

# The Utopia of Postsocialist Theory and the Ironic View of History in Neoclassical Sociology<sup>1</sup>

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Michael Burawoy offers three thought-provoking criticisms of our book: (1) that we abandon class analysis, (2) that we do not suggest an alternative to the present capitalist order, and, therefore, (3) that our “neoclassical sociology” abandons the critical vision of classical sociology.

At this abstract level, we plead not guilty to all three charges. First, instead of abandoning class analysis, our book offers a comprehensive theory of class structure in state socialism and postcommunism. True, we pay far less attention to the working class than Burawoy finds acceptable, but this is because we analyze a situation in which the working class is far from fully formed: we do not assume that classes, like Pallas Athena, issue forth fully armed from Zeus’s head. Second, rather than joining the chorus heralding the end of the history, we think our book injects historical openness into the analysis of postcommunism. We do not assume one single capitalism as the last station of history. Instead, we argue for a research agenda framed in terms of “comparative capitalisms.” Such an agenda addresses the diversity of market economies without ordering these forms into a single hierarchy from “advanced” to “backward” or from “central” to “peripheral.” Finally, we do not contrast different capitalisms with a utopia, “concrete” or otherwise, but we do approach them “critically,” with a measure of Socratic irony.

Moving beyond these abstractions, we reformulate Burawoy’s criticisms *empirically*, and ask the following questions:

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1. Is interclass struggle the central cause of social change in the transformation from communism to capitalism?
2. Using social scientific tools, can we identify a noncapitalist (or to be less shy about it, a socialist) alternative to the “actually existing” socioeconomic systems of the postcommunist world?
3. Is it necessary to have a vantage point “outside” a system to critically analyze its mechanisms and dynamics?

Burawoy answers these questions in the affirmative; our answer to each is an emphatic no.

#### CLASS STRUGGLE, SOCIAL CHANGE, AND THE TRANSFORMATION FROM COMMUNISM TO CAPITALISM

Burawoy faults us for not studying the working class, but he does not explain why he thinks we should study class at all. The best formulation we find in his review is “Capitalism may be made without capitalists, but certainly not without workers.” We interpret this to mean that to study workers is to identify an internal contradiction of capitalism, at the point of production, where the disconnected-yet-concerted actions of workers can shape the dynamic of capital accumulation. We do not wish to dispute the merits of this approach. Instead, we argue that there is another, no less significant reason why sociologists study classes, especially the working class. Sociologists study classes because they are interested in collective actors with the potential to make social change. And, we contend, in the present historical moment in postcommunist Eastern Europe, the question of collective agency is far more significant than the question of the internal limits of capitalism. Indeed, in his rush to denounce us as apologists who “forget class,” Burawoy misses the greatest question of the postcommunist transition: namely, where is the working-class-cum-collective-actor we are supposed to study? At present, there is nothing but a demobilized, disorganized mass of workers! We are not looking for “revolutionary consciousness”—“trade union mentality” would do, but it is nowhere in evidence.

To analyze this striking feature of postcommunist class structure, we begin in the communist period, arguing that interclass struggle was *not* a major force of historical change. Socialist societies were based on “rank” rather than “class,” and power and privilege were grounded in the possession of “political capital” rather than economic wealth. As a result, class formation was not very far advanced and interclass struggle was relatively insignificant. There were some instances of collective working-class action—Solidarity in Poland, for example—but these were short-lived and never produced a fully formed class. By the time socialism broke down, the socialist working class had already disintegrated and lost whatever modest capacity it had for collective action. In this, Burawoy reads our analysis correctly: the workers “became . . . spectators of the transformation.” At the top of the social hierarchy, however, the picture

was more complex. Socialism, especially in its later years, was disrupted by periodic attempts at class formation by the intelligentsia and began to develop into a “dual stratification order” based on rank *and* class principles. In this context, the central dynamic leading to the fall of socialism was not *interclass* struggle, but *intra*class struggle over the making of a new dominant class.

Of course, socialism’s breakdown was a complex process, triggered in part by global changes such as the technological revolution and a new wave of military competition. The story of internal crisis, however, is one in which resistance from below played a relatively small part. Socialism was not brought down by the “working class.” Rather, the old bureaucracy was toppled by an alliance of reform-communist technocrats and the liberal intelligentsia. In making this argument, we disagree strenuously with Burawoy’s claim that “socialism did not have a chance—for world historic reasons rather than internal limits—to refashion itself before it was overrun.” For 70 years socialists experimented with various schemes from Stalinism and Maoism to reform communism and Yugoslavian self-management. Socialism was not “overrun”; it disintegrated because of internal contradictions, loss of legitimacy, and economic inefficiency.

