

- 21 Przeworski, *Capitalism and Social Democracy*, p. 105.
 - 22 Przeworski and Sprague, *Paper Stones*, p. 53.
 - 23 *Ibid.*, p. 8.
 - 24 *Ibid.*, p. 80.
 - 25 Przeworski, *Capitalism and Social Democracy*, p. 163.
 - 26 *Ibid.*, p. 139.
 - 27 *Ibid.*, p. 146.
 - 28 *Ibid.*, p. 136.
 - 29 *Ibid.*, p. 147.
 - 30 Gramsci, *Selections from the Prison Notebooks*, p. 243.
 - 31 Przeworski, *Capitalism and Social Democracy*, pp. 200-201.
 - 32 Adam Przeworski and Michael Wallerstein, "Structural Dependence of the State on Capital," *American Political Science Review* (1988), vol. 82, no. 1, p. 19.
 - 33 Przeworski, *Capitalism and Social Democracy*, p. 232.
 - 34 *Ibid.*, p. 232.
 - 35 *Ibid.*, p. 174.
 - 36 Przeworski, "Marxism and Rational Choice," p. 385.
 - 37 Przeworski, *Capitalism and Social Democracy*, p. 247.
 - 38 *Ibid.*, p. 238.
 - 39 Przeworski, "Marxism and Rational Choice," p. 393.
 - 40 Przeworski, *Capitalism and Social Democracy*, p. 3.
 - 41 Przeworski, "Marxism and Rational Choice," p. 381.
 - 42 Przeworski, *Capitalism and Social Democracy*, pp. 231-235.
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Class, Production and Politics: A Reply to Burawoy

Adam Przeworski

OURS IS PERHAPS THE FIRST TIME in two hundred years that is without blueprints of a radical social transformation. In particular, the socialist alternative that emerged around 1848 and became the guiding idea of mass movements around 1890 seems to have faded from the public scene. The countries which assumed the socialist appellation are desperately grasping for capitalist remedies to their economic and ideological breakdown, while political parties in capitalist societies that bear the socialist label have abandoned even the semblance of an alternative. The question guiding most of my work which received Michael Burawoy's scrutiny is why the left in democratic capitalist countries has failed to offer a politically, economically and ideologically viable alternative to capitalism.

This question concerns socialism as an historical phenomenon. The nineteenth century is a cemetery of movements that rejected capitalism—from anti-industrial communitarianism, mutualism, and diverse incarnations of anarchism, to religious millenarianism and non-Marxist socialism. Yet only one movement grew to lead victorious revolutions in some countries and to mobilize the masses, compete in elections and even govern in other countries: the movement which blended socialist objectives with the Marxist theory and a working-class base.

Marxist socialism of that hopeful period was a movement with a theory and a project: a theory of collective action and a project for the

new society. According to this theory, wage-earners suffer material deprivation and are compelled to toil just in order to survive as a result of the private ownership of productive wealth. Each individual wants to improve his or her life conditions, so they combine with others facing similar conditions and struggle for their interests. But they soon discover that no improvement is possible under capitalism. Only if capitalism is abolished—if the instruments of production become public property—could they free themselves from misery and compulsion. Conversely, once capitalism is abolished other sources of deprivation would also disappear. Hence, struggles for individual material interests turn into one big struggle for socialism. This struggle would be victorious under democratic conditions because wage-earners would become an overwhelming majority of voters.

This theory of collective action has solid micro-foundations in the idea that individuals are motivated by their own material welfare, and it is the only micro-foundations it has. People do not like to perform unpleasant labor (toil) and they like to consume, in the broad sense of using objectifications of socially organized activities, for example, a canvass to paint beautiful pictures for everyone's enjoyment. They have many other wants, tastes and ambitions, and these may matter. But individual material interests were considered by Marxists as sufficient to conclude that history would bring about socialism as a consequence of a movement of workers.

MY STUDIES OVER THE PAST TWENTY YEARS have persuaded me that this theory is not valid and the political project associated with it is not viable. The method by which these conclusions are derived is analytical: my procedure was to accept Marxist premises and to examine whether the conclusions drawn by Marx and his followers follow in the light of contemporary social scientific knowledge. For those who like labels, this is "analytical Marxism": I take Marxist assumptions and study whether the stipulated consequences follow, given what social scientists know today. The reference to "social science" is important to me: I think, with Bernstein, that "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.

Marxism is for me not a *parti pris*, but a set of hypotheses, subject to routine scientific scrutiny. I realize that there is more than one ideal

of "science" and that every set of procedures can be criticized as being in some way naive, but I consider obscurantist any notion that Marxism has its own philosophy of science which exempts it from the criteria used to evaluate other theories. Moreover, any science that is to guide social practice must at least answer causal questions, such as, "what are the possible, likely, or certain consequences of alternative courses of action?" Otherwise, it is politically impotent.

The conclusions at which I arrived using this approach are the following: (1) Wage-earners and other people can improve their material conditions within the confines of capitalism. (2) The state can make a difference in allocating resources and distributing incomes; hence, partisan control over the state does matter; hence, democracy has consequences for the welfare of particular groups under capitalism. (3) The opportunity inherent in democracy forces mass movements to orient their strategies toward short-run improvements and to de-emphasize class identities; movements which fail to do so vanish. (4) All major social transformations, including the "transition to socialism," are costly and, if the only motivation for them are material interests, they will not be attempted by movements that are powerful under capitalism.

These conclusions do not constitute an apology for capitalism, which continues to generate mass poverty amidst affluence, unnecessary compulsion to toil, avoidable oppression in workplaces, schools and families, inequality of opportunity, accidental distributions of income, irrational allocations of resources and a number of other harmful consequences. Moreover, I believe that many of these consequences are avoidable and that they could be avoided given a different organization of the economy and the state. I do not think, therefore, that capitalism is an immutable form of societal organization. But the traditional notion of socialism conceived in terms of public ownership of the means of production is no longer credible and the juxtaposition of capitalism versus socialism no longer informs future alternatives.

