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Virgile Chassagnon and Guillaume Vallet

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Introduction

- 1 The end of the ninetieth century in the United States saw lively debates within the social sciences, as in civil society, particularly on improving economic and social well-being and on the functioning of capitalism (Ross, 1991).
- 2 Indeed, during this post-Civil War period characterized by industrial take-off and rapid urbanization, both new opportunities for wealth and new types of inequalities appeared.
- 3 Therefore, it is of little surprise that the period witnessed a rise in the spread of Marxist ideas and belief in revolutionary socialism. Unions of workers such as the Knights of Labor (created in 1869) or the American Federation of Labor (founded in 1886), as well as the Socialist Party of America (begun in 1901), were important organs in pushing for radical change.
- 4 Moreover, several social researchers have taken sides to advocate for the existing system, condemn it, or reform it. In other words, they belonged to a “Liberal”, “Reformist”, or “Radical” group (Vallet, 2017). Among the “Reformist” group, we find Albion W. Small (1854-1926), whose legacy is to this day underestimated. The founder of the Department of Sociology at the University of Chicago (launched in 1892), Small was one the leading intellectuals of the so-called Progressive Era, advocating for a new kind of capitalism.
- 5 Indeed, during his education in political economy, when he went to Germany to follow the courses of Schmoller and Wagner between 1879 and 1881, he dared to suggest new ways and measures for improving both the economic efficiency and the social features of capitalism (especially concerning the social conditions of workers). To that end, he

was interested in Marx's ideas, considering Marx to be "*one of the few really great thinkers in the history of social science*" (Small, 1912, p. 804). Small was particularly interested in the contents of *The Communist Manifesto* (Engels and Marx, 1955) and *Capital* (Marx, 1990): specifically, Small mentioned them explicitly in several of his works on social classes and socialism (Small, 1912) or on the sociology of profits (Small, 1925). However, Small kept his distance from Marx on some other points and even disagreed with him on a number of issues.

- 6 The aim of this paper is to delve into Small's unappreciated thoughts through the lens of his linkages with Marx's ideas. As shall be explained, Small can be categorized as a Marxian but not as a Marxist, using the word Marxian instead of Marxist himself (Small, 1925). As the Critical Dictionary of Marxism of Labica and Bensussan (1982, p. 713) indicates, "*the words, formed from the name of Marx, had at first a polemical origin* It seems that only a few authors could be included in Marxism from an apologetic point of view.
- 7 In the 1850s, Marxian referred to Weitling's thought and then to the opposite of Lassalle and to the opponents of Marx (who seems to have repudiated these terms). The term "Marxist" is pejorative until Kautsky popularized it in the current positive sense in 1883 (see Labica and Bensussan, 1982). Moreover, as Seve observes, Marx and Engels break with the traditional philosophical conception, "*they inaugurate a new genre. This is why, quite justifiably, the dialectical materialist study of categories to which their work opens the way is called Marxist philosophy and not Marxian*" (1980, p. 286)¹. If we follow Chauvel's (2001) recent distinction between the two concepts, Marxian means an intellectual tradition marked by critical evaluation, whereas Marxist defines a more political or even apologetic filiation. Furthermore, it is worth noting that "*Marxist scholars share a common critical analysis of capitalism in general and, more specifically, of neoliberalism, the latter phase of capitalism*" (Duménil and Lévy, 2014, p. 26). This distinction between Marxian and Marxist is then key for shedding light on Small's thought and questioning the extent to which his ideas still ring true today.
- 8 In light of this, the nature of this short article is more theoretically oriented than empirically oriented and deals with the history of economic thought and of ideas. The paper is organized as follows. Section 1 presents Small's treatment of science. Section 2 focuses on Marxian aspects in Small's frame of mind, while section 3 explains why Small was not a Marxist. Section 4 tries to draw some conclusions from the distinction between Marxian and Marxist ideas in Small's thought. Section 5 concludes the paper.

Small's treatment of science

- 9 Albion W. Small was a global thinker in social science. Although he was the founder of the Department of Sociology at the University of Chicago in 1892, the first in the world (Abbott, 1999), he had a strong knowledge of history, philosophy and political economy. Indeed, this was due to his background because from 1879 to 1881, he lived in Germany, where he followed the courses of Wagner and Schmoller in Berlin and Leipzig. There, he discovered the German philosophy of history and political economy. He retained from Schmoller and Wagner's teachings the idea of the unity of the social sciences and the role of the scientist in advising a government (given that Schmoller and Wagner were members of the Verein für Social-Politik).

