

6. Just one anecdote: in Czechoslovakia, the value of goods in the stores which no one wants at a zero price equals the growth of the economy in the last two years.
7. See the special issue of *Theory and Society* 15/5 (1986), and the bulletins of BIEN, a European political movement for this proposal.

Terrel Carver & Paul Thomas (eds.), *RATIONAL CHOICE MARXISM* (LONDON: Mac Millan, 1995)

7 Mythological Individualism – The Metaphysical Foundation of Analytical Marxism

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Social science stands at the cross-roads of the natural sciences and the historical sciences. It involves both explanation and understanding. As compared to the natural sciences its distinctiveness lies in the shared humanity of scientists and their subject matter. Its data exists preconstituted as meaningful action, and must therefore be decoded before explanation is possible. Because the meaning of action is dependent on context, actors have first to be located in their specific social situation. That goes for ourselves as social scientists just as it applies to the subjects of our study.

Analytical Marxism stands opposed to these premises of social science by insisting on methodological individualism. Here individuals are abstracted from the concrete context of their action and the meaning of their action is imputed rather than studied. Moreover, the imputation is speculative in that it does not take place through any dialogue with those it describes. If there is dialogue at all it is with fellow academics, often neo-classical economists and analytical philosophers from whom they borrow much. They regard themselves as free-floating scientists, prepared to ditch any hypothesis, any claim, any theory, any tradition if it does not measure up to their keen sense of rigor.

Therefore, their methodological individualism becomes mythological individualism in two senses. First, the objects they write about are snatched from any context that gives their action meaning. Second, as scientists, analytical Marxists regard themselves, like their subjects, as free from social determination, from commitments to theoretical traditions. Even their political commitments are divorced from their role as scientist. If they are Marxists it is because they are fond of dismantling the works of Marx, purging them of inconsistency, ambiguity and philosophy and then straightening them into the works of a mythological individualist.

So long as they make no effort to address the empirical world in any systematic fashion their mythological individualism remains triumphant. But what happens when they use their methodological principles to study real phenomena? In this respect the analytical Marxism of Adam Przeworski stands as a bold attempt to base his analysis on empirically rooted assumptions and to draw conclusions about the world in which we live. I will show how mythological individualism (1) underpins his view of class compromise and class formation and (2) how it informs his pursuit of science. In each instance I will offer an alternative perspective which restores both object of science and scientist to the social context of their work.

MYTHOLOGICAL SUBJECTS

In an earlier debate I argued that notwithstanding his repeated appeal to lived experience, to individual preferences and to methodological individualism, Przeworski's Marxism has no microfoundations. In his analysis of the history of electoral politics in Western Europe he traces out voting behavior as though individuals were the dupes of collective actors. Class formation becomes the effect of the strategies of political parties, trade unions in the context of a changing occupational and political structure. The lived experience of workers, in particular, is not given any autonomous place in his theory. In his reply Przeworski agrees he has no microfoundations but he is not convinced by the micro-foundations I supply which are based on experience in production. First, their inclusion doesn't give rise to conclusions different from his. Second, I don't demonstrate the primacy of productive experience over other micro arenas.

In this rejoinder I want to take up both challenges in connection with his theory of class compromise. Przeworski takes as his point of departure an assumption of classical Marxism, namely that there is an irreconcilable conflict between capital and labor. In a static model it is true that what capital gains in profits labor loses in wages but, in a dynamic model, future wage increases come out of present profits so that workers do have an interest in containing immediate wage demands. Przeworski shows that for a given time horizon there is an optimal level of militancy for which workers will maximize future income. Militancy greater than this optimum would appropriate too much profit, so limiting future wage increases, while militancy less than the optimum would deprive workers of future wage gains by allowing capital to appropriate too much. The terms of this class compromise are that workers agree not to expropriate capital in

return for which capital agrees to redistribute a proportion of future profit in the form of wage increases. In short, labor makes gains within the framework of capitalism without challenging its foundations. Reform does not lead to revolution.

As a critique of the assumptions of classical Marxism Przeworski's model is very powerful but as an account of the tendency of wages it lacks any empirical referent. It is one thing to say there is an optimal militancy, it is quite another to say workers are able to achieve it. Przeworski operates at the level of an imputed class interest without links to actual class interests or to the class capacity that could enforce those interests.