The transition from state socialism to market capitalism was one of the most traumatic events in recent human history, but despite the suffering and degradation that attended it, society has remained silent. Workers and peasants engage in ingenious individual coping strategies, but they rarely act collectively. There is not a single instance in the decade-long history of postcommunism when the working class pursued collective action for a noncapitalist alternative. Burawoy misses this astonishing historical fact entirely. We think it is the great puzzle of the postcommunist transformation, and our book attempts to solve it.

Our thesis is that a domestic, propertied bourgeoisie has been slow to develop in postcommunist Eastern Europe, and in its absence, the intelligentsia has constituted itself as a cultural bourgeoisie and undertaken the building of market capitalism. Hence our title: *Making Capitalism without Capitalists*. The emerging social system is one in which the main source of power and privilege is neither property nor political capital but cultural capital. This proposition challenges the received wisdom that former nomenklatura members converted their privileges into economic resources and became a new propertied bourgeoisie. In fact, we present evidence to suggest that a large part of the former nomenklatura has been downwardly mobile. It is the middle ranks of the former managerial elite who have adopted the most successful strategy. Instead of stealing debt-ridden, unprofitable state property, middle-level managers broker deals to sell this property to foreign investors and are appointed as managers in multinational firms at the same time; this is the strategy of the “*compradore* intelligentsia.”

Our thesis also explains how the working class has been demobilized in postcommunism. In a social order dominated by cultural capital, when

the intelligentsia undertakes to build capitalism “from above,” working-class formation is hindered. Where the intelligentsia once provided leadership, it now abandons the workers and elaborates a particularly insidious justification of capitalism. Moreover, because this cultural bourgeoisie is an “invisible” foe and because there is no clearly visible propertied bourgeoisie, the workers lack a well-defined enemy—an important spur to collective action. Finally, we observe that workers in formerly socialist countries, unlike some Western academics, know from their experience that socialism offers no livable alternative. Thus, another precondition of collective action is missing: a compelling vision of an alternative future.

We observe that the case studies Burawoy cites actually contribute to our argument, since none of them provide evidence of collective action by the working class. Two studies document peasant resistance to decollectivization, but Burawoy fails to mention that these same peasants resisted collectivization vehemently only a few decades earlier. If there is collective action here, it is not on behalf of collective farming, but to block the appropriation of agrarian property by former cooperative management until it is possible to secure the conditions for family farming. Citing another work on collective protest against welfare reform, Burawoy fails to observe that the majority of protesters were women acting as mothers, not as workers. While we agree that neoliberal welfare reform was misconceived, we argue that its socialist alternative was, if possible, even worse. The decade before the fall of communism witnessed one of the sharpest declines in life expectancy in demographic history, so it is not surprising that there was no concerted working-class reaction to welfare reform. Similarly, the study of Hungarian workers teaming with the Greens to fight the dumping of Western waste certainly documents mesmerizing local action. Nationally, however, the Greens failed to get enough votes to secure even one parliamentary seat. This is amazing when one recalls that the Greens are heirs to the mass-based environmental movement of the 1980s. Finally, we observe that even Burawoy’s own stories provide evidence that, despite grim macroeconomic conditions, ordinary Hungarian workers pursue individual survival strategies rather than collective ones. Taken together, these ethnographic accounts document the demobilization of the working class: the loss of solidarity, the failure of collective organization, and the absence of an attractive alternative.

Burawoy has some nice things to say about the earlier work of one of our number, and his generosity is appreciated. However, he grossly exaggerates the “epistemological break” between *The Intellectuals on the Road to Class Power* (1979), *Socialist Entrepreneurs* (1988), and this latest book. *Making Capitalism without Capitalists* is the conclusion of a trilogy and constitutes, in essence, the third installment in a line of thought and research that has unfolded over two decades. In the first volume, at the height of reform communism, Konrád and Szélényi considered whether the intelligentsia would make a historic compromise with the bureaucracy, to “rationalize” state socialism and to constitute itself as a new dominant

class. In *Socialist Entrepreneurs*, however, Széleányi offered an autocritical acknowledgement that by the late 1970s this “class project” had failed. Rather than making concessions to the intellectuals, the bureaucracy permitted the emergence of socialist entrepreneurs, and in this way, demobilized the working class and kept the intellectuals out of power. In *Making Capitalism without Capitalists*, we revise this autocritique and close the circle. We now understand that the intelligentsia was victorious in its struggle against the old-line bureaucrats, but not in the way anticipated by Konrád and Széleányi. Instead of pursuing the project of a rationalized, humanized socialism, intellectuals now act as a “cultural bourgeoisie.” Their new project is building “civil society,” liberal democracy, and market capitalism. There are other continuities among the three books. Socialism was always depicted as a dual stratification system in which the logic of class never overruled the logic of rank. Thus, the terminology of “elites” and “intraclass struggle” is not new: the early work used the term “ruling elite” (or “ruling estate” in the German and Hungarian editions) to identify the main enemy of the intelligentsia’s “new class” project. The earlier work also contained an embryonic theory of social structure, now presented fully in *Making Capitalism without Capitalists*.

