence of private space for slaves, such as a garden, as the root of the super-virulence of American racism. But the psychoanalytic emphasis on the private realm also translated into a new conception of maturity in the public realm. Thus, Talcott Parsons urged Franklin Roosevelt not to answer anti-war protests “hysterically,” but rather to model himself on the psychoanalyst who “de-confirms” neurotic perceptions by refusing to respond to them. George Kennan argued that if the US remained firm but did not respond impulsively, Soviet paranoia would disintegrate from within. Maturity was not restricted to men. In the 1956 *Man with the Grey Flannel Suit*, the heroine accepts her husband’s war baby, thus symbolizing America’s postwar responsibility for Italy. As these examples suggest, psychoanalysis stood for a new ethic of “responsibility,” and “adulthood,” supposedly linked to a new maturity in America’s global role, but also geared to the family-based, mass consumption societies then created in England, France, and Germany. In the words of Erik Erikson, a mature person was “tolerant of differences, cautious and methodical in evaluation, just in judgment, circumspect in action, and capable of faith and indignation.”

Post-war psychoanalysis, then, exemplified the dialectic of absorption and marginality. Central to cold war ideology through its stress on private life, integral to the normalizing project of the Keynesian welfare state, analysis retained its focus on personal autonomy even as it became a fount of homophobia, misogyny and conservatism. Challenging the definition of homosexuality as a crime, it redefined it as an “illness,” thus intensifying guilt without moderating fear. Validating women’s sexuality in theory, in practice it wielded “femininity,” “the mother,” and the “vaginal orgasm” as weapons against women. Claiming the high ground “above” politics, it cooperated enthusiastically with Defense Department and CIA initiatives that funded analytic research for cold war ends. Although foreign analysts such as Alexander Mitscherlich and analytically-influenced political theorists such as Masao Murayama sought to draw on psychoanalysis in order to understand German and Japanese...
fascism and militarism, no comparable efforts were aimed at American nationalism and cold-war paranoia. Far from lending itself to such projects, analysis facilitated the easy recruitment of Germany and Japan into the Cold War order and explicitly condoned McCarthyism.  

Nevertheless, even as psychoanalysis was becoming absorbed into the Cold War welfare state, it retained its link to its charismatic, anti-institutional origins, partly through “the aura of close association with the founding fathers,” partly through its relations to art and religious experience, but especially through its associations with sexual love, that “gate into the most irrational and thereby real kernel of life.” During the 1950s, analysts drew on these associations to re-sanctify the heterosexual family, investing domesticity with deep personal, ethical, and sexual meanings previously attached to extra-familial forms of personal life. In so doing, they were invoking charismatic forces they could not always contain. By the 1960s, antinomian upsurges stemming from analysis would overflow the boundaries of the analytic profession, the heterosexual family, and the welfare state. Simultaneously normalizing and fueled by charismatic sources, then, analysis was at the center of both the growing rationalization of personal life unfolding in the 1950s and the looming critique of rationalization, the charismatic rejection of the mundane that came to the fore in the 1960s.

4.

By its nature, a period of self-exploration, such as the one spawned by psychoanalysis, will be short-lived. The normal direction of the mind is outward. Hence, it is no surprise that new scientific theories, therapies and folk psychologies emerged to challenge the analytic focus on self-reflection, nor that the New Left and the women’s movement rejected “the maturity ethic,” effectively destroying analysis’s institutional charisma. Giving an account of the “post-analytic” world that emerged in the sixties would require a different paper, but there is one last point to be made in this one: The way in which the attacks on analysis contributed to a further mutation in the spirit of capitalism.

The period between 1965 and 1975 witnessed the end of Fordism and the emergence of a new “post-Fordist” spirit of decentralized, service-oriented, network-based capitalism. Like the rise of mass production itself, post-Fordism entailed a change in the nature of the family: specifically the shift toward the two-earner family, the legitimation of married women and mothers working, and the end of the stigma on “atypical” forms of family life, especially homosexuality. Because psychoanalysis had been so integral to the postwar family system, and because any new system had to incorporate the new understandings of personal life, post-Fordist culture could not emerge until psychoanalysis was frontally addressed. In no sense did the 1960s rejection of psychoanalysis play a role comparable to the early twentieth century’s embrace of psychoanalysis. Still, before the transition to the two-earner family could be accomplished the authority of analysts to define the meaning of personal life had to be ended. The New Left and the early women’s movement served as the shock troops for this finale.

The New Left’s interest in Freud arose from its criticisms of corporate-inspired regimentation. Rejecting what it termed the “warfare-welfare state,” the New Left also rejected Fordism’s “myth of the noble savage,” namely the idea that intra-psychic life could be sharply distinguished from one’s socio-cultural identity. Challenging the division between the private (intra-psychic) and the public (social and political) on which classical psychoanalysis rested, it turned to such writers as Norman O. Brown and Herbert Marcuse, who situated the unconscious in the context of the social possibilities released by automation and who described mystics, artists and homosexuals – those outside the traditional family – as the vanguard of
social change. Communes, drug use, attacks on monogamy, rock music, the onstage performance of backstage behaviors, such as nudity, informal dress, and self-disclosure, an activist culture, whose only regulative ideal was participation: these were the social bases for a new, utopian reading of Freud.\(^{36}\)

In truth, there had always been two Freuds: a conservative institutionalized pragmatist and a utopian revolutionary. Traditionally, the analytic church had subordinated the utopian to the pragmatic. By 1968, that church was increasingly seen as rigid, ossified and hypocritical. Ideas it had once bravely pioneered had become doxa. Calls to reform Freud, move beyond Freud, historicize Freud, or return to Freud, fell on the deaf ears of medically-oriented analysts.\(^{37}\) Meanwhile, at the gates of the church stood the rebellious dissenters, the Protestants, the Saints. As in the history of religion, there were two alternatives: the antinomian who goes to the depths of the self, seeking a deeper, more genuine truth, and the Arminian who goes outward to reform morals and collective behavior. The early New Left had taken the antinomian route: alternative life styles, drugs, music, sexuality, and sanctified communities or communes. Beginning around 1968, however, Arminianism trumped antinomianism as the New Left and the early women’s movement redefined issues that for Freud were intra-psychic and familial – sexuality, gender, identity – in social, political and interpersonal terms.

Three moments, each containing a sharp challenge to psychoanalysis, stand out. First, psychoanalysis purported to study “the durable, unique individual personality” whereas a host of new “relational” or “intersubjective” theories and practices insisted that no such thing had ever existed.\(^{38}\) The analytic focus on the individual had led to the stigmatization of madness, deviance and femininity but in the 1960s stigmatization was re-understood as the product of labeling not individual biography. Furthermore, a “relational revolution” insisted that psychotherapy should involve an authentic exchange between “open,” socially aware individuals, not the subordination of the individual to a supposedly anonymous authority. Along with their salutary political and therapeutic implications, the new “relational” theories helped pave the way for a world of open, indeterminate, shifting networks, rhizomorphic contexts, and deterritorialized flows. The idea of a personal life interior to the individual was repudiated in favor of an emphasis on flexibility, sociality, and sensitivity to difference.

Second, psychoanalysts held a critical attitude toward narcissism which, following Freud, was viewed as a sign of immature dependence on the opinion of others. In the analytic situation this critique helped justify the “analyst is always right” stance while in such analytically-inflected critiques of late Fordist capitalism as William H. Whyte’s “organization man,” Erich Fromm’s “market-oriented personality,” and David Riesman’s “other-directed person,” narcissism was regularly contrasted to autonomy. By contrast, thinkers and movements of the sixties embraced a new culture of expressiveness. Within psychoanalysis, Heinz Kohut contemptuously rejected Freud’s critical stance toward narcissism, castigating analysts’ “courageously facing the truth” and “health-and maturity-morality,” and arguing that narcissism had replaced sexuality as the defining issue of the age. Salutary in the therapeutic context, the validation of narcissism also helped facilitate the shift to the “dense interpersonal environment” of post-industrial society, an environment that produces relationships (“networks”) not things, and in which image, personality, and interpersonal skills, not autonomy or knowledge, have the highest commercial value.

Finally the 1960s marked the culmination in the revolution in the nature of the family that had begun with the second industrial revolution. Benjamin Spock stopped practicing analysis in the 1940s because of his disquiet over an “intensely feministic” female patient who “argued fiercely against every interpretation for over two years.”\(^{39}\) But Spock encountered
his patient at a time when the family system still presumed a full-time mother. By the sixties, however, life outside the traditional family context, for example as a single person or in a two-earner family context, had become widespread. In that context, a New York analyst told Betty Friedan that for twenty years he had repeatedly found himself “having to superimpose Freud’s theory of femininity on the psychic life of my patients” in a way that he was no longer willing to do. He treated one woman for two years before facing “her real problem – that it was not enough for her to be just a housewife and mother. One day she had a dream that she was teaching a class. I could not dismiss the powerful yearning of this housewife’s dream as penis envy. . . . I told her: ‘I can’t analyze this dream away. You must do something about it.’”

Second-wave feminism translated Freud’s intra-psychic theory into a theory of societal oppression. As the women’s movement turned to consciousness-raising, “individual explanations” were officially discouraged. What had been forbidden or suspended within psychoanalysis – “acting out” – became privileged. The oedipus complex was reinterpreted as a “power psychology.” Penis envy was actually “power envy.” Because she had supposedly seized control of her destiny and rejected psychoanalysis, Dora became a feminist icon. Gayle Rubin redefined psychoanalysis as “feminist theory manqué,” meaning that feminism supplied the social perspective (the patriarchal organization of kinship) which psychology merely reflected. The rebuff of Erica Jong’s heroine to her analyst in Jong’s 1973 Fear of Flying was emblematic:

Don’t you see that men have always defined femininity as a means of keeping women in line? Why should I listen to you about what it means to be a woman. Are you a woman? Why shouldn’t I listen to myself for once? And to other women? . . . As in a dream (I never would have believed myself capable of it) I got up from the couch (how many years had I been lying there?) picked up my pocketbook, and walked . . . out. . . . I was free.

Taken together, these three changes – the birth of an ideology of intersubjectivity, the blurring of the distinction between the public and the private, and the emergence of feminism as what might be called the Calvinism, or “the psychoanalysis,” of the third industrial revolution – helped give birth to a new post-Fordist spirit of capitalism. This spirit, evoked by Boltanski, Chiapello, Manuel Castells and others, stresses open, indeterminate, shifting networks, deterritorialized flows and fluidity in regard to gender. If we contrast the original spirit of capitalism described by Weber and contrast it to the new spirit of capitalism that emerged in the last third of the twentieth century, we might think of psychoanalysis as having supplied a crucial but temporary mediation: asceticism had become consumerism, compulsivity had become flexibility, and hypocrisy had become narcissism. The reign of psychoanalysis was over.

Let me conclude. Psychoanalysis, I have argued, served as the Calvinism of the second industrial revolution. By this I mean it gave individuals the chance to assign personal meaning to a vast social transformation that would have been merely pragmatic, sociological or economic without it. In the last decade of his life, Freud tried to develop a new approach to history, one that emphasized the role of profound upheavals, moments full of emotional intensity with long-lasting effects on tradition, character and culture. Psychoanalysis was such a moment, one in which, to use Weber’s language, history “switched tracks.” In my view, it is still too early to understand the long-term implications of that moment. It may foretell, like Calvinism, a higher form of social organization or, on the other hand, it may foretell increasing antinomianism in which the idea of the common good remains permanently out
of reach. In either event, I hope that this paper has clarified one of the most striking features in the history of psychoanalysis: its paradoxical character. Almost instantly recognized as a great force for human emancipation, it eventually became a degraded “pseudo-science” whose survival is certainly in doubt. This paradox can be explained when we realize that, on the one hand, it gave voice to emancipatory aspirations that served as a critique of the first industrial revolution while on the other, those aspirations were recuperated within a revised spirit of capitalism corresponding to the second.

NOTES

I want to thank Nancy Fraser, John Judis and Arthur Mitzman for help with this article.


2. It is more precise to say that the English political economists believed in external incentives. That they tended to take the culture of capitalism for granted is suggested by the following passage: “The principal [sic] which prompts to save is the desire of bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb and never leaves us till we go into the grave. ...there is scarce perhaps a single instant in which any man is so perfectly and completely satisfied with his situation, as to be without any wish of alteration or improvement of any kind.” Adam Smith, *The Wealth of Nations* quoted in Gordon Marshall, *In Search of the Spirit of Capitalism: An Essay on Max Weber’s Protestant Ethic Thesis* (New York: Columbia University Press, 1982), 24.


4. Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (New York: Routledge, 2001). Weber’s essay was originally published as a two-part article in 1904–5 in the *Archiv für Sozialwissenschaft und Sozialpolitik* of which Weber was an editor. A revised version appeared as the opening study in Weber’s *Gessamelte Aufsätze zur Religionssoziologie* (*Collected Essays on the Sociology of Religion*) published in 1920–21, just after Weber’s death. In 1930 Talcott Parsons translated the latter version, along with the introduction to the *Gessamelte Aufsätze* and this remains the authoritative English version. A second essay of Weber’s, “The Protestant Sects and the Spirit of Capitalism,” largely devoted to the relations of Protestantism and capitalism in the United States, is often included in discussions of Weber’s thesis. It can be found in Hans Gerth and C. Wright Mills, *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1946). The page numbers in the text and all other references are to the Routledge 1992 republication of Parsons’ translation. It is also worth noting that Weber’s thesis is among the most commented upon, and the most controversial, in the history of social science. Social theorists who have engaged importantly with it include Robert Bellah, Clifford Geertz, Michael Walzer, Robert Merton, Daniel Bell, Jürgen Habermas, and Erich Fromm. Historians include Henri Sée, Richard Tawney, Christopher Hill, Henri Pirenne, Perry Miller, E.P. Thompson, Eric Hobsbawm, and Le Roi Ladurie. I will not enter into the many controversies surrounding it here.

5. Luc Boltanski and Eve Chiapello, *The New Spirit of Capitalism* (London: Verso, 2006). Drawing above all on Durkheim’s sociology Boltanski and Chiapello have argued that the spirit of capitalism combines three functions: social integration or motivation, legitimation, that is restraints, especially through the provision of security, and finally a normative ideology, above all in regard to justice or fairness. My account stresses the contribution of the unconscious and of charisma to understanding Weber’s concept of the spirit of capitalism. In my view, my account and Boltanski and Chiapello’s are complementary.


8. The best discussion of the term “elective affinity” is to be found in Michael Löwy, *Redemption and Utopia: Jewish Libertarian Thought in Central Europe: A Study in Elective Affinity* (London: Athlone, 1992). The term came to Weber from alchemy via Goethe. The key idea is that instead of Newtonian
causation, the universe is understood in terms of similarities and difference, attractions and repulsions. Although elective affinity by no means offers an adequate theory of causation, neither do the methodologies that derive from Newton.


11. Before I begin let me address one possible objection. How can I call psychoanalysis the “Calvinism” of the second industrial revolution when it had relatively little to say about economic life? (The exception was its analysis of the anal basis of the bourgeois character structure. See, for example, Otto Fenichel, “The Drive to Amass Wealth,” *Psychoanalytic Quarterly* 7 (1938) as well as Norman O. Brown’s *Life Against Death* (Middletown: Wesleyan University Press, 1959). Perhaps I should follow the lead of Robert Skidelsky who agrees that twentieth century capitalism was based on a new, post-Calvinist spirit but argues that Keynes, with his radical demotion of savings and his appreciation of spending, should be considered the twentieth century “Calvin.” Robert Skidelsky, *The End of the Keynesian Era* (New York: Holmes and Meier, 1978), 2. I emphasize the role of psychoanalysis because it spoke to the individual’s self-relations, and to the family, relations that Weber demonstrated are at the core of the spirit of capitalism.

15. Ibid., 57.
24. One of the great Marxist engagements with psychoanalysis came from Antonio Gramsci. Writing from a fascist jail cell in 1928, Gramsci argued that all planned societies placed the family, and therefore the sexual question, at their center. Just as the Renaissance state needed Campanella’s *City of the Sun*, and the Enlightenment needed the noble savage, so twentieth century corporate planning needed Freud. Attempting to create “a new type of worker,” Gramsci wrote, the Fordist assembly line relied upon “moral coercion,” but coercion alone could not succeed. Fordism needed Freudianism because Freudianism articulated the inner longings of the worker, giving them expression through what Gramsci called “a new myth of the [noble] ‘savage’ on a sexual basis.” Praising corporate capitalism for producing new forms of sexual union, Gramsci...
argued that capitalism blocked its own emancipatory potential. Therein lay the significance of Freudianism. Freudianism inspired men and women to pass beyond Fordism’s capitalist integument, but only in the realm of thought. Antonio Gramsci, “Americanism and Fordism,” in Quintin Hoare and Geoffrey Nowell Smith, eds., Selections from the Prison Notebooks of Antonio Gramsci (New York; International Publishers, 1971), 277–321. While brilliant, Gramsci’s approach remains too close to the classical Marxist theory of base and superstructure. By arguing that psychoanalysis had an affinity, not with capitalism but with the spirit – the psychology and culture – of twentieth century mass consumption, I hope to avoid reductionism. My approach is not only wholly different from the idea of a superstructure; it helps to explain why the latter idea became obsolete.

30. Christopher Lasch, Haven in a Heartless World (New York: Basic Books, 1977), 108. Lasch’s brilliant work, as well as the antagonism it stirred in the post-1960s left, rests in good part on his continued loyalty to the “maturity ethic” of the 1950s. In The True and Only Heaven he wrote: “My generation invested personal relations with an intensity they could hardly support, as it turned out; but our passionate interest in each other’s lives cannot very well be described as a form of emotional retreat. We tried to re-create in the circle of our friends the intensity of a common purpose, which could no longer be found in politics or the workplace” (32).
32. It is sometimes said that the 1950s were a conservative period and that American psychoanalysts simply reflected the conservatism of the times. In fact, they were at one extreme. For further evidence see my “Three Unresolved Problems in the History of Psychoanalysis,” forthcoming volume tentatively entitled “The Freudian Century.”
34. Whether the cultural revolution associated with the 1960s and 70s is to be understood as initiating a new, “third” stage of capitalism, or as the culmination of the change in the spirit of capitalism that began in the late nineteenth century, remains an open question.
35. The early intellectual influences on the New Left, such as Jane Jacobs’ Death and Life of the Great American Cities (New York: Vintage, 1961); Rachel Carson’s Silent Spring (New York: Houghton Mifflin, 1962); and Ralph Nader’s Unsafe at any Speed (New York: Grossman,1965), were themselves all criticisms of Fordist mass production. The New Left’s criticisms, of course, reflected their place at the cutting edge of the new, “post-industrial” culture.
36. Wilhelm Reich was of course the forerunner to the sixties’ politicization of psychoanalysis. But New Left intellectuals rejected Reich’s emphasis on genitality in favor of primary narcissism (Marcuse) and polymorphous perversity (Brown).
37. Jacques Lacan, of course, associated with the slogan “return to Freud,” was certainly gaining an increased audience. However, Lacan actually embodied a great break with classical psychoanalysis, and one consistent with the changes I am describing.
38. Harry Stack Sullivan, “The illusion of personal individuality,” Psychiatry 13 (1950): 317–32. The shift toward relational theories needs to be distinguished from classical object relational theories such as Melanie Klein’s. Klein’s theory was concerned with the inner object world; the new inter-subjective theories were concerned with interpersonal relations. Klein’s roots were in Freud; the new inter-subjective theories looked toward American social psychology, especially George Herbert Mead.

42. For Hélène Cixous Dora was “the one who resists the system, the one who cannot stand that the family and society are founded on the body of women, bodies despised, rejected, bodies that are humiliated once they have been used.” Hélène Cixous and Cathérine Clement, *The Newly Born Woman* (Minneapolis: University of Minnesota Press, 1986), 153–4.


44. Erica Jong, *Fear of Flying: A Novel*, (New York: Holt, Rinehart and Winston, 1973), 20–22. Nor was the preference for the active role restricted to women. Even Woody Allen’s middle aged, bookish, alter ego, Kugelmass, caught the new externalizing element as he whined to his analyst “I need to meet a new woman... I need to have an affair. I may not look the part, but I’m a man who needs romance.” When his analyst replied, “the worst thing you could do is act out. You must simply express your feelings here, and together we’ll analyze them... After all, I’m an analyst, not a magician,” Kugelmass answered, “perhaps what I need is a magician” and, like Jong, walked out. Woody Allen, “The Kugelmass Episode,” in Mordecai Richler, *The Best of Modern Humor* (New York: Knopf, 1983), 409–10.