My own explanation of the trajectory of wages also recognizes the possibility of class compromise but insists that these are shaped by what I call the regime of production or the political and ideological apparatuses of production. It is here that relations between capital and labor are concretely coordinated and that working-class capacity is determined. Hegemonic regimes of production forge a compromise whose terms are spontaneous consent to managerial interests in production in exchange for wage increases related to profits. The hegemonic regime, which is to be found in core sectors of the US economy, has two components: the regulation of class conflict through collective bargaining and the constitution of workers as industrial citizens with rights and obligations. Once established, the hegemonic regime demobilizes the working class, weakening its capacity to struggle for higher wages until, in the face of a capital offensive, it is not able to defend the hegemonic regime itself. It gives way to a more despotic order under pressure of global competition. Thus, I would anticipate that the consolidation of such 'hegemonic' regimes of production leads to an initial high rate of wage increase but its continued existence leads to smaller and smaller wage increases.

With this hypothesis in mind, David Weakliem has analyzed wage trends in the United States since World War II. He shows that indeed wages have moved together in those industries with similar regimes of production. Second, the effects of economic conditions, in particular levels of unemployment and inflation, are not constant but vary over the period 1947-87. Third, when variations in these effects are allowed for, the relative wage changes between sectors characterized by hegemonic and despotic regimes points to the curvilinear movement anticipated by the model. In short, not the strategic interests of workers in long-term maximization of wages but the class capacity of workers determined by regime of production determine the movement of wages. Incorporating production as micro-foundations for societal forces makes a difference and a right difference.

Weakliem's data analysis supports the thesis that wage movement is determined by production regime. Because his model has no theory of changes in class capacity, and because he assumes that the working class has unlimited capacity, Przeworski cannot anticipate actual wage movements. But Weakliem's analysis refers to the United States and Przeworski might well argue that his own model better applies to those countries, such as Sweden, where strong centralized trade union federations do pursue wages policy for the entire work force. There, perhaps, wages vary less with the consolidation of different factory regimes and more with strategies pursued by collective actors. Still, the condition of possibility of such strategies would rest on production regimes that organized class struggle at the level of the enterprise. Central trade union organization depends on regime of production whatever their relative importance in determining the trajectory of wages.

I am not defending exclusive determinism by production regime but rather propose the operation of two logics: that of the lived experience of workers rooted in an albeit distorted communicative interaction which provides the microfoundations of a second logic, the strategic action of collective actors. Both logics operate in the formation of classes as well as of class compromises.

MYTHOLOGICAL SCIENTISTS

There is a close correspondence in the way Przeworski constitutes the workers he studies and the way he sees himself as scientist. Just as he divorced workers from the concrete social relations which gave meaning to their action so he now divorces himself from the social context which gives meaning to his science. In his guise as a scientist he presents himself as liberated from intellectual tradition and political commitment: 'Marxism is for me not a *parti pris*, but a set of hypotheses, subject to routine scientific inquiry' (above, p. 168).

But this doesn't answer what you do when you discover that Marxism's hypotheses are wrong. Przeworski never poses this question. By his silence, I can only assume that when the hypotheses of Marxism are found wanting, then he would say off with its head. But this is a very naive view of science, one in which hypotheses are tested, refuted and abandoned, then to be replaced by new hypotheses. If this were really the scientific method then no science would have got off the ground as it would have drowned in a sea of refutations. A certain dogmatism is necessary for the growth of science.

Marx himself would certainly not have written *Capital* if he had accepted refutations as a reason to abandon his project. Subsequently Marxism thrived on refutations of its hypotheses: Luxemburg's analysis of the negative as well as the positive moments of capitalist democracy sprang from the unexpected reformist tendencies of the German socialist movement, Trotsky's theory of combined and uneven development of capitalism demonstrated why revolution would come first to a backward rather than an advanced country, Lenin's theory of imperialism sought to explain how competitive capitalism transformed itself into monopoly capitalism rather than giving way to socialism, his theory of the dictatorship of the proletariat anticipated the degeneration of the Soviet revolution, Gramsci's theory of superstructures explained the failure of revolution in the West and pointed to new political strategies. And so on.