Burawoy does not question any of these conclusions. He agrees that the durability of capitalism and the reformism of the working class have refuted Marxist theory. He questions neither the central hypothesis of *Paper Stones*—that socialist parties undermined class organization of workers in an inevitable pursuit of electoral victories—nor of Michael Wallerstein's and my work on class compromise—that organizations of workers consent to capitalism when this strategy is best

for the material interests of their members. And when Burawoy discovers in Hungarian workers the agent of the socialist transformation neither of us found in the West, he puts socialism in quotation marks, probably because he is as unclear about the content of this possibility as all the rest of us.

Nor does Burawoy question the analytical method. His exchange of views with Erik Wright* may indicate that he is just being charitable, but he dresses his critique of my views under the guise of a methodologically internal critique: he chastises me for not adhering to my own methodological program in failing to specify micro-foundations of collective action.

BURAWOY'S FIRE IS DIRECTED neither at the conclusions nor at the method, but on the assumptions from which these conclusions are derived. What he finds at fault is that I repeatedly ignore the importance of production as a determinant of collective identity of workers, as a terrain of politics and as a factor in global transformations of society. But if Burawoy disagrees neither with my conclusions nor with the method, then what is at stake in his argument for the importance of production? His main critique is that because I ignore production, I end up with a poor description, both of class formation and of class conflict. The analytical apparatus that abstracts from production, Burawoy insists, is descriptively misleading. In other words, even if my conclusions are valid, they are valid for wrong reasons. And ultimately I do pay the price: not having found prospects for socialism in the West, I stopped looking instead of discovering them in the East.

To anticipate what follows, I find Burawoy's critique of my view of class formation incisive and valid. All I can do is to explain why I think all approaches to this issue are incomplete and why differences of approach are likely to persist. However, Burawoy's emphasis on the primacy of production for class formation is unpersuasive and at times relies on ritualistic reductionism. The importance of production for questions of class conflict is more evident, but we still do not understand the role of unions in the labor process. Finally, I think that Burawoy's preoccupation with production causes him to misunderstand both the longevity of capitalism and the reasons the political alternatives we face appear so limited.

**Berkeley Journal of Sociology*, 1987, p. 23

On Class Formation

TO JUDGE COMPETING APPROACHES to class formation, we need to agree first what it is that theories of class formation explain. They answer two sets of questions: (1) At the individual level, why do individuals act on the basis of some specific interests, values, norms, instincts or motives or, alternatively, why are they vulnerable to particular appeals? (2) At the collective level, why do particular collectivities acquire a strategic capacity to act as unified actors, why do they become "organizations," in Alessandro Pizzorno's apt definition of organization as a capacity for strategy?

As Mancur Olson has shown, Marxists have traditionally confounded these two questions when they reasoned that if workers have the same interests as individuals, then all workers will act collectively to promote these interests. This inference is fallacious because, as Marx in fact emphasized several times, being a worker puts individuals in competition with one another. It is in the collective interest of workers to have a minimum wage above the subsistence level, but it is in the interest of each individual looking for employment to work for less than the minimum wage. It is in the collective interest of all wage-earners to have compulsory retirement laws, but many individuals would prefer to work beyond the retirement age. Hence, workers act collectively only if they are organized—that is, only if some organization has the capacity to prevent individual workers from pursuing their interests. The power of unions is due to this capacity: the ability to persuade or coerce individual workers not to work for less even at the cost of unemployment and perhaps the ability to control the effort of individual workers in production. The power of political parties is less direct since they are less able to coerce: political parties work by shaping collective identities, the identities on the basis of which individuals act.

Traditional approaches to class formation reduce the answer to the second question to the first one. In the Marxist version of reductionism, individuals acquire class interests in production and they organize collectively on the basis of these and only these interests. Classify "locations" in production, impute to them "class consciousness" or "class interest" and you have resolved all problems of collective action. If the observed patterns of collective action do not correspond to the classification, go back to production and reclassify. Explaining collective

action is just a matter of a correct classification of places in production.

The Marxist reductionist approach, in all its versions, fails to meet elementary challenges imposed by the life around us: it fails to explain why the particular developed capitalist countries differ greatly in the way they experience and conceptualize class structures and it fails to explain why the politics in none of these countries can be reduced to class. Why is it that people who are neither workers nor capitalists constitute "the middle class" in the United States, "cadres" in France, "cetti medi" in Italy, "beamte und angestellte" in Germany and "intelligentsia" in other places? Similar questions can be posed with regard to those excluded from productive activities (and I posed both in my 1977 polemic with Wright*): for example, why is it that, in the United States, poverty has assumed a social form of a distinct underclass, while in France, which has a lower per capita income and an even more unequal income distribution, no such distinct group is apparent? Another difficulty is even more obvious: how can we explain, beginning with production, that Sweden or Austria have encompassing, centralized unions allied with electorally dominant social-democratic parties, while the United States and Italy have neither? Even worse, what can we do with those collective organizations that appear not to have any class roots—say, the French Socialist Party, the ecological movement, Young Women's Christian Association, or the Irish Republican Army?

But the emphasis on production does not exhaust reductionist possibilities. Political sociologists typically reduce the question about collective action to the question concerning individuals without relying on production: sociological theories of voting behavior normally do just that. Nation, religion, sex or language have been used as a basis for reduction as effectively as places in production, and I think with the same meager results.