So, have we “abandoned class” as Burawoy contends? No. First, *we never argued that socialist society was class stratified*. Classes were analyzed *in statu nascendi*, that is, in the making. Second, this latest book continues the same mode of analysis because we diagnose postcommunism as a transitional form, on its way to becoming a class society. There is very little to indicate that *interclass* struggles played a major role in the transition, but there is a great deal of evidence that *intraclass* struggles over the making of the new dominant class have been central to the transformation. In short, it is struggles *to make classes* that are the decisive battles in postcommunist Eastern Europe.

#### CAN WE IDENTIFY AN ALTERNATIVE TO CAPITALISM IN THE POSTCOMMUNIST WORLD?

The central assumption in our book is that it is not useful for social research to posit “capitalism” as a unitary system or the final destination of history. It may once have been fruitful to compare the “logics” of state socialism and capitalism, but since 1989 it seems uninteresting to preserve the dichotomy simply for its own sake. With the collapse of Cold War binaries, it becomes possible to see how diverse this putative “unitary system” really is, indeed, how diverse it always has been. Although market economies are everywhere defined by private property and integrated by price-regulated markets, it is increasingly obvious that there are differences in institutional arrangements and class relations across capitalist societies that are deeply consequential for those who inhabit them.

It is for this reason, and with some degree of immodesty, that we suggest the term “neoclassical sociology.” In this, we hark back to Marx, Weber,

and Durkheim and classical sociology's central concern with the historical process of transition to capitalism. Why does capitalism emerge? What forces propel or obstruct the transition to capitalism? What kind of a society is created by the transition? These were the big questions of classical sociology, and we think we should return to them. The difference between our agenda and that of the classical sociologists, however, is that they tended to see capitalism as a unitary system—as a single (and for some, final) destination toward which all societies were converging. This cannot be true for neoclassical sociologists at the dawn of the 21st century. The idea of a single capitalist logic does not provide any leverage to analyze the diverse world we now confront. Except for Cuba and North Korea, the world is capitalist, and therefore, we argue, neoclassical sociology must engage an agenda of “comparative capitalisms.”

Precisely for this reason (and despite what Burawoy says) neoclassical sociology is *not* akin to neoclassical economics. Neoclassical economics (like Burawoy himself) *does* operate with the notion of a single capitalist logic, while neoclassical sociology formulates a wide-ranging comparative empirical agenda. In this, we admit, our proposal for neoclassical sociology is not radically original. Institutional economic sociology has explored a similar research program for some time. The term “comparative capitalisms” comes from Neil Fligstein, and Bruszt and Stark's book derives from this tradition of economic sociology, as do the works of Andrew Walder and Victor Nee, who analyze the unique capitalist forms emerging in China. “Comparative capitalisms” also encompasses research on welfare state regimes by scholars like Gösta Esping-Anderson and Bruce Western, the story of Japan's particular capitalist development in research by Chalmers Johnson and Ronald Dore, work on Latin America by Peter Evans, Juan Linz, and Phillippe Schmitter, the burgeoning empirical literature on globalization by analysts such as Arjun Appadurai and Neil Fligstein, and many more examples that we have no space to mention. Of course, Max Weber was the first to research capitalism comparatively, even though he concluded (classically) that ancient capitalism and Prussian capitalism were nonviable dead ends. In light of this collective work, then, we should curb our immodesty and claim only that our contribution to the idea of neoclassical sociology is to recommend a broader research program, which considers not only economic organization but culture, ideology, and, in particular, class structure.

Burawoy offers two criticisms of this program. First, he suggests that a single iron logic of capitalism rules across the globe. “Russia and Hungary may diverge in remarkable ways but that divergence is . . . a product . . . of their insertion into what is a singular world capitalist system.” In other words, Burawoy contends, the diversity of destinations we purport to study are only the difference between core and periphery. We disagree profoundly. Ours is a globalizing world, but not a single global capitalist system. How homogenizing globalization is—how diverse national, regional, and organizational responses to its challenges are—is an *empirical*

question. We pursue this question in our book, analyzing the importance of foreign capital to explain the delayed development of a domestic propertied bourgeoisie. We find that former communist cadres did not steal state property, but preferred to be managers in the multinational firms that invested in East European economies. Indeed, the best indicator of a successful transition, so far, has been a degree of openness to international capital markets. Countries with more foreign investment are also the countries where the “cultural bourgeoisie” is the strongest—Hungary, Poland, and to a lesser extent the Czech Republic—and they are now undergoing rapid economic expansion. In contrast, countries that engage in autarkic policies and do not attract foreign investors—which are also the countries where the old nomenklatura is thriving (Russia, Ukraine, Bulgaria)—are still in the grip of a postcommunist transitional depression. These outcomes, which are predicted in our book, are precisely the opposite of those invoked by Burawoy’s world-system theory, with its emphasis on the benefits of autarky and buffers from world markets.

Burawoy’s second point is that we do not consider socialist alternatives to the hegemonic capitalist order, and he offers his own version of “post-socialist theory”: “How long will it be before postcommunist intellectuals reject those Western prescriptions . . . liberal democracy and free markets. . . . Disillusion[ment] could lead postsocialist intellectuals to contemplate alternatives to the imported Western models. . . . It is probably too soon to revisit state socialism and the possibilities that were never allowed to mature. . . . In time there will be a revisionist history, that . . . will recognize socialism’s potentialities.” For failing to present a socialist alternative, we admit we are guilty as charged. Of course Burawoy does not provide any clear alternative either, nor does he suggest how a social scientist might study such an alternative. We do not know when or if postcommunist intellectuals will reject liberal democracy and free markets, and we suspect Burawoy does not either. We do not even know whether they *should* reject liberal democracy. We are certain though, that even if a few intellectuals reread Marx and Trotsky, rethink the lessons of state socialism, and devise a new socialist “real utopia,” not much will change about postcommunist societies. Should the efforts of such intellectuals be taken as evidence that there is such a utopia, such an alternative? We think not. Alternatives exist *not* in theorists’ minds but, as Karl Marx taught us, in the actions of classes, collective actors. Neither we, nor Burawoy, can point to any such noncapitalist alternative materializing in collective action in contemporary Eastern Europe.

#### IS IT NECESSARY TO HAVE A VANTAGE POINT “OUTSIDE” A SYSTEM TO CRITICALLY ANALYZE IT?

We were taken off guard by the accusation that our analysis was uncritical and that we have joined the triumphalists celebrating “capitalism as the end of history.” We thought we wrote a vitriolic critique of the practices

and ideologies of the postcommunist power elite. Thinking further, we realized that we simply disagree with Burawoy about what constitutes critique. Burawoy insists that “comparing capitalism with capitalism” is merely apologetics. He equates critical analysis with positing a “real utopia” outside capitalism. He also accuses us of abandoning our earlier critical approach. He is wrong on both counts.

Our practice has always been “immanent critique,” and we are suspicious of critique that is “teleological.” Thus, in Konrád and Szelényi’s earlier analysis of state socialism, the critique was *not* formulated from the “external” perspective of market capitalism but explored the field of possibilities inside “actually existing” reform communism. Similarly, in this book, we offer an immanent critique of capitalism without opposing it to a more desirable form of “actually existing socialism” or some “real utopia.” It is sufficient to demonstrate, as Foucault does, that the phenomena under investigation are arbitrary, without proving they must be replaced by a more rational form. In this way, by analyzing capitalism as a diverse set of alternative destinations, each pregnant with its own conflicts, each originating in contingent circumstances, we supply the actors with a broader and more open sketch of the field where they can act upon their interests. After all, solutions to the social problems of postcommunism can only come from the critical imaginations of those who live under the social conditions analyzed, not from the analyst measuring reality against an imagined alternative. In this, we think the kind of teleological critique Burawoy advocates fails to submit the role of the theorist to critical scrutiny; it falls short of a critical sociology of intellectuals. When Burawoy calls for a “revisionist historiography”—when he recommends revisiting the history of state socialism to uncover its potentialities and to imagine an alternative to liberal democracy and free markets—what is this if not an apologetics for state socialism?

Immanent critique sketches a whole range of alternatives but does not recommend or celebrate any particular one. Instead, it offers an ironic view of history to provoke doubt in the minds of those who believe they know the truth, who think they know what is desirable or inevitable. True, irony and doubt do not offer quick fixes for the problems of the world, but they are likely to make us more reflexive about who we are and what we do. Can social science achieve much more?