

## Michael Burawoy DWELLING IN CAPITALISM, TRAVELING THROUGH SOCIALISM

Until the appearance of Harry Braverman's *Labor and Monopoly Capital*, the renaissance of Marxism in the 1960s and 1970s had confined itself either to theories of the state, ideology, education or to capitalism as economic system, leaving Marx's analysis of production largely untouched. It was the unproblematic prop for the Marxian edifice. It was Braverman who took up the challenge of rewriting volume one of *Capital*, producing a history of capitalism's expropriation of control from direct producers. First proletarianized, then deskilled, the working class -- he among them -- was subject to the inexorable logic of capital. Where industrial sociology and industrial psychology aimed to attune workers to work, Braverman focused on the transformation of work itself. For the empirical exploration of the subjective side of work attitudes, perceptions, consciousness and even conflict -- Braverman substituted a critique of capitalism from the standpoint of its artisans. In expelling the craftworker, the capitalist labor process divided mental from manual labor, so that workers could no longer imaginatively fabricate the products of their labor. In his historical analysis of the degradation of work, Braverman was simultaneously recounting the objective experience of the worker and the recomposition of class structure.

My own work took up the challenge of studying both these tracks -- the experience of the worker and its relation to class formation -- but from the subjective side. First, how do managers elicit the cooperation of workers in the production of surplus value? Why should workers offer capitalists more than was required for their own reproduction? With 19th. century England as his laboratory, Marx explained the extraction of surplus value in terms of coercion, the need to survive and thus, the fear of job loss. With the organized sector of postwar America in mind, I argued that management could rarely fire their workers at will and even where they could unemployment compensation and alternative work cushioned the impact. More subtle means of extracting surplus were required. Therefore, where Braverman regarded monopoly capitalism as the consolidation of work degradation, I saw monopoly capitalism as new techniques for regulating work, techniques in which consent prevailed over coercion. This analysis fed directly into the second question: what is the role of production in working class formation? I found it puzzling that in studying class for itself, class as an actor, so much attention was devoted to the realm of superstructures -- education, political parties, ideology, and above all the state. This was putting the cart before the horse. If production was not the crucible of class formation then that casts a very different light on the significance of superstructures. They no longer exist to counteract political challenges rising from the bowls of the economy. My research pointed to the realm of production as having its own superstructures, what I first called the internal state, later the political and ideological apparatuses of production or more broadly the regime of production. There were ideological effects of the labor process but there were also distinct apparatuses that regulated the labor process and shaped a politics of production. The concept of production regime offers a conceptual framework for studying divergent struggles and identities emerging around work. I used this framework, for example, to reinterpret my ethnographies of the racial division of labor in Zambia and South Africa as an expression of a production regime I called colonial despotism. Others have used the same framework to explore gender regimes in different periods of history and in different parts of the world.<sup>1</sup> The idea of production regime allows us to comprehend the political and ideological effects of work in a richer and more