In my 1977 article on class formation, and in *Paper Stones*, co-authored with John Sprague, I attacked this approach by claiming that individuals do not congeal into ready-made political actors, either in workplaces, markets, churches, or anywhere else, but collective iden-

*Adam Przeworski and Erik Olin Wright, "Proletariat into a Class: The Process of Class Formation from Karl Kautsky's *The Class Struggle* to Recent Controversies," *Politics and Society* (1977), vol. 7; reprinted as chapter two of my *Capitalism and Social Democracy* (Cambridge: Cambridge University Press, 1985). Unless indicated, other references are listed by Burawoy.

tity—that identity on the basis of which people act in collective life—is continually generated, destroyed and molded anew in the course of conflicts.

IN RESPONSE TO THE VISION OF CLASS FORMATION in which individuals first acquire a collective identity within work places, nations, or churches, and only then go on to act politically, we juxtaposed a view in which parties, unions, churches, schools, newspapers, armies and corporations compete with each other to persuade and coerce individuals to act on the basis of particular interests or values. Instead of assuming that identity is given by "positions," we developed a model in which this identity is continually molded by political parties. We applied this model to study why class has played such a different role as a determinant of individual voting behavior in seven Western European countries since the beginning of the century, and I continue to think that the results this model generated are impressive. In particular, we pulled off the feat that mattered most theoretically: we reproduced results of surveys conducted in each election since the 1950s on the basis of our understanding of a process that started decades earlier. We have shown that the way workers voted in France in 1973 or in Sweden in 1976 depends on the strategies followed by socialist parties in all the previous elections. Hence, we validated our central tenet: collective identity is a consequence of a long-term process in which political parties play a central role.

Yet Burawoy succeeded in turning tables. His basic claim is that our approach is also reductionist: *Paper Stones* only changed the direction of reduction, confusing the answer to the second question for a response to the first one. We treat individual behavior as an effect of activities of organizations, but we do not explain why individuals behave the way they do. We explain why a higher proportion of workers voted for left parties in Sweden than in France, but we cannot tell what distinguishes those who did from those who did not. Hence, in the end, *Paper Stones* has nothing to say about workers: they are just an abstract, homogeneous raw material from which parties do or do not produce socialist supporters.

This criticism is valid and devastating. The only question is to what extent the problem identified by Burawoy is inherent in the approach and to what extent it is limited to our misuse of it. Let me thus first

sketch the approach in general terms and then explain how it was applied in *Paper Stones*.

Collective Identities

THE APPROACH I PROPOSED IN 1977 can be schematically summarized as follows. At any moment there exist in any society several organizations that seek to realize goals that entail militancy, support, collaboration, or at least compliance of large numbers of individuals. As they pursue their goals, organizations compete to instill in individuals particular collective identities and to evoke from them particular behaviors. In France, the Socialist Party seeks to mold individuals who are machine operators, males, Catholics and small-town dwellers into workers; the Catholic Church tries to convert them into Catholics; the army seeks to forge them into Frenchmen; the Employers' Association strives to model them into self-interested individuals. Their strategies involve symbols and organization; persuasion and coercion. Hence, struggle about class precedes eventual struggle between classes. The result of this strategic interaction at every moment is some structure of identities on the basis of which individuals act in collective life, the structure of collective action. In turn, the effect of collective actions is a structure of identity. And so history marches on.

One way in which this structure can be characterized is by tracing collective identity to positions in the system of production. This analytical procedure serves to identify the class basis of collective action. "Class formation" is thus but one aspect of a multi-faceted process of collective organization. In my 1977 essay I feared that this view was leading too far and I ended up arguing that forms of collective action that cannot be traced to class position can be still understood in terms of class since they emerge only if class does not become the dominant form of collective organization. But several commentators were correct to point out that there is no basis for any asymmetry in treating class and non-class roots.

Paper Stones also begins with this asymmetry, but for methodological rather than substantive reasons. To use the language of my neoclassical fellow travellers, *Paper Stones* is a partial equilibrium model. Our central hypothesis was that class does not emerge as the dominant form of collective action unless someone, specifically some political parties, appeal to class and organize on class basis. Hence, we looked at the

entire process of class formation from the point of view of one actor facing a parametric environment. We assumed that each socialist party seeks to maximize class-based electoral support given two sets of constraints: the actions of other organized actors and those features of workers that are independent of the actions of all organizations.

This assumption meant that we did not have to examine the strategy of every possible actor relevant for the process of class formation. We did not have to study what was the response of the Catholic Church to the socialist support of public education or the response of unions to socialist entry into government. We could characterize the entire political environment of the socialist party—unions, other parties, churches and all—in terms of a few parameters that we considered constant during long periods. This assumption made it possible to analyze the process. Moreover, when we tried to interpret the observed cross-national differences in terms of national working-class cultures or other characteristics of workers, we did not get anywhere.

Focusing on other organizations turned out to be fruitful. We found, for example, that socialist parties which appeal to non-workers lose fewer votes of workers in those countries in which unions are strong and in which no parties make particularistic, religious or linguistic, appeals. Hence, we ended up attributing the observed patterns to the political environment of socialist parties rather than to any features of workers that might be autonomous from or at least prior to actions of organized actors.*

In retrospect, I think that the partial approach was a reasonable compromise. I also continue to be surprised that the statistical results we obtained made so much historical sense. But Burawoy correctly identifies what is wrong with our procedure: it is the failure to distinguish those constraints that confront the socialist party because it faces other organizations from the constraints faced jointly by all the organizations competing to forge collective identities, those constraints that are due to autonomous characteristics of workers. 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 electoral appeals to other people? Indeed, in the

*In general, I find that those approaches to working-class formation that start from the state, notably the work of Pierre Birnbaum, better explain the observed patterns than those that stick closer to society, including production.

epilogue to *Paper Stones* we were forced to speak of “real conflicts of interests and values” which all political parties confront, but these interests and values were absent from the analysis. We did reduce questions about individuals to questions about organizations: a mirror image of what we criticized.

This reduction is costly because without an understanding of the structure of interests, values or norms that are autonomous from the activities of organized collective actors we fall into a radical indeterminism in which everything is possible and hence the success of political projects is exclusively a matter of will. This danger is best exemplified by Ernesto Laclau’s and Chantal Mouffe’s book, *Hegemony and Socialist Strategy*, which, in spite of its title, is incapable of even conceptualizing a notion of strategy, precisely because it argues that identity is exclusively a product of discourse. If I were to rewrite *Paper Stones* today, I would worry about what workers want and what they do independently of unions, parties and other political actors. I learned that to study class formation, one must study both the structure of interests of individuals and the strategies of collective actors.*

Production and Class

IF WE WERE TO LOOK FOR THE MICRO-FOUNDATIONS of class, would we find it in production? As Burawoy notes, this is not a definitional question; a definitional question would be trivial. He makes two substantive assertions: that it is production that shapes experience of class and, most importantly, that it is because of whatever happens in production that workers consent to capitalism. He also rejects Marx’s theory

*This assertion does not imply that in order to study everything one must consider both individuals and collective actors. For example, when studying conflicts between unions and firms one need not each time worry about individual workers or stockholders; when studying the state one need not worry each time about individual bureaucrats and politicians. Organization, to return to Pizzomo, is the capacity for strategy, the capacity to act on behalf of individuals even if such actions go against their individual interests, those interests that pit individuals in competition with one another. Hence, there is no contradiction between being concerned about interests of individuals and problems of collective action when studying class formation and taking ready-made collective actors as the point of departure when studying class conflict. Burawoy does to me what he criticized Elster of having done to Marx: he takes assumptions of independent analyses and claims they are contradictory. Assumptions serve to hold some aspects of the world as given for the purpose of pursuing a particular question. In spite of the first principle of dialectics, which asserts that everything is related to everything else, all science is a partial equilibrium analysis: something, somewhere is taken as given.

and he arrives at the same conclusions as I did but for a different reason: according to Burawoy, Marx thought that the experience of production would lead workers to organize as a class while in fact this experience has led them to consent to capitalism.

I THINK THAT BURAWOY FAILS to provide reasonable support for either proposition and I believe that both are false. No one would dispute that “production shapes experience,” but the issue is whether wage-earners become or do not become collectively organized as a class because of what happens in production. And while most people perform unpleasant tasks in production against their liking, any inference to consent is fallacious. The secret of consent lies in the available alternatives and these must be organized beyond the world of production.

Note that in spite of his tone, Burawoy’s assertions are not self-evident. While I maintain that consent is generated because organizations of workers get involved in struggles over allocations of resources and distributions of income, he argues that consent is manufactured in production. But we may be both wrong or only partially correct: what about Ira Katznelson’s emphasis on the role of local communities in the United States; what about Pierre Bourdieu’s and Jean-Claude Passeron’s claim that in France consent is engendered in schools; what about E.P. Thompson’s emphasis on the role of religion? Alternative hypotheses are many and the issue cannot be resolved without argument and evidence.

Burawoy could have advanced three kinds of support for his assertions: direct empirical evidence, a demonstration that production explains equally well or better the observed cross-national differences or arguments from some first principles. In fact, he presents no empirical evidence. He suggests how he would go about explaining the results of *Paper Stones*, but never goes beyond declarations. Instead, he insists that the truth of his propositions is obvious. As a result, his argument is mainly hortatory.

Burawoy’s view of the role of production in class formation is novel and interesting: nothing I have said thus far is intended to undermine his superb understanding of what happens in production. The originality of his position lies in that he reduces class formation to production without reducing the question about collective action to the question about individuals. Class consciousness and class interests of individuals

are not given in a unique way by their "positions": Burawoy is careful to mark his distance from Erik Wright. To the contrary, they are generated via some process of complex interaction within what he calls "production regimes." Moreover, Burawoy offers a comparative morphology of such regimes, contrasting in particular developed capitalism with Eastern Europe. But in order to demonstrate that these production regimes explain the cross-national differences in class formation observed in *Paper Stones*, he would have to specify in what way the production regimes in Denmark, Norway and Sweden differed historically from those in Finland, France and Germany. He knows that this is the challenge he must meet and he approaches the task, but he does not get anywhere. And I doubt that the "production regimes" of advanced capitalist countries are so different that they could explain the cross-national differences in collective identity and collective action.

Instead, several of Burawoy's arguments in favor of the importance of production are purely ritualistic. His favorite one is that "without production there is no distribution," which I take to mean that when workers first arrive at the factory gates, they are famished and naked, since nothing had been distributed before producing. Questions about production are "more basic" than other questions; without introducing production one "cannot explain," and so on. Marx might have thought so and it may be true, but it must be shown, not just posited, to be true.

Where is "Production"?

WHY I AM SO HARD TO PERSUADE? I do have a particular bias which I spelled out above: because individuals facing the same conditions are pitted in competition with one another, any collective action on their part requires some kind of a glue, whether persuasion—endogenous change of preferences resulting from a "dialogue" described by Claus Offe and Helmuth Wiesenthal—or coercion. Without glue, class is a house of cards.

Burawoy maintains that if class is ever organized, it always happens "in production." But production is not a place: only factories and offices are. Either he means that classes are organized in workplaces or that they are organized because of what happens to individuals in production. Let me comment on the first interpretation; I discuss the second interpretation below.

Suppose that workers in a particular factory or office do organize: they overcome conflicts among them and acquire the capacity to act in the collective interest against interests of others and against the individual interests of workers. Organization is thus generated in production. Let me grant even more: suppose that workers in all factories and offices organize collectively. However, members of the particular collectivities still compete with one another: when workers in a highly paid factory strike, workers in the less well-paid factories offer to replace them. When workers walk out of all the factories within which they are collectively organized, they do not yet make a class: I find myself repeating Marx's Inaugural Address to the First Workingmen's Association. The reason the issues of class and party have been so inextricably connected in the history of socialist thought is that there can be no class without "party": some organizational device, from the full range of such devices that game theory finds appropriate depending on the structure of strategic interaction, that would enable workers from particular work places to act in pursuit of their collective interests.

Perhaps we are both overstating the difference between our views. Let me cite Burawoy and indicate what I do and what I do not find objectionable in his position. On page 82 of his critique of my work, Burawoy writes:

If classes emerge at all as actors, they do so first under the combined influence of the economic, political and ideological moments of *production*. The character of production relations, the way they are reproduced and the experience generated thereby provide the ground for incumbents of particular places in the labor process to become a collective actor, a class-for-itself. Only on this basis can we talk about the role of parties and trade unions molding or reshaping class.

Of this, I would agree to the following proposition: "The character of production relations...and the experience generated thereby constitute a constraint under which parties and trade unions mold and reshape classes." Later, on page 83, Burawoy makes in fact an almost identical statement: "Reflecting the regime of production, workers evolve their own identities, and parties and unions are compelled to take them into account." I agree, but then nothing is "first" (whatever that means) about *production*, which does not even have to be underlined; and there are no "grounds" and superstructures. Production is just one objective condition among others.

Origins of Consent

THE CENTRAL ISSUE THAT DOES DIVIDE US concerns the origins of workers' consent to capitalism. Burawoy asserts that "as long as consent is manufactured in production, socialist parties will not be able to forge an electoral road to socialism." To translate it from our shared Gramscian jargon, I understand this to mean that as long as workers go to factories which they do not own and exert effort once there, they will not vote for socialism. In itself, this proposition is innocuous, but Burawoy seems to believe that it implies its converse: if consent was not manufactured in production, socialist parties could forge this road. And in my view the latter proposition is vacuous, since I believe that only if socialist parties were to organize a feasible alternative to capitalism, could consent *not* be manufactured in production.

Individual workers do not have a choice to consent or not to consent to capitalism. They can engage in struggles to improve work and life conditions under capitalism and they can even struggle for socialism, but they must go on selling their capacity to work for a wage; they must exert some, albeit variable, amount of effort; they must listen to their bosses and they must teach their children to do the same. Indeed, as a father of a fifteen-year-old daughter, I know that consent is manufactured long before she enters the world of production—by me, by her teachers and peers, by television, by the entire world around her. Consent *can* be withdrawn only when there exist feasible alternatives and these alternatives can be organized only outside the world of production. Unless socialist parties have feasible legislative proposals of nationalizing the means of production, unless unions have a realistic project for building a network of employee-owned enterprises, or at least someone has the means and the idea to form cooperatives, what is the choice workers have? Consent may be organized *in* production, but only because no alternatives to it are organized *beyond* production.

Yet production might still constitute "the decisive arena for the organization of consent" if the collectively organized alternatives, offered by unions, movements and parties, concerned production. But historically they have not. Burawoy may not like it, but the socialist movement as we have known it never offered an alternative way of organizing production. Utopian or not, Marx's original vision was to emancipate workers from any form of labor that is just an instrument of sur-

vival. And short of this emancipation, the relation between forms of property and organization of production has been and continues to be fuzzy. Nationalization of the means of production—the centerpiece of the socialist revolutionary transformation—did not necessarily imply a transformation of the labor process: as Lenin observed once, "Industry is necessary, democracy is not." Also, while Sam Bowles and Herb Gintis have recently provided powerful arguments that a democratic labor process would be more efficient than a hierarchical one, "industrial democracy" entered socialist discourse only when they could not nationalize anything and had no idea what else to do, during the 1920s and again recently. And the alternatives which parties and unions did organize concerned wages, employment, education, and material security. If I focus on wages and employment while studying strategies of working-class movements, it is because these movements were concerned with wages and employment. And is it not startling that all the movements of "associated producers"—cooperatives, communes and councils—lost in competition for survival to electoral parties and negotiating unions, both oriented toward material security rather than production?

To conclude, consent is a matter of alternatives and these alternatives must be collectively organized. Hence, the key to the durability of capitalism lies in the strategies of organizations which found it better to concentrate on improvements in material conditions than on revolutionary transformations of production. This brings us to issues of class compromise, the state, and democracy.

Production, Class Conflict and the State

IN A NUMBER OF ARTICLES, Michael Wallerstein and I examined two questions concerning the structure of class interests and the role of the state under capitalism. We asked whether it is inevitable, as Marx had thought, that if workers organize to pursue their material welfare they will always find it best to be maximally militant under capitalism and to opt for socialism. And we inquired whether constraints originating from the private ownership of capital are so binding that all governments under capitalism, regardless of their goals and their social bases, must avoid acting against interest of capitalists. Specifically, we examined whether governments can distribute income to wage-earners without hurting private investment and hence economic growth.

We posed the study of class conflict in the following way: suppose that organizations of workers are as strong as they conceivably might be under capitalism, so strong that they unilaterally control the share of wages in net output, while capitalists control investment. Under these conditions, would unions choose to restrain their demands in exchange for investment? The answer is that, indeed, workers would be better off with a lower wage share and higher investment than with a higher wage share and lower investment. Unions would thus offer wage restraint as long as they had reasons to expect that workers would benefit in the future from the present sacrifice. In turn, capitalists are willing to invest as long as they are not afraid that unions would become militant in the future.

Our approach to the second question was similar: we assumed that firms control investment, unions control wages and governments tax and transfer incomes. We discovered that governments can tax consumption out of profits, transfer the revenue to wage-earners and not suffer a decline in investment, and that this is what pro-labor governments will want to do.* If pro-labor governments coexist with strong unions—again unions which unilaterally control the wage share—they will raise material welfare of wage-earners to the same level that they would obtain if the means of production were publicly owned and wage-earners would make investment decisions.