- 10 When he returned to the United States in 1881, he taught history and political economy at Colby College until 1888 before joining Johns Hopkins in Baltimore in 1888–9 to complete a PhD in history. There, he met important economists such as Commons and, above all, Ely, his professor in political economy and a member of his thesis committee. Ely's political economy influenced Small's conception in many ways. Ely rejected the neoclassical economy and preached "embedded economics" in social, historical and political issues. Strongly influenced by Christianity, Ely was also in favor of a social gospel (Fine, 1951).
- 11 This was important common ground with Small because the latter truly believed in religious forces. Indeed, as the son of a reverend who gained religious knowledge very early, religious morals guided him throughout his life (Christakes, 1978). This is a point of paramount importance because his anchorage in these morals influenced his conception of science and, above all, sociology.
- 12 The goal of sociology was to determine "social forces" to control social change and the economy, allowing it to exist—what he called "social control". Indeed, to Small, individuals in any society are driven by two forces complementing the other, contrary to an apparent duality. These forces bound the individual to nature (particularly physical forces, in the sense that physical laws encompass social laws such as in a thermodynamic system, for instance) and to the other forces binding individuals together through interactions. Interactions produce social customs or institutions that influence individuals. For instance, individuals form social groups, such as social classes. In turn, social class produces a specific culture influencing the behaviors of individuals belonging to this class through socialization. This is an example of the way "social forces", as 'outside forces', influence individuals.
- 13 However, Small's focus on social interactions exemplifies the changing nature of such "social forces": since individuals can change social customs or institutions, individuals indirectly impact social forces as well. Although physical forces bound individuals' actions to some extent, there is also room for individuals to behave and devise social norms 'freely' through social interactions. The intimation that physical forces may not be the only factors influencing social phenomena is explicitly borrowed from L. Ward. This led Small to place sociology in a dynamic perspective, so much so that in *Dynamic Sociology* (1883), Ward opposed the 'social Darwinist' trend expounded by Spencer and Sumner. Small agreed with them on the existence of laws governing how societies function and mutate. However, he believed their origins to be not only natural but also social.
- 14 In Small's view, this is the task of social scientists to discover these laws, and thus to devise scientific proposals to control them. Otherwise put, Small believed that it was possible to change society through the control of sociologically determined forces and, thereby, devise social policies aiming to improve global well-being. To that aim, controlling the psychological forces set in motion through the actions of individuals – thus becoming social – is vital.
- 15 In sum, these "social forces" come with various ramifications, as shown by the following diagram:

Figure 1: Small's account of social forces

Source: the authors, from Small (1905, p.536; 1923, p. 78).

- 16 More accurately, as “social forces” emerge during the interaction between individuals with psychological motives, focusing on each individual is necessary. Indeed, each human has an “interest” that corresponds to an unsatisfied capacity with respect to a given condition, pushing him or her to act to realize six desires: health, wealth, sociability, knowledge, beauty and rightness. In Small’s mind, interest is not utilitarian: interest is about a social goal, namely, welfare. Hence, by understanding individuals’ interests, the sociologist is able to define both social valuations to motivate and moral standards for society: moral, not moral and immoral actions. In other words, valuations dealt with values.
- 17 Hence, Small defined three pillars of sociology (Small, 1905): (1) “descriptive”, referring to coordinated facts of society as it is; (2) “statical”: an ideal of society as it ought to be, what Small also called “ideostatics”; and (3) “dynamic”, dealing with the investigation of the available resources for changing the actual into the ideal. It is worth noting that “statical” sociology implies dealing with morals. In connection with its familial Christian roots—his father was a parson—Small preached the incorporation of morals into science.
- 18 Moreover, these three pillars of sociology are central because their articulation traces the path of Small’s conception of social science. More accurately, in his mind, social science primarily meant embracing the totality of human experience through the collaboration of several branches (Small and Vincent, 1894) to reach objectivity. As there exists a totality of human experience, there must, consequently, be a oneness of knowledge: “Our knowledge of sociology, namely, our systematized knowledge of the human process, will be measured by the extent of our ability to interpret all human society in terms of its effective interests” (Small, 1905, p. 442).
- 19 In particular, and as we will discuss more in the last section of the paper, cooperation between economics and sociology is necessary because “an objective science of economics without an objective sociology is as impossible as grammar without language” (Small, 1907, p. 19). That is what Small tried to emphasize during the American Economic Association

meeting in 1894, where he faced strong opposition from various economists, embodied by Patten's stance, for instance (Small, 1895c). To recapitulate, in Small's view, complexity goes hand-in-hand with objectivity: the more holistic a science, the more it takes care of reality and the more objective it is.

- 20 Second, this objectivity allows the researchers to define moral standards for human experience. According to Small, if the content of science is 'value-free', since scientific issues are, in principle, different from value issues, for extra scientific reasons, science as a social institution may not be an ivory tower; rather, it may serve humans through ethical goals. This is again the case for economics, regarding which Small stressed the need to reconstruct economic theory and practice on a more ethical basis (Small, 1924). This explains why Small paid particular attention to the understanding of rightness, which is definitely the most important individual interest to capture if we wish to improve society (Dibble, 1975).
- 21 Third, the previous elements clearly indicate that scientific knowledge is a guide to determining the orientation of society. In Small's words, we would say that knowledge of the social sciences is helpful in understanding individual interests and social forces, allowing the concretization of social control. In terms of this objective, sociology has to be a "prophetic science", permitting the analysis of social change and the definition of "good" policies. In other words, criticizing Spencer and Sumner in the US, Small believed that the evolution of societies was not the fact of "natural forces" but rather relied on individual actions and interactions, namely, "social forces".

Why Small was a Marxian

- 22 Small was opposed to the previously mentioned developments on Spencer and Sumner—especially Sumner—because, in Small's mind, the two were in favor of *laissez-faire economics*. Small abhorred this stance because he believed that capitalism had gone too far in the rise of inequalities: "*Capitalism has turned capital into a gigantic beast of prey that grows by what it feeds on; while the actual workers have to go without the food it consumes*" (Small, 1913, p. 376).
- 23 Another quotation sheds light on Small's radical stance: "*Our present society is assuming the impossible, however, when it dallies with the illusion that there can be 'free competition' in a society containing, on the one hand, millions of persons with no assets but their individual powers, and on the other hand thousands of corporations with wealth and credit and legal resources. When the interests of these two types of competitors clash, 'free competition' between them is like a boy with a pea-blower besieging the Rock of Gibraltar.*" (Small, 1914, p. 723)
- 24 For that reason, Small shared a view similar to that of Marx on the dynamics of capitalism, which is a first common point: in modern terms, we could say that free-market gives too much profit to capitalists and degrades the conditions of workers. This functioning leads to the concentration of capital, namely, a kind of spiral reinforcing capitalists' economic power. Finally, these spirals and the concentration of capital posed a challenge to democracy for Small, who equated capital with an economic power that could translate into political power. This is a major criticism that Small addressed to A. Smith's view on the market since the market is at the heart of the transmission of economic power into political because of the biased income distribution (Small, 1907).

- 25 A free-set market is likely to produce strong, entailing negative side effects for capitalism, especially class struggle. Wealth concentration resulting from market inequalities is a particular example for revealing the danger of moving from economic power to political power. As Small stressed, if a single individual has 100 million dollars, it is not the same as 100 individuals each possessing 1 million dollars (Small 1907, p. 966).
- 26 Worrying, like Marx, about the 'industrial question', Small was even engaged in several civil affairs—particularly during his early years in Chicago—taking the side in favor of workers during the Pullman strike in Chicago in 1894. Congress then appointed him to the National Commission on Industrial Conciliation and Arbitration, which investigated the conditions of workers in the Pullman Company, to modify the employer/employee relationships (Schneirov *et al.*, 1999). In his writings in popular Chicagoan journals, Small often warned about the rise of inequalities (Small, 1899a). Small was particularly aware of such an issue on the eve of WWI since he “*flirted with socialist ideas while denying the label*” (Bannister, 1987, p. 32).
- 27 To sum up this first point of commonality between Small and Marx, let us say that even though Small did not analyze capitalism as a mode of production as deeply as Marx had, he retained from Marx the necessity of focusing on the social relationships between productive forces, which lie at the core of Marx's theory.
- 28 A second common point between Small and Marx addresses methodological and epistemological issues. More specifically, Small was intellectually close to Marx's labor theory of value and believed that only labor creates a value superior to its cost (Small, 1914). Like Marx, Small valued labor since he saw it as the most important activity from which individuals almost exclusively derive their identities. This is consistent with Small's appraisal of the rise of inequalities since he viewed them as impediment for each individual to realize his or her Self through his or her own labor.
- 29 As a result, “*the equality that we have in mind, however, is not a quotient obtained by dividing the aggregate of opportunity by the population of the State. It is not the vulgar, ‘One man is as good as another’. The equality which comports with civilization, the equality which is foreshadowed in the personal endowments of people and in the workings of the social process thus far, we have called, for want of a better name, functional equality*” (Small, 1905, p. 348).
- 30 The reference to “social process” in Small's quote sheds light on some paramount epistemological common ground with Marx. Small emphasizes that a social scientist must delve into the totality of human experience in order to understand it. For that reason, Small criticized neoclassical economists and argued, on the contrary, for the need for cooperation between the different social sciences (Small and Vincent, 1984; Small, 1907). Moreover, like Marx, Small can be seen as an evolutionist: societies mutate as human beings mutate, particularly through changes within the economic system (Small, 1905).

Why Small was not a Marxist

- 31 Although “*I am as genuinely convinced as Marx was that there are centers of deadly infection in capitalism*” (Small, 1925, p. 440) and despite Marx's “*correct diagnosis of the evils of our present property system*”, Small objected that “*his plan for correcting the evils is neither the only conceivable alternative nor the most convincing one*” (Small, 1912, p. 816). Mention

should be made here of several facts indicating the extent to which Small was not a Marxist. Such a distinction is useful for shedding light on the evolution in Small's thought during his whole career. Indeed, even though Small was a 'reformist', as mentioned earlier, he was balanced between more or less radical ideas. Small certainly became more reluctant towards radical ideas after WWI when Bolshevism came into power in Russia, especially because of, in Small's view, the ruthlessness of the system (Bannister, 1987).

- 32 In light of this, we point out four factors indicating the extent to which Small was more a Marxian than a Marxist.
- 33 First, like his mentors, R.T. Ely and G. Schmoller, Small believed that class warfare could ultimately give way to class cooperation: classes are distinct but they can have common interests (Schmoller, 1914)². Colliding individual interests could plausibly lead to social harmony without a revolution, thanks to "processes that Small termed "moralization" and "socialization" (Small, 1905). Class warfare was not the fate of capitalism. In his *Class and American Sociology: From Ward to Ross*, Charles Page (1940) paid tribute to Small's appraisal of class warfare. However, social classes were not concepts *per se* for Small.
- 34 Following this, Small believed that, by nature, the relationship between capitalists and workers was not necessarily marked by class conflict but rather by cooperation. Small advocated for the creation of cooperative councils on the workplace within companies—particularly the large ones—to gather capitalists and workers on a new basis.
- 35 For these reasons, Small, too, sought a "middle ground", as far as political affairs are concerned (Bannister, 1987). More specifically, Small strongly supported new types of organizations in Chicago, such as the Civic Federation of Chicago, in which scholars, politicians, capitalists, workers and citizens alike were united by the goal of improving their well-being through the reduction of inequalities. To Small, this federation exemplified how "*social peace depends upon maintaining something more like a balance between property and poverty [...], placing some of the strength of the strong at the disposal of the weak*" (Small, 1895a, p. 93). In Small's mind, this institution was perceived as a 'third way' between liberal capitalism and communism inherited from Marxist ideas.
- 36 More broadly, Small was particularly interested in Ely's and Schmoller's visions because he saw them as social progressives (Christakes, 1978). Small was inspired by Ely, who stressed the need to gather moral principles borrowed from religion and scientific knowledge. In those conditions, the social sciences were dedicated to developing brotherhood, solidarity and sharing. Hence, they could help set up social policies by improving social welfare thanks, to use Ely's term, to a "progressive conservatism", whose aim was to create high industrial values while fostering work, brotherhood and solidarity and whose model was not the entrepreneur but the artisan.
- 37 This stance was not shared by Marx at all, who strongly criticized the economists of the 'German Historical School' such as Schmoller in his time. Moreover, Marxist authors who paid attention to Small's work negatively assessed it for this reason. For instance, Herman and Julia Schwendinger perceived Small as a scholar who was in favor of capitalism and who misunderstood the reality of class struggle in the United States (Schwendinger and Schwendinger, 1974)
- 38 Second, Small viewed profit as being fully integrated into capitalism. In his view, both Marx and the Marxist tradition had failed to distinguish between profit and

“overprofit” (Small, 1912). Although the latter ought to be combatted, the former is acceptable in cases where it represents the payment of capital necessary to enable increases in investments or future wages—enhancing either productive capacity or work conditions. Overall, Marx is vindicated only in cases of overprofit, as workers fall victim to “a rape of justice” (Small, 1913, p. 353), with surplus value being unevenly shared. Profit is otherwise fair, as it is rechanneled towards efficiency and the well-being of the work force. However, Small sensed that if capitalism were to be left untethered, it would risk rapidly drifting towards rampant excess profit.

- 39 Third, Small strongly believed in the intervention of the State to solve the problems of capitalism. This is another point Small had in common with Schmoller, Ely, and A. Wagner. More broadly, Small's ideas on this question betray the converging influences of both Schäffle and Ratzehofer, who both induced him to call for a “national sociology” where the State lies at the heart of all debates (Small, 1899b). According to Small, State intervention is central to transforming the social forces from conflict into cooperation, given that “each class wants either to retain or to increase its power and to enforce its own estimate of its own economic rights” (Small, 1905, p. 301).
- 40 States differ in their conceptions of the master-key to the occurrences that take place in all States; throughout their development, is the perception that, whatever the incidents of political struggle are in any case, the one constant factor is the civic organization attempting to guard the interests of the individuals and groups of which the state is composed, by a constraint that is appropriate to the needs of the situation (Small, 1905, p. 243).
- 41 Although for Small, State intervention did not mean the socialization of the means of production (it was not “*plausible, probable, desirable or possible*” (Small, 1912, p. 816)), he saw the State more as a mediator or a regulator of conflicts, because it had the means to fight: “*The social problem is to defeat all interests which, in content or possibly even in form, subordinate general interests to special interests*” (Small, 1905, p. 279).
- 42 Instead, the State seeks the common interest: “*A State is normal or mature in proportion as the interests operating within it find their adjustment and completion in the progress of the common interest. Each interest is normal in proportion as it lends itself to the completion of the total civic interest*” (Small, 1905, p. 281). Only the State can implement moral institutions that prevent capitalists from behaving unfairly. For Small, the main problem with capitalism was not the capitalists themselves but rather the bad institutions allowing them to do whatever they wanted.
- 43 More accurately, Small wanted the State to supervise the cooperative councils set up in each enterprise. Small called for State interventionism, which referred to what he called “conventionalities” (Small, 1907, p. 1120), namely, social institutions allowing a society to work better. “Conventionalities” deal with “*civic economy*” (Small, 1907, p. 1986), especially because taxation can be linked to them. Indeed, “*taxation is in no strict sense simply an economic process. It is a function of the total life of the people*” (Small, 1907, 2017).
- 44 To recapitulate on that third point, Small trusted the State because he believed that the institution embodied the common will of the people and was then capable of distancing itself from the influence of the powerful. For that reason, Small observed four stages in State development throughout history—even though, for Small, no country had yet reached the last one when he was writing: (1) the biologic State; (2) the economic State; (3) the civic State; and (4) the ethical State. The closer a State moves towards stage 4,

the harder it strives to mitigate social conflicts by opposing special interests and channeling them towards the common interest and the common good.

- 45 Classifying a State according to its type requires the realization of an ethical ideal through three successive stages: “conflict”, “moralization”, and “socialization” (Small, 1905), the last of which ushers in a cooperative state where the ideal of fraternity is the most advanced. To that end, the State is not a finite institution; on the contrary: the State “*never is, but is always becoming*” (Small, 1905, pp. 240-241). Marx would not have agreed with this, since he viewed the State as an institution of the dominant class.
- 46 Finally, Small was an opponent of leaders, such as Lenin (and his “*fantasies*” (Bannister, 1987, p.32)), who borrowed from Marx’s ideas to implement socialism. According to Small, socialism built on Marx’s ideas was a mistake. Small then made the distinction between socialism and sociology, which he borrowed from the competing disciplines of astrology and astronomy: whereas astrology deals with planets on a nonscientific basis, astronomy relies on scientific methods to infer robust laws (Small and Vincent, 1894). Small was a strong critic of thinkers such as Lenin, whom he deemed guilty of spreading raw ideology unsupported by science, rendering him an unsophisticated yet dangerous “social agitator” (Christakes, 1978).
- 47 For the same reasons, Small had little sympathy or contact with academics defending too radical ideas. This was the case for his colleagues at the University of Chicago, Bemis and Veblen. Although Bemis and Small knew each other (Lengermann and Niebrugge, 2007, p. 88), Bemis accused Small of ties to “great funders” of the University of Chicago (namely, Rockefeller) (Ross, 1991), which he argued prevented Small from acknowledging the real challenges of the issue of property and inequalities. It is true that during its early years, the University of Chicago rested on Rockefeller’s wealth. Small benefited from these funds, earning an annual salary of \$7,000 (Bannister, 1987). Small wrote a paper to clarify his position on that point (Small, 1895b).
- 48 The connection between Small and Veblen seems very thin. Small quotes Veblen only twice in his seminal book (Small, 1905, p. 277; p. 451), even though Small acknowledges Veblen for his theory of the instinct of workmanship to investigate the issue of the desire for wealth. However, overall, Small and Veblen appear very distant from each other, given their many points of disagreement (Vallet, 2017).
- 49 Overall, these four elements show the divide between Small and Marx on a fundamental issue: to Small, capitalism can, and even must, survive.

A distinction between Marxian and Marxist Perspectives in Small’s thought: what matters?

- 50 With respect to economic issues, we consider Small’s stance towards Marx’s ideas to raise a fundamental issue.
- 51 The issue deals with the following question: how does profit emerge, and is the emergence of profit possible if there is no exploitation (by nature)? Indeed, Small’s distinction between profit and overprofit led him to distinguish between three forms of capital: “tool-capital” (which only the owner uses), “management-capital” (“*used by the owner in some sort of dependence upon the acts of others*”) and “finance-capital” (used “*wholly by others than the owner, and under conditions which he does not and could not*

maintain by his own individual power", especially banking and financial institutions (Small, 1914, p. 728).

- 52 To Small, profit was integral to capitalism and was necessary for the survival of this system. It was possible to find ways to prevent capitalism from falling into the law of the fall of profit.
- 53 In particular, profit can become fair if it is invested in improving the efficiency of labor. Therefore, Small believed that the "golden means of capitalism" could exist, gathering capitalists and workers in the production process. More specifically, Small thought that cooperation between capitalists and workers—let us be reminded of the role of cooperative councils—could lead to a better functioning of companies, for both economic and social reasons. As far as economic reasons are concerned, Small viewed this cooperation as a way to create new sources of profit.
- 54 In contrast, Marx saw in the production process that the only way to make surplus value and then profit was through the exploitation of labor. It is certain that the nature of the relationships between capitalists and workers is key to understanding the emergence of profit in capitalism (Boyer, 2015). Consequently, Small's thought on cooperation and profit sheds light on an unsolved question in economics with respect to the dynamics of capitalism.
- 55 Nevertheless, both explanations are useful in questioning the actual dynamics of capitalism. During the early period in Small's writing, capitalism experienced a fall in the rate of profit. This is consistent with the rising value composition of capital (Bellofiore, 2014). Currently, the growing mechanization of production implies questioning the technical composition of capital and the emergence of profit. Productive processes are characterized by a rise in the pressure on labor (in labor organization or with respect to the issue of purchasing power), even though this does not mean that the share of wages in total income is diminished (Duménil and Lévy, 2014).
- 56 Therefore, the current phase of capitalism is marked by new kinds of inequalities—between classes and within classes, since the present phase alters the wage distribution in favor of high wages—and the emergence of new actors referring to Small's distinction between the three types of capital. In other words, labor was increasingly subordinated to finance, meaning a subordination of "management capital" to "finance capital" in Small's terms. In turn, this trend affects the valorization of production within the production process, the latter implying both employers and employees but even more so banks (Rochon and Rossi, 2013). We observe a rise of new actors who 'pervert' the positive between "tool-capital", "management-capital" and "finance-capital", such as new intermediaries and institutions of credit, which are only profit-seeking actors. Such a tendency leads to regular discrepancies between the production and consumption spheres.
- 57 In light of this, Small was right in underlining the need to distinguish between 'profit' and 'overprofit' because Marxian and Marxist scholars still address this issue :*"A crucial issue is the determination of the relevant measure of the profit to be used"* (Duménil and Lévy, 2014, p. 31). Determining the mechanisms by which profitability affects the economy is still paramount today with the growing financialization of the economy, causing us to question the nature of capital accumulation, which lies at the core of capitalism.

- 58 Indeed, since capitalism needs to find new areas of accumulation to renew (Boyer, 2015), the current relationship between “management-capital” and “finance-capital” is characterized by wage deflation and capital-asset inflation. As a consequence, we are experiencing growing sectoral imbalances as well as problems of overaccumulation and profitable investments (Duménil and Lévy, 2014). Overall, real growth becomes impeded by “toxic finance” (Bellofiore, 2014), and private indebtedness becomes an artificial substitute for the real valorization of capital:
- 59 “From this point of view, the Great Moderation, leading to the current Great Recession, must be interpreted as capital’s reaction to a crisis originating from a rupture in the same capital-labour social relation of production. The ‘real subsumption of labour to finance’ within ‘money manager capitalism’ – that is, the subordinated integration of households into the stock exchange market, and their going deeper and deeper into bank indebtedness – is one side of this reaction” (Bellofiore, 2014, p. 11).

Conclusion

- 60 This short paper has attempted to shed light on the neglected views of Albion W. Small, focusing especially on the possibility of a “third way” between Marxian ideas and laissez-faire economics. The article has demonstrated why Small can be classified to some extent as a Marxian but not as a Marxist. In fact, Small can be considered a “corporatist” who trusts the State to take on a great role in social affairs to prevent capitalism from collapsing.
- 61 The parallelism between Small and Marx’s reflections is fruitful, and we have emphasized salient points that could still be of interest for current economic research, particularly in the domain of the political economy of the firm. However, new issues should also be addressed regarding other relevant topics in both Small’s and Marx’s thoughts, such as the dynamics of inequalities or the possibility of the “return of social classes” in our contemporary Western societies based on a world-firms-led capitalism (see Chassagnon, 2018).

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NOTES

1. We thank the two anonymous referees for their comments and suggestions, which allowed us to develop these elements on the historical roots of the use of these terms.
2. It is worth mentioning that Small's views on Marx's theory echoed those of the German Historical School. Although it is undoubtable that Small paid more explicitly tribute to Marx than his German mentors did, Small owed the German economists his appraisal of Marx's ideas. The publication of Schmoller's mentioned paper in the *American Journal of Sociology* (ran by Small at the time) is evidence of such intellectual proximity.

ABSTRACTS

This paper sheds light on the neglected views of Albion W. Small, the founder of the Department of Sociology at the University of Chicago in 1892. As Small wrote during the American Progressive Era and had a background in political economy, it is natural that he was interested in Marx's ideas. In this paper we explain why we affiliate Small to some extent with Marxian but not Marxist authors. Using Small's appraisal of Marx's thoughts, this article examines fundamental issues of both the emergence of overprofit in the workplace and capitalism dynamics. Small called for cooperation between capitalists and workers. For those reasons, Small's ideas still resonate today.

Cet article met en lumière les travaux académiques d'Albion W. Small, le fondateur en 1892 du département de sociologie de l'Université de Chicago. Small a développé ses recherches durant l'ère progressiste américaine et avait une formation en économie politique. On comprend alors sans doute pourquoi il s'est intéressé avec force et rigueur aux idées de Marx. Pour autant, comme l'explique cet article, Small peut être affilié dans une certaine mesure à des auteurs marxistes mais pas marxistes. En proposant une étude historique de l'analyse que fait Small des pensées de Marx, cette contribution académique met tout particulièrement l'accent sur les questions fondamentales – et complémentaires – de l'émergence du surprofit au travail et de la dynamique du capitalisme. Dans cette perspective, Small a montré le rôle de la coopération productive entre les capitalistes et les travailleurs. Pour ces raisons, les idées de Small résonnent encore aujourd'hui, à l'heure de la réforme de l'entreprise.

INDEX

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AUTHORS

VIRGILE CHASSAGNON

Grenoble Alpes University; CREG & IREPE

GUILLAUME VALLET

Grenoble Alpes University; CREG & IREPE