variegated way than Braverman's unidimensional notion of control based on deskilling. My own interest, however, lay in the specificity of capitalist production regimes and the meaning of socialism. Braverman never stated his own vision of socialism but, from his critique of capitalism, I inferred that it entailed the reunification of mental and manual labor at the collective level in the realm of necessity and at the individual level in the realm of freedom. The production of material necessities would be organized through factory councils themselves coordinated through a democratic planning mechanism, thereby creating the foundation for craft-like self-realization beyond the realm of necessity. Along these lines I speculated about a socialist production politics as a council communism, hints of which emerged embryonically in the Soviets of the Russian Revolution, in the Turin factory occupations of 1919, in the Hungarian workers' committees of 1956. Important though such speculation might be, the projection of a utopian vision of socialism based on the inversion of capitalism was unsatisfactory. It entailed the false comparison of the reality of one regime with an idealization of another. False in two senses. First, in confining oneself to capitalism one could not appreciate what was specific to capitalism, and what might be the ineluctable imperatives of industrialism. Second, it was dangerous to dismiss capitalism in the name of an unspecified, unelaborated utopia without examining whether the latter was either viable, i.e. self-sustaining, or feasible, i.e. reachable. I decided, therefore, instead to study actually existing socialism or what I called state socialism. How might such research help us comprehend what was intrinsically capitalist about work and its regulation and what, in turn, might this tell us about the possibilities of a democratic socialism, a socialism in which producers governed their own lives. I searched for the different production regimes of state socialism. What do they share in common that distinguishes them from capitalist production regimes? How might we think of production regimes in a workers' socialism? To investigate such regimes required access to the everyday world of production, the experiential moment of work and its regulation. Beginning in Africa, my preferred technique had always been participant observation. I had found a job in a South Chicago plant where I worked for a year (1974-75) as a machine operator. From this experience emerged the concept of hegemonic production regime which I contrasted with a despotic regime, a notion I derived from my reinterpretation of Donald Roy's earlier ethnography of the same plant. Like so much of the Marxism of the 1970s, my focus was on the durability of capitalism -- how it withstands threats to its own demise, how it overcomes its own internal contradictions. I speculated that regimes under state socialism might produce a more volatile working class. Since we knew so little about production regimes in Eastern Europe and the Soviet Union, and what we did know was so heavily refracted through ideology and counter-ideology, it was even more imperative that I pursue my ethnographic propensities. Between 1983 and 1985 I found jobs in a Hungarian champagne factory, a spinning factory and an auto-plant. During the next three years I worked intermittently for about a year in toto as a furnacemen in Hungary's largest steel plant. I was so focused on the distinguishing traits of socialist production that I didn't pay much attention to the disintegration of the wider political regime. When that time arrived, I didn't hang around to watch socialism's dénouement but jumped ship for the Soviet Union, which was then opening up to foreign researchers. In 1991 Kathryn Hendley and I studied a rubber plant in Moscow, and later that year I found a job in a furniture factory in the Northern Republic of Komi. The storm from Paradise, that we call capitalism, seemed to follow me everywhere. Therefore, I decided to stay put, abandoning the holy grail of a democratic socialism to study the tyranny of an unfettered market. Since 1991 I have been following the destruction, what I call involution, of Komi's timber, coal, and construction industries. In the essay that follows I recapitulate how my

trajectory over the last twenty years was driven by abiding Marxist concerns, and how migration from country to country, from work to work reshaped the theory I carried with me, and thus also my comprehension of the trail I left behind. I investigate the durability of advanced capitalism, the fragility of state socialism, and the peculiarities of emergent postsocialism - all seen through the eye of an itinerant worker-academic. Finally, I shall show how this dialectic of experience and interpretation, of practice and theory, was itself reconfigured by profound changes in national and global political economies, crystallized in the Polish Solidarity movement (1980-1981), the collapse of communism first in Eastern Europe (1989) and then in the Soviet Union (1991), and the concomitant worldwide ascendancy of neoliberal policies and ideologies.