Underlying both questions was a concern about the possibility and the role of democracy under capitalism. Marx had thought that democracy and capitalism could not coexist: wage-earners would use the political rights they enjoy under democracy—combination and suffrage—to abolish private property, while capitalists, faced with this threat, would seek protection under a dictatorship, as they had in France between 1848 and 1851.

Yet this prediction was too strong: while the relation between capitalism and democracy is fragile, democracy has been solidly entrenched for long periods of time in several capitalist countries. We argued that this was possible precisely when organizations of wage-earners choose strategies which allow capitalists to appropriate profits

*We are not yet certain, however, how robust this finding is. Michael Wallerstein has discovered that, contrary to our initial conclusions, this result does hold even if capitalists anticipate tax changes and that it holds in an international economy with mobile capital. But it may not hold if both tax changes are anticipated and capital is internationally mobile: we are still studying this topic.

and to own instruments of production while firms invest, even though wage-earners struggle collectively for their interests. In this compromise, wage-earners consent to capitalism and capitalists to democracy—that is, they “act in ways entailing [its] perpetuation.” And since governments can tax profits and transfer income without reducing investment and growth, the control over state offices does matter for the material welfare of particular groups. Hence, democracy is “real” rather than “formal”: it offers a real opportunity for people who do not own capital to compensate for the effects of the system of property.

THESE CONCLUSIONS ARE SUBJECT to a number of criticisms. Some logical links are far-fetched; alternative reasons for some results can be plausibly adduced; and the work in general has not been systematically confronted with empirical evidence. Indeed, several issues are still unclear to me. But I will limit the discussion to the two specific issues raised by Burawoy: our models neglect production at the cost of distribution and they do not specify who enters into compromises with whom and where.

Let me distinguish two ways in which production could be introduced. The first would be to assume that unions include some features of organization of production among their objectives. In some countries they have done so, at least in so far as unions cared about self-management councils and work conditions. But I feel quite confident that a systematic review of evidence would show that unions care much more about employment and wages, which Burawoy insists on calling “distribution.” Anyway, the second way of introducing production is more interesting and potentially more consequential. In our analyses, we invariably assume that the same technology put into motion by the same quantity of labor power yields the same output. To introduce production into the model would require making output depend on the quantity of labor actually exerted, on effort, and specifying what determines effort.

The last issue is one of the most interesting problems around, as witnessed by a fascinating discussion between Michael Burawoy and Sam Bowles at the Workshop on Politics of Production, held at the University of Chicago in 1987. My understanding of this debate is the following. In a path-breaking article in the *American Economic Review* in 1985, and in a number of subsequent papers written with Herb Gin-

tis, Bowles incorporated the classical Marxist problematic of squeezing labor out of labor power into the edifice of the neoclassical economic theory. He argued that individual workers exert effort if losing the job would be costly to them and if they would be likely to lose it when they did not work hard. How much effort they exert depends on the cost of job loss (what would happen to them if they lost this job) and its probability, where the latter depends on the extent of supervision. This model implies that worker's effort increases as his wage rises above the next best alternative or if he is more closely supervised: both options are costly to the firm.

The assumption that effort increases with wage rate and the degree of supervision could be introduced without major difficulties into our models of class compromise and the state. My guess is that we would find the room for class compromise expanded, since firms would not want wages to be too low, but our main conclusions would remain intact.*

Yet, educated by Burawoy's writings and his critique of Bowles in Chicago, I suspect that workers are not individually supervised in production and that they are not easily fired even if they are caught goofing off. Hence, it need not be true that effort increases with the cost of job loss. If I understand Burawoy's own view, he thinks that, in effect, the firm sub-contracts a job to a group of workers who then develop among themselves informal rules about performance. This would imply that the role of unions is to assure the firm of some aggregate amount of effort, and that the union bargains not only about wage rates and employment, but also about effort. As Burawoy puts it, "The class compromise at the level of the enterprise involves not just who gets what, when and how but also who does what, when and how." Hence, effort should be considered in analyzing class conflict and I do not know how introducing effort would affect our conclusions. The one consequence I can see is that under these conditions governments would face the problem of structural dependence on labor: unions could threaten to decrease effort if a government taxes wages. Clearly, the field is wide open for both analytical and empirical work.

Burawoy's second critique of our work is best summarized when he asks, where do all these compromises take place? Answering this question requires a more complex conceptual apparatus than Wallerstein

*The same would be true, by the way, if we introduced demand and made investment rise with aggregate demand.

and I needed for our purposes. We were interested in the possibilities inherent in capitalism in any of its potential incarnations, not in the modalities of class relations, although we did at times confuse our model for a historical description. Since our work has been published, there has been a massive outpouring of writings on class conflict. I have no space to summarize them here: with minute attention to union structure and institutional details of industrial relations systems, they cover bargaining over employment, wage rates, benefits and investment at the level of the firm, particular economy and the international system, with or without government.*

THE THORNY PROBLEM IS THE POWER OF UNIONS. The anti-union offensive of the last ten years has shown that this power is brittle; at least, the monopoly power that unions were thought to exercise in the labor market proved to be largely illusory. Unions may be powerful because they organize a large proportion of the particular labor pool (although statistical studies show that density has no effect), because they are large, because they are centralized (which is statistically important), or because they are influential politically. But note that none of these sources of union power is derived from production. Here, Burawoy's emphasis on production may be of crucial importance. Indeed, we know that in the United States unionized plants are more productive, even though they are less profitable. We also know that the cooperation of unions in reorganizing plants and introducing new technologies is necessary for the success of modernization. Perhaps, then, the power of unions does consist of the control over the amount and the quality of effort exerted by workers in production. Note, however, that such power would depend on the minute details of each workplace; one could not characterize union power at the level of sectors, countries and even less so "regimes of production."

To answer Burawoy's question, class compromises may occur in different places and between differently organized actors. Depending on the forms of organization of wage-earners, institutional features of the collective bargaining system and partisan control over the government,

*For a sample, see the special issue of the *Scandinavian Journal of Economics*, 1985. A brief summary of this literature can be found in my forthcoming monograph, *The State and the Economy Under Capitalism*, a volume in the *Fundamentals of Pure and Applied Economics*, edited by Jacques Lesourme and Hugo Sonnenschein, (Paris: Harwood Academic Publishers, forthcoming). In turn, the Bowles-Gintis approach, which promises to lead to many surprising and important consequences, would stress the conflict between employed workers and the unemployed.

union federations and smaller groups of workers may be more or less militant, more or less prone to compromise. And these compromises may include effort as well wages, employment and investment, they may be more or less favorable to workers and more or less efficient.

I do not think that more can be said at this point. In spite of the centrality of class conflict in Marxist theory, Marxists never developed a theory of such conflicts other than Marx's own static zero-sum model from which he drew mistaken dynamic consequences. The study of class conflict has begun only recently and there is much terrain to cover. Still, a few years ago, neoclassical economists had no place for any actors other than households and firms in their theories, while Marxists concerned with class conflict were unwilling to use neoclassical methods. Indeed, when Wallerstein and I were writing our article on class conflict in 1980, we could find only one earlier model extending beyond firm-level collective bargaining. Today, the literature is already enormous, but it is still fragmented between models of collective bargaining at the plant level, models of relations among union federations, models of union-government relations and analyses of class relations in the context of growth economies. And perhaps the weakest link is the shop floor: we need an understanding of the labor process which is both descriptively valid and formulated in terms that would relate it to other theories. Hence, Burawoy has an important contribution to make, as soon as he becomes a neoclassical Marxist. I have no doubt it is just a matter of time.

Politics and Paradoxes

WHAT THEN ABOUT THE POLITICAL IMPLICATIONS of the conclusions presented at the beginning of this article? Let me begin on a personal note. Although Burawoy searches throughout his critique for a label under which he could file my views, I care not at all whether I reconstruct or abandon Marxism, whether my approach belongs to "analytical Marxism," "neoclassical Marxism" or simply neoclassical economics, not even whether my political opinions qualify me as a "socialist." However, I am deeply concerned that we are incapable of specifying an alternative project of society, unable to take off the quotation marks from our hesitant references to "socialism" and, worse, even to explain why democracy is so anemic in the societies

in which we live, why it is not capable of at least assuring material security for everyone.

The most succinct summary of my conclusions is this: where workers' organizations are strong under capitalism, they do not need a widespread nationalization of the means of production, because they can control the allocation of resources and the distribution of income via the power over the labor market and the influence over the state. Where these organizations are weak, they have much more to gain by being militant all the way to nationalizing productive wealth.

This conclusion appears paradoxical. The notion that strong unions would be less militant goes against the entire tradition according to which "One Big Union"—the guiding slogan of the labor movement—was necessary for workers to strike effectively and to win wage increases. Yet this conclusion is strongly supported by many statistical studies which show that wage-earners strike less and restrain the exercise of their market power in those countries which have encompassing, centralized and politically influential union federations. The same studies conclude that these countries exhibit superior performance in terms of inflation and unemployment, growth and income equality and public provision of welfare services. Hence, although we have no direct evidence, these findings strongly suggest that wage-earners are better off in these countries. The quiescence of strong labor movements is not paradoxical.

Yet the paradox is that those working-class movements that may have the political muscle to bring about socialism by legislation have no incentives to do so, while those movements that have much to gain by nationalizing productive wealth have no power to do it. Hence socialism without quotation marks, socialism as the program of public ownership of productive wealth, is the political project of only those movements that cannot bring it about.

To understand why that is true, we need to remember that socialists wanted to nationalize productive wealth for two distinct reasons: justice and rationality, or, more narrowly, distribution and efficiency. Capitalism is unjust because some people take away the fruit of the work of others: this is exploitation. Hence, one appeal of nationalization is distributional: ownership of capital would no longer be a source of income, which would be distributed according to labor contributions, need, or some other criteria.

One way to see the distributional cost of capitalism to wage-earners, suggested a long time ago by Paul Samuelson, is to look at the proportion of net income consumed by owners of capital. The net output in any economy can be partitioned into consumption of wage-earners, investment, and consumption of capitalists. The last part is forever lost to wage-earners; it is the price they pay for the private ownership of productive wealth. And this price varies enormously among capitalist countries: for example, for every dollar of value added in manufacturing in 1985, consumption of capitalists ranged from about 10 cents in Austria and Norway to well under 40 cents in the United Kingdom and the United States to about 60 cents in Brazil and 70 in Argentina.

Hence, in purely distributional terms the Austrian and the Norwegian wage-earners have little to gain from nationalization. Since transition has some inevitable costs, they are best off relying on their market power and electoral influence. British and US workers have more to gain by squeezing profits or owning productive wealth directly: as a result, they end up striking more. In turn, the distributional effect of nationalization in Argentina and Brazil would be enormous since well over one half of output is consumed by capitalists: in Brazil, one-tenth of households gets one half of the national income. Hence, in Argentina and Brazil nationalization is attractive to wage-earners for purely distributional reasons.

Yet the injustice of capitalism was not the only traditional Marxist argument for public ownership (although I do think it was the most important). The central idea of socialism was the rational allocation of resources for human needs. Public ownership of productive wealth was necessary to produce things and services which people need rather than those they can pay for and to avoid the "chaos," the "anarchy," "the waste" inherent in capitalism. Although central planning is an idea which the Soviet Union imitated from the German World War I experience, socialists invariably rejected the notion that collective rationality could be achieved by decentralized, self-interested actions until 1954. An additional argument for the rationality of nationalization was that public ownership would increase productivity. Working "for themselves," the immediate producers would be willing to exert effort independently of material incentives. Hence, they would not have to be supervised and, if we are to believe Bowles and Gintis' estimates, that in itself would save astronomical amounts.

If these arguments for the superior rationality of public ownership are true, then the Norwegian and the Austrian workers have as much of a reason to want socialism as the Argentine and Brazilian ones. Yet, for better or worse, these arguments have fallen into disrepute. Hungary and Poland have recently passed laws giving equal legal status to all forms of property while China and the Soviet Union are on their way to do the same. In France during 1977, Socialists and Communists quarrelled over how many firms to nationalize, but neither side could adduce any reasons. After 1981, the Socialist government nationalized some, again for reasons that were not clear to anyone. The post-1985 right-wing government denationalized some of the firms nationalized by Socialists and by de Gaulle for equally hazy reasons. Finally, when Socialists came back in 1988, they decided to stop the match and leave things just as they happen to be. This is not to say that important issues are not discussed: economists continue to argue whether ownership or competition matter for an efficient allocation of resources, whether public ownership is the best solution to increasing returns to scale and externalities, whether worker-owned firms would underemploy and whether they would avoid new technologies, and whether employee-ownership has a positive impact on productivity. But the idea of making all productive wealth public by legislation seems to no longer attract theoretical support.

THE REASON PUBLIC OWNERSHIP IS NO LONGER seen as the embodiment of rationality is not just the collapse of centralized planning in the East or the pro-market ideological offensive in the West. The fact is that today we know only one practicable mechanism by which people can truthfully inform each other about their needs: the price mechanism. And the price mechanism seems to work only when individuals experience the consequences of their decisions in terms of their material welfare. A rational economic system must adequately perform three tasks: it must produce what people want, it must eliminate inefficient techniques of production and it must satisfy social welfare objectives. And while for some time there were good reasons to claim that the public-ownership economies are superior at least in terms of the third task, they failed miserably in performing all the three.*

*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.

Whither Socialism?

WITHOUT THE PUBLIC OWNERSHIP of the means of the production, the term "socialism" loses its original meaning. It becomes just a generic word for a better society, to be interpreted by each as we see fit. It signals an alternative but does not identify it. Indeed, the search for "socialism" may be just a result of a habit acquired when we believed that nationalization is the one and only broom that would sweep away all the social ills. Having lost confidence in nationalization, we are nostalgically searching for another panacea. But, as the late Peruvian novelist Manuel Sforza observed in *La Danza Inmovil*, so many things are wrong in our societies that no one revolution could possibly cure them; we need many revolutions. And perhaps the one that would make most difference in the lives of people today would be to stop the continuing genocide and the perpetual preparations for it. One can obviously go on, to issues concerning hunger, sexism, the environment, racism, and so on.

In fact, several concrete proposals have been elaborated during recent years within the walls of the academia. The development of analytical methods in moral philosophy led to several debates, most importantly one concerning distributive justice, that proposed norms and even implementation schemes for a just society. The Bowles-Gintis program of industrial democracy focuses on another feature of a normatively desirable social order. John Roemer's current work on mechanisms that allocate resources in ways that are both efficient and egalitarian is a pioneering attempt to rationalize public ownership. The proposal for universal basic income, recently revived by Philippe Van Parijs and Robert von der Veen, is already an objective of a political movement in Europe.* Distributive justice, industrial democracy, public ownership, basic income: all these are "socialist" projects. But they no longer add up to socialism in singular.

What I thus find puzzling is not that socialism is no longer the unifying cry of the left, but that democracy is so ineffective in bringing about the particular measures that would improve life and work conditions of large numbers of people. I need not enter into the grim details, admirably depicted by Joshua Cohen and Joel Rogers in their book *On Democracy*, about mass poverty, inequality of opportunity,

*See the special issue of *Theory and Society*, 1986, vol. 15, no. 5, and the Bulletins of BIEN, a European political movement for this proposal.

injustice, exclusion and oppression that are widespread under democratic capitalism. Nor do I need to reiterate that people who are most disadvantaged are also the ones least likely to act politically. Neither of these observations constitutes a puzzle for traditional Marxism, which maintains that democracy cannot be effective under capitalism and that workers are repressed by force, dominated ideologically or repeatedly betrayed by their leaders. But my work leads to the conclusion that if unions acquire market power and political influence, and if parties of wage-earners win elections, they can greatly improve welfare, at least to assure a minimum of material security for everyone. The economic constraints originating from the private ownership of capital are not so binding as to make democracy ineffective. Why then is democracy so anemic? Why is it that in most capitalist countries trade-unions are weak, political parties rarely mobilize poor people and attempts to form councils, cooperatives or communes almost never get off the ground? And why do democracies coexist with so much inequality and so much oppression?

Contrary to Burawoy, I do not think that answers to these questions are to be found "in production." I certainly do not believe that workers do not know what is best for them because they do not understand the mechanism of exploitation characteristic of the capitalist economy—something only we Marxist scholars understand and keep secret. What impedes collective action is not ignorance of our own interests, but conflicts among them. And these conflicts can be overcome only by collective organization which extends beyond the world of production, not only for all the reasons adduced above but for the simple fact that most poor people today do not produce. Yet if I criticize Burawoy for not giving a convincing answer, it is not because I have a better one. Indeed, as I look in retrospect, I am struck by how little I advanced in answering the questions that motivated my work. I learned that most standard reasons cited by the Marxist theory to explain poverty and oppression under capitalism are either faulty or insufficient. But, then, what are the reasons?