Marxism has developed into a powerful tradition because Marxists have stuck to the basic principles of Marxism, taking up anomalies as a challenge. Rather than abandoning Marxism in the face of refutations they chose to refute the refutations by developing remarkable new theories. Marxism has developed because Marxists were committed to the core postulates of historical materialism. And that commitment was fuelled not just by its explanatory power but also by a political allegiance to the desirability if not the realization of an emancipated society.

In these respects Marxism is no different from any other expanding science. Based on a critical dialogue with positivist and post-positivist philosophers of science Imre Lakatos developed his methodology of scientific research programs. Scientists are embedded in research programs defined by a negative heuristic which stipulates that a set of core postulates be defended at all costs and a positive heuristic which lays out the models and exemplars for the development of new theories. In a *progressive* research program successive theories not only save core postulates by normalizing anomalies but also make predictions, some of which come true. *Degenerating* research programs save core postulates by patching them up with *ad hoc* hypotheses which if they make predictions at all, prove to be wrong. Lakatos argues, with precious little evidence, that progressive research programs replace degenerating ones.

Przeworski insists on the separation of science from politics: 'I think, with Bernstein, "no -ism is a science," and that it is a responsibility of politically committed scholars to expurgate beliefs that cannot be supported in a scientific way, by logical inference and empirical evidence' (above, p. 168). Despite his lofty rhetoric, however, Przeworski developed his theories of class formation and class compromise in order to save Marxism from a particular anomaly – the failure of revolution in the West.

I presume he chose to save Marxism rather than neoclassical economics because, at least in part, of the attractiveness of Marxism's political aspirations. Just as we had to restore mythological workers to their productive context, so now we have to restore Przeworski to his intellectual moorings.

WORKING WITHIN THE MARXISM RESEARCH PROGRAM?

If indeed both Przeworski and I are working within a Marxist research program then we can begin to compare our different perspectives from the standpoint of its growth. Both of us are interested in the way capitalism successfully incorporates the working class. Przeworski argues that the possibility of wage earners improving their material conditions means that the state is not merely an instrument of oppression but also of organizing the redistribution of resources. Political parties, therefore, under penalty of death, seek electoral victory to secure short-term gains for their constituencies. Because workers do not form a majority of the population, this leads parties to de-emphasize class identity.

I, on the other hand, argue that the incorporation of the working class already is organized through the regime of production which orchestrates a class compromise based on returns to spontaneous cooperation of workers and partial redistribution of profit by capital. Class compromise and individualization is organized in production before parties even enter the picture. Przeworski responds, 'Consent may be organized *in* production, but only because no alternatives to it [capitalist enterprise] are organized *beyond* production' (above, p. 179). Przeworski adopts Lenin's theory that (a) workers can only achieve trade union consciousness and (b) socialist consciousness comes only from without through a political party. I, on the other hand, don't believe that socialist parties can engineer a socialist consciousness so long as there is a *hegemonic* regime of production. While neither of us denies that consent is organized both in production and beyond production, each asserts the primacy of our own realm but without demonstrating that primacy.

We have to take another tack. What are our respective contributions to the Marxist research program? Do our theories address the central anomalies of Marxism: the success of capitalism and the failure of state socialism? Do they generate new predictions? Przeworski uses his account of the dynamics of politics to explain variations in the success of socialist parties in electoral competition. But this hardly explains why they all fail: 'As a result, we did a much better job in explaining differences among the seven countries we studied than in answering the central question we posed: why

is it that in all capitalist countries socialist parties lost votes of manual workers when they directed appeals to other people' (above, pp. 174-5). Przeworski has a brilliant answer to the 'wrong' question - wrong from the point of view of the Marxist research program.

My own analysis of regimes of production concentrates on the common impediment to challenges to advanced capitalism but fails to explain variations in class formation. (Although others have tried to explain such variations.) Instead of comparing the effects of regimes of production in different capitalist societies I chose to compare the effects of regimes of production in capitalist and state socialist societies. I argued that the emergence of bureaucratic despotic regimes in Eastern Europe and the Soviet Union engendered not only dissent to the existing order but 'socialist' dissent. The central appropriation and redistribution of surplus because it is transparent and not mystified (as under capitalism) requires ideological legitimation, namely that it is undertaken in the interests of all, that it is just and efficient. This ideology is embedded in rituals affirming the virtues of state socialism and thereby becomes the basis for working-class critique of state socialism for failing to live up to its ideals. Based on the development of Solidarity I argued that state socialism generates a working class committed to the democratization of state socialism. I anticipated that the break-up of state socialism would lead to working-class mobilization toward democratic socialism.

I was wrong but that's par for the course. The collapse of state socialism came not through popular revolt (except in the case of Rumania where, interestingly, members of the old regime were voted back into office) but the disintegration of the party bureaucracy. The working class may indeed have developed a socialist class-consciousness but its class capacity was very weak. The bureaucratic despotic regime of production had effectively demobilized and atomized the working class. At the same time the ruling class lost its self-confidence to govern in the name of socialism. It finally abandoned all efforts at bridging the gap between ideology and reality through repression and reform. Instead of trying to bring reality into conformity with ideology the ruling class jettisoned socialist ideology in favor of the ideology of the marketplace and free enterprise.

WHY MARXISM MATTERS

The point of this excursus is not to suggest the superiority of one or other set of answers but to underline the importance of working within a research program. Przeworski is only irritated by the issue: 'I care not at

all whether I reconstruct or abandon Marxism, whether my approach belongs to "analytical Marxism", "neoclassical Marxism" or simply neoclassical economics' (above, p. 184). He does not want to be bound by any package of assumptions, questions, and exemplars. Przeworski prefers to shift allegiances while giving the impression of consistency. On the one hand anomalies of Marxism did lead him to study class compromise and class formation. His theories make an important contribution to the Marxist research program. On the other hand, carried away by his discovery of the dynamics of class compromise, this now becomes the basis of a new research program whose defining puzzles are the existence of poverty and oppression on the one side and the fragility of democracy on the other. Embracing Adam Smith's theory that the capitalist division of labor should deliver universal opulence he is puzzled by immiseration. Starting from such a trickle-down theory of class compromise, he is further puzzled by the instability of democracy. His theories become the hard core of a research program which combines neoclassical economics and political science in the language of class. Within this framework, however, his theory of class compromise becomes banal.

Not surprisingly, therefore, but with precious little argument, Przeworski concludes: 'most standard reasons cited by the Marxist theory to explain poverty and oppression under capitalism are either faulty or insufficient' (above, p. 189). This is indeed a curious rendition of Marxism. For, if Marxism has been able to accomplish anything it has been the explanation of immiseration and democratic instability – and it has been so successful precisely because it has insisted on production as its micro-foundations. If Marxism has taught us anything it is that the reproduction of capitalist relations of production sets limits on redistribution and therefore the effectiveness of democratic politics. Przeworski can only find these phenomena puzzling, from the standpoint of assumptions that are alien to Marxism.

The point about working within a research program is not that it should provide an answer to all questions. To the contrary, it defines a hard core of assumptions and theory, delimits anomalies and creates specific conceptual tools with which to tackle those anomalies. It provides the focus, discipline and continuity necessary for scientific growth. As long as it has some successes, its failures are what drive it forward. Analytical Marxists, however, don't want to be encumbered by the legacy of Marxism. In repressing the historical development of Marxism, they hope to project their own achievements onto a universal plane. They set out by mythologizing those they study and end up mythologizing themselves. Separating themselves from politics, from those they

write about, and from an evolving intellectual tradition, they easily succumb to the reigning orthodoxies of the academy.

So why is commitment to Marxism important? First, in times of capitalist triumphalism, it is indeed appropriate to focus on continued poverty and oppression but from the standpoint of capitalism's inherent irrationality. In this regard Marxism has no equal. Second, as Przeworski underlines, it is important to construct models of socialist alternatives. Again Marxism is the obvious point of departure. Third, Marxism has survived profound challenges to its principles before – the break-up of the Second International and support for national war, the defeat of revolutionary movements after World War I, Stalinism. Placing oneself in the Marxist tradition offers the resources and perspectives to maintain commitment to radical critique in times when it is increasingly out of fashion. Finally, conceived of as an historical phenomenon, Marxism seeks to understand its own social determination. It heightens self-consciousness of the limits and pretensions of intellectual production.