## I: HEGEMONY IS BORN IN THE FACTORY

My journey begins with a theoretical puzzle to be found in the writings of Marx. To make the analysis of capitalism plausible Marx has recourse to a model of feudalism in which surplus labor takes the form of labor rent, separated in space and time from necessary (subsistence) production. The lord always knows, because he sees, what he is getting from his serfs. Under capitalism, by contrast, there is no separation of necessary and surplus labor. Workers appear to be paid for their entire labor time and not that proportion corresponding to the wage. If surplus value is invisible capitalists never know whether they have realized a profit until after the fact -- if surplus labor is obscured how then is it secured? If industrial sociology sought to ask why workers don't work harder, why workers "restrict output," I asked the opposite question, why they work as hard as they do? The theoretical puzzle was born not just out of theory but also out of practice. From July 12th., 1974, the day I began work in Allied's South Chicago machine shop, I was struck by how hard my fellow machine operators worked. Advisedly I say "they" since it took me quite a few months before I could even begin to keep up with them. There seemed no good reason for all this effort. Certainly, as my day man would say, "No one pushes you around here. You are on your own." The piece rate system, moreover, guaranteed everyone a minimum wage. Promotion and transfers were decided by a bidding system which favored experience and seniority and not diligence. Why did everyone stretch and strain to produce those extra pieces that only marginally increased income? When I asked my fellow workers why they worked so hard, they either looked at me in blank incomprehension or responded indignantly that they were not working hard at all and demonstrated the point by goofing off. They would admit to no such sin. They seemed happier to endorse the managerial view that workers would try and get away with anything than believe they were hard workers. I wondered how it was that workers so freely concurred with management's image of them. How was it that management not only exercised domination over workers but managed to win their active consent? My answer borrowed from contemporary analyses of the state and I showed how similar mechanisms were at work in production. Management elicited consent to its own domination by allowing work to be organized as a game. To survive eight hours a day five days a week in the factory doing monotonous, exhausting, and often dangerous work, laborers turn their work into a game of making out with carefully elaborated rules, sanctioned by shop floor management. Sometimes you made the rate from the job, sometimes you didn't but always your reputation and self-esteem was on the line. As long as there was work to do the day sped by. Work as game was framed by two other institutions. The internal labor market constituted workers as individuals with rights to job mobility within plant, based on seniority and experience. The longer employees remained at Allied, therefore, the greater their interest in staying with the

firm, and the greater their interest in its profitability. Finally, the internal state regulated relations between workers and managers. On the one hand collective bargaining forged a common interest between management and union, embodied in the collective contract. On the other hand grievance machinery allowed workers to defend their rights against violations of the emergent legal order of the workplace polity. Here in the factory opposed class interests were being coordinated and at the same time workers were being constituted as industrial citizens. I found myself in the midst of what I called a hegemonic regime of production. How typical was it? From all I had learnt about postwar US industrial relations, the three features I described above were quite general in the monopoly sector of industry. In locating the regime historically I was aided by a remarkable coincidence. I had landed in the same factory studied thirty years earlier by Donald Roy, Chicago's great ethnographer of the workplace.<sup>3</sup> Because the labor process was quite similar I could concentrate on explaining changes in the regime of production. Examining the rise of hegemony on the shop floor forced me beyond the factory: the absorption of Roy's old Geer Company into the multinational corporation I called Allied as well as postwar changes in the broader system of industrial relations. In this way I was able to contextualize the hegemonic regime, recognizing both its sectoral and historical specificity. Further, from Roy's study I was able to extrapolate the archetypal despotic regime of production where managers deploy force arbitrarily, where workers are subject to ad hoc and oppressive penalties, dished out by the capricious overseer. Managers hire and fire at will under market compulsion. Workers have no rights except those they win on the basis of raw power exercised through the monopoly of skill or knowledge. Under the despotic regime political and ideological apparatuses of production have a purely negative function, coercing effort and repressing dissent. The comparison allowed me to elaborate the ideal type hegemonic regime in which the application of coercion, whether fines or firing, is bound by rules that constrain managers as well as workers, rules that are themselves the object of consent. With force limited to infractions of a negotiated order, workers can carve out an arena of self-organization -- the first condition of spontaneous consent to managerial domination. The second condition for consent lies in the concrete coordination of interests of managers and workers, based on their interdependence, organized through such institutions as internal labor market and the internal state. The impetus to consent, however, lies not only in the possibility of future material gain but also in the immediate alleviation of boredom and drudgery at work. Manufacturing Consent sought to turn industrial sociology upside down by inverting its motivating question and Marxism outside in by installing a superstructure within the base. The original inspiration came from Gramsci. Writing of Western Europe he argued that the distinctive feature of advanced capitalism lay not in its economy but in the rise of civil society and the expansion of the state. Through these superstructures the capitalist class not only justifies and maintains its domination but also wins the active consent of workers. However, in his notes on Americanism and Fordism, Gramsci claimed that the US was different.<sup>4</sup> Without the burden of feudal legacies the superstructures are "simplified and reduced in number" -- here hegemony is born in the factory. This became the leitmotif of my own work, but it begged the question of American exceptionalism. Was there such a thing as an American "Fordist" production regime? How did it differ from other production regimes? What were the conditions of existence of different regimes -- hegemonic and despotic? Above all did they have different consequences for class struggle?

## II.A COMPARATIVE HISTORY OF DESPOTISM

If it was a fluke that I stumbled into the same South Chicago factory that Donald Roy had studied, it was no less fateful to discover Miklos Haraszti's depiction of his trials and tribulations in Hungary's Red Star Tractor Factory.<sup>5</sup> While I was marvelling at the effort of my fellow machine operators in South Chicago, Haraszti – an intellectual who had been banished to the factory -- had scaled unimaginable heights of work intensity in Budapest. His piece rates were based on running two machines at once. His descriptions violated all the stereotypes of socialist production -- socialist workers as slackers, noted only for their indolence who had retained only one right, the right not to work hard. If Roy's work had forced me to theorize the despotic regime under capitalism, A Worker in a Worker's State called for theorization of the despotic regime under state socialism. The secret of all factory despotism lies in the dependence of material survival outside work on performance at work. It is this dependence that gives managers their coercive whip. But it can assume different forms. Under early capitalism workers were subject to the whim of their overseer or managers who could hire and fire at will. They had no welfare system to fall back on in the case of unemployment. Under state socialism job guarantees came with wage uncertainty. Where at Allied I was guaranteed a minimum wage whatever I produced, at Red Star Haraszti had to work for every forint. To earn a living he had to run his two machines, butter up his supervisor to get a continuous flow of work, and grapple with piece rates that he could not make. His supervisor became his tormenter and the almighty norm his dictator. Far from restraining managerial despotism the state was always on his back, surveilling, calculating, punishing. The party controlled promotions and transfers, the trade union denied workers their rights, and managers bullied workers into submission with their discretion over every petty reward and penalty. Party, trade union and management conspired to extract the maximum effort from workers. Instead of market despotism, he was held prisoner to bureaucratic despotism. Haraszti's account forced me to think more seriously about early capitalism and its despotic regimes. I had been working with the lurid images of early capitalism, found in Capital. Returning to the scene of Marx's original descriptions of the satanic mills, namely the English textile industry, I unearthed a plurality of production regimes -- patriarchal and paternalistic as well as the original market despotism.<sup>7</sup> Comparing these with the early textile industries in the US and Russia, I tied regime type to class struggle in the second half of the nineteenth century in all three countries -- the sporadic struggles in the US, the reformist struggles in England and the revolutionary struggles in Russia. Greater attention to early capitalism inevitably led back to a deeper understanding of the hegemonic regime of advanced capitalism. Two factors distinguished hegemonic from despotic regimes, both related to the expansion of the state. First, under advanced capitalism workers had alternative sources of livelihood, in particular minimal social security provided by the welfare state. This meant that since workers were less vulnerable to despotism, managers had to adopt hegemonic strategies to elicit cooperation. Second, managers were now restrained from exercising despotic rule by legally enforceable provisions for trade union recognition, compulsory collective bargaining, regulation of the length of the working day, health and safety and so on. The extension of the state in these two directions -- regulation of industrial relations and the provision of welfare -- took on different configurations in different advanced capitalist countries, giving rise to different hegemonic regimes, again with different implications for class struggle. The Reagan years brought a new regime of production at least in the united States, hegemonic despotism, that restored the coercive mode of early periods but, paradoxically enough, in a hegemonic form.

Global competition gives the impetus to intensify control over labor on pain of capital flight. The transition to the new regime is engineered through a double retreat of the state -- on the one side cutting back welfare and the guarantees of livelihood outside production and on the other side weakening restraints on the managerial temptation to despotism. Workers may still be protected from arbitrary firing, but they lose their jobs through regularized lay-offs. Workers can strike but they are subject to permanent replacement. Workers can organize but their unions are subject to decertification. Hegemony now operates in reverse: instead of capital making concessions to labor, labor makes concessions to capital in order to hold on to their jobs. Hegemonic despotism is the unchallenged rule of capital, measured by declining strikes and union membership. Still one arena in particular seemed to have escaped the strictures of hegemonic despotism and that was public employment where unions continued to expand, and strikes joined workers and consumers against the state. Exempt from direct effects of global competition and being relatively immobile, budget constraints were softer and subject to political negotiation. State employment was inherently political, offering a clear target for struggle, as well as opportunities and resources for class struggle. This brought my comparisons back to state socialism. Were the struggles that erupted periodically in Eastern Europe similar to the social movement unionism of state workers of advanced capitalism? Certainly there was a convergence in the non-economic goals pursued by workers; certainly in both cases those goals might be traced to the direct presence of the state at the point of production. On the other hand, it was equally plausible that the struggles within state socialism stemmed not from its bureaucratic character but from its despotic character and so the parallels are better made with working class movements of the nineteenth and early twentieth centuries. This was certainly the conclusion that Haraszti wanted to convey in his fascinating observations about the utopian yearnings of his fellow workers. Where Allied workers could enact a game within the framework of capitalist domination, Red Star workers could only give free reign to their creativity outside and opposed to bureaucratic domination. They would carve time out of the working day to produce anti-commodities, imaginative and useless objects called "homers". By extension the Polish Solidarity movement was the Great Homer -- a national, collective effervescence forced by despotism into "untamed exteriority." Whether it was the bureaucratic or the despotic aspect of the production regime that invited class mobilization could not be determined on the basis of one manicured ethnography of the socialist shop floor! Although Haraszti presented Red Star as the universal socialist factory, this claim was only accomplished by artificially severing the factory from its very specific historical, political, and economic context. As I shall show below Red Star was a quite unusual enterprise, calling into question the generality of bureaucratic despotism as the archetypal regime of state socialism. In any case, if I was to determine the nature of production politics and their link to class struggle there seemed to be no alternative -- I had to end my sojourn into comparative history and return to ethnography.

### III: SOCIALISM TOO CAN BE EFFICIENT

Solidarity erupted in Gdansk in August, 1980. Not even my wildest theorizing of bureaucratic despotism had prepared me for such an epochal event -- the first sustained nation wide revolt of a working class. But before I could pack my bags and search for work in Poland, Jaruzelski had declared Martial Law on December 13, 1981. Instead I eventually wormed my way into Hungarian factories in the Fall of 1983. I began where it looked most feasible, that is in the rural areas, working first in a champaign factory of a state farm and then in various auxiliary

workshops of a cooperative farm.

Wherever I went the gender division of labor was startling -- women were driven by the relentless pace of a bottling line or enslaved by piece rates to spinning bobbins while the men loafed around as inspectors, mechanics, supervisors and the like. For the men, as I soon discovered, work was often a place to rest while their true labors took place in the more entrepreneurial second economy, rearing pigs and poultry, growing vegetables, building new houses. Bureaucratic despotism for women, it seemed, and self-organization for men. That was in the rural areas but what about the industrial plants of the towns? It seemed that working class life was one of socialism's best kept secrets. It was difficult enough to set foot inside a real socialist factory, let alone work in one. Only the organizational genius of my friend János Lukács made it possible. We first visited Bánki in November 1983, at the end of my first extended field trip to Hungary. I returned in the summer of 1984 to work there for two months as a radial drill operator. I couldn't believe my luck until I found myself holding down steel flanges with one bare hand, while trying to control an immense, shaking drill with the other. They had been waiting for a sucker like me. Still this was not Haraszti working on two parallel mills. I was in a machine shop like his but my experience was very different. Comparing my own situation with his I began to understand the peculiar context that created his isolation, alienation, and intense work under bureaucratic despotism. First, I quickly found myself at the center of attention. Who after all had worked with an American professor, even if he was incompetent? On the shop floor I was protected by Anna, Klára and Ági of the Dobó Katika Brigade, and outside I occasionally joined my workmates in their wine cellars. Haraszti, by contrast, as a Budapest intellectual and dissident was shunned and cut off from the social life of the factory. A Worker in a Worker's State is indeed only about one worker, and a peculiar one at that. Second, just as I was delivered to the worst job in the shop with the most difficult piece rates and conditions, so the same would be true of any newcomer, Haraszti included. More generally, it is often the case that socialist production divides into a core of key workers, usually male, skilled, and experienced, who bargain their way to comfort but at the expense of peripheral workers, unskilled, inexperienced, often women, shackled by impossible piece rates and subject to despotic rule. Thus, regimes of bureaucratic despotism and what I call bureaucratic corporatism reproduce each other within the same workplace. Third, there is an historical component to the difference between Red Star and Bánki which accounts for overall diminution of the despotism and its continuation in particular for women. With the economic reforms of the late sixties a second economy opened up which gave many workers, particularly skilled workers access to alternative sources of livelihood and therefore greater bargaining strength on the shop floor. Trying to halt the drain of key workers into the cooperative sector management introduced self-organized cooperatives within the factory. This further complicated and diminished despotism. Women were usually excluded from both external and internal second economies and so they remained as vulnerable as ever. Fourth, and finally, Bánki was part of a relatively successful concern that produced buses and other heavy vehicles that were often exported. Red Star Tractor Factory had been one of the first large enterprises to be subject to the economic reforms in the late 60s and when Haraszti arrived it was in deep trouble, soon to be liquidated. Haraszti experienced the pressure of working in a factory that had lost favor with the state. Does deconstructing Haraszti's study lead to the conclusion that there is nothing unique and distinctive to socialist production? Obviously not. Despite much internal heterogeneity within both state socialism and advanced capitalist, the former production regimes are bureaucratic with variation governed primarily by relations to the state whereas the latter are

hegemonic with variation governed primarily by relation to the market. The great Hungarian economist János Kornai concluded that the soft budget constraints occasioned by bureaucratic bargaining with the state lead to shortages and supply side constraints, while market forces and the pursuit of profit tend to stimulate surplus production and demand side constraints. Extending Kornai led me to the conclusion that Braverman's theory of managerial expropriation of control was indeed specific to capitalism. The widely touted "flexibility" of contemporary capitalism, which Piore and Sabel link to changes in demand, is more likely to create a despotic workplace than their "yeoman democracy." Under state socialism, on the other hand, uncertainties in supply side, that is in materials, machinery and labor call for flexible autonomy on the shop floor. There the exercise of managerial control through the expropriation of skill is counterproductive. Certainly, I was impressed how well self-organization on the shop floor could work. There was always work for me, even at my wobbly radial drill. There was none of the chaos that plagued life on the shop floor at Allied – the hot jobs that had to be done yesterday, the queues outside the inspector's office and the crib, the eternal waiting for the truck driver to deliver some needed parts, the disappearing set-up man, the half completed engines lining the aisles. Bánki it turned out was a capitalist paradise next to Allied which was more the socialist nightmare. Why? Once more my experiences in Hungary forced me to rethink my conception of production in the US. Allied was a division in a larger corporation and had a relationship to the center based on bureaucratic bargaining, soft budget constraints and, as in socialism, the result was shortages on the shop floor, shock work, wastage and inefficiency. Allied's management was always seeking to control the shop floor and always with devastating consequences for production. If Allied was like a socialist factory in a capitalist economy, Bánki was the capitalist factory in the socialist economy. It benefited from competitive pressures for export and exploited the autonomy the state had granted it. The theoretical lesson is as follows. It's a bad idea to compare an idealization of one system with the reality of another. That is to say, it is no less misguided to critique actual socialism for failing to live up to an idealization of capitalism than to attack actual capitalism for falling short of a socialist utopia. Better discern the rationality or logic of each system and use it to evaluate the corresponding reality. Better still, recognize that actual capitalism and actual socialism contain elements of both types. Both orders contain markets and hierarchies but in an inverse relation. Just as the dominant principle in capitalism is the market whose malfunctioning requires compensation by corporations and states, so in socialism hierarchies prevail whose dysfunctions require the complementarities of inside contracting systems, external cooperatives and private production.<sup>15</sup> Each pure system contains too many internal contradictions to exist without restitution from the other. So much for the distinctive features of socialist work organization and its regulation but how did this shape the formation of a working class and its propensity to class action? Why did Solidarity erupt in Poland and not in Hungary? To discern the multiple layers of class consciousness required a deeper immersion in working class life.

#### IV: PAINTING SOCIALISM: THE RITUAL ENACTMENT OF CLASS

As I made my way from Budapest to the medieval town of Egér where Bánki was located I had to pass through Hungary's second biggest city, Miskolc, the capital of Hungary's Eastern industrial heartland. There, sprawling along the valley, lay the giant Lenin Steel Works, employer of 15,000 workers and marking the pulse of the city. The soul of the socialist proletariat lay here -- capable of heroic feats of endurance, celebrated in posters of the Stalinist



past, carriers of that radiant future that was to be communism. To join the army of workers that swarmed through the gates three times a day was my secret dream. Miraculously, János Lukács organized it and I won a place at the heart of the steel works as a furnaceman, tending the state-of-the-art German basic oxygen furnace. I'd finally graduated from an individualistic machine operator to team work. I joined the October Revolution Socialist Brigade for about a year over a period of three years, 1985-1988. The Combined Steel Works was a nightmare of coordination. From Japan there were a continuous caster and an electric arc furnace, from Germany a basic oxygen furnace, from Sweden a vacuum degasser, and from Austria came technicians to help maintain this new fangled goulash technology. The combination was not only difficult to negotiate in itself but underlined the incongruence of capitalist technology in a socialist order. The technology all presumed that material inputs could be accurately calibrated and punctually delivered. In a shortage economy that was simply impossible. You took what you got and when it arrived. There was no way of sending back the iron or the scrap if it was the wrong quality or contained unwanted impurities. You were lucky to have the materials at all. When the Japanese came to repair the continuous caster and correct the computerized system, they could only scratch their head, bemused by the anarchy of production. They couldn't cope with this socialist variant of "just in time." Ideally, the combined steel works was supposed to be controlled from above through computerized systems. In reality it was only effective when skilled supervisors and workers on the shop floor ignored the computer and improvised to ward off continual crises. Middle managers were superfluous at best and meddling at worst. They compensated for their ineffectiveness with despotic rule that continually broke down as they relied so heavily on spontaneous cooperation on the shop floor. When Lukács and I reported on this state of affairs middle managers had a tantrum, called a public meeting to condemn our study and told us to do it again! Managers could never be blamed for inefficiency, if there were problems they were outside their control and we simply didn't understand what was going on. My fellow October Revolutionaries chuckled in amusement. Slowly over time I began to assimilate the steelworkers' socialist "culture of critical discourse," to play back their cynicism to them. They were steeped in socialist imagery expressed in endless jokes about socialist irrationality, relentlessly drawing attention to the gap between ideology and reality. For them reality appeared to be more the inversion of ideology than its realization. I made much, perhaps too much, of the rituals that workers had to perform in celebration of the wonders of socialism, which included political and production meetings, the circus organized for visiting dignitaries, the badges, flags, medals that we'd win for outstanding performance. In their joking their cynicism was much in evidence but in their outbursts of anger I detected a continuing commitment to socialist ideals. Still vividly etched in my memory was the visit of the Prime Minister. We had to volunteer a "communist" shift to paint the slag drawer a bright yellow. My fellow October Revolutionaries got out their paint brushes but I could only find one with black paint and so proceeded to paint our shovels black. Along came the superintendent, wanting to know what the hell I was doing. I told him, as innocently as I could, that I was helping to build socialism. ET, the brigade's wit, turned to me and said, "Misi, Misi, you are not building socialism you are painting socialism, and black at that." All of us roared with laughter, except the superintendent who stalked off. It was true, workers had to paint socialism as efficient, egalitarian and just, while all around them was waste, class privilege and favoritism. They criticized the socialist regime, the party, the system for failing to realize its promises. They turned the ideology against the regime it was supposed to legitimate. Workers developed a strong sense of class hostility to the red directors and their

managerial lackeys, exuding a socialist consciousness at the very same time that they rejected actually existing socialism. Behind their cynicism lurked the shadows of a working class movement, or so I thought. At least Hungarian workers talked the language of socialism. The missing ingredient, I thought, was an effective working class solidarity. Here in Hungary, there were so many avenues for workers to realize their material interests through the second economy, whether at work in the VGMKs or outside in cooperatives or odd jobs. Working class consciousness was layered with strong petty bourgeois inclinations that subverted class unity. Class solidarity was more likely in Poland where workers still spent time in queues rather than working on their dachas, where second economy activities were less well organized and where the church acted as a solidifying umbrella, symbol of an oppressed nation. As individual outlets were less available, so class interests were realized in collective organization against the Polish regime. While I was busy working out why Solidarity occurred in the East and not the West, in Poland and not Hungary, the regime was crumbling from above. I was rivetted to my search for socialist symbols and rituals. With limited historical perspective I did not recognize or did not want to recognize just how attenuated they had become. As I scraped away the dust from the slogans of yesteryear, I didn't appreciate that workers were holding a ruling elite accountable to an ideology in which it no longer believed. The nomenclatura was getting ready to cast off the trappings of socialism. When the appropriate moment arrived in 1989 there was surprisingly little resistance to emancipating the economy, at least from the atrophying socialist ideology. There were those like Jancsi, our devoted shop steward, who now saw the chance to create a real trade union. For four years I had chided him for selling his soul to a bankrupt company union. When communism disintegrated he was one of the first to become active in the burgeoning factory council movement -- a throw back to 1956. He promised to build a real union. But in the end these were loan voices. Socialist ideology had been so pummeled, distorted, and deployed against the working class that it could awaken few people's imagination. If ideology could evaporate, institutions were more obdurate. As I was to discover in Russia, reality lagged behind the new market religion, sometimes even following in reverse. It has been difficult to liberate the Hungarian economy from the industrial dinosaurs that dogged its past. Lenin Steel Works, albeit with a different name, lived on, receiving subsidies from the state until it was finally sold to a Slovakian Company in 1997. But not before its labor force was decimated. Of the original 15,000 employees only a couple of thousand remain, including my comrades from the October Revolution Brigade who are still stoking the furnace. Unemployment is up to 25% in Hungary's industrial wastelands. In Miskolc for many the past does indeed look more radiant everyday. The theoretical lesson was as follows. State socialism rests on the central appropriation and redistribution of surplus. Domination and exploitation are transparent and therefore require legitimation. Transparency calls for an ideology which presents the party state as all knowing and embracing the universal interest embodied in the plan. Legitimation based on a radiant future, rather than immemorial tradition, however, invites criticism on its own terms -- a criticism which demands that the party state live up to its promises. State socialism cannot live without legitimacy but in the end it could not live with legitimacy. As pressure mounted so the ruling class abandoned its socialist project and parachuted into a market economy. Capitalism, by contrast, is blessed with flexible patterns of accumulation and the invisibility of exploitation so that legitimation plays second fiddle to hegemony -- the coordination of material interests of all classes with the general interest of the dominant class. The power of hegemony is to channel dissent into struggles at the margins rather than the center, over compromises rather than principles. Hegemony may be strengthened by but does not rely on

the capricious belief in legitimacy. It depends on practices that organize consent in production, in school, in family, etc. Hungary tried to bolster the fragility of its socialist legitimacy with the robustness of hegemony organized in civil society. But even this substructure could not prevent the outer shell from cracking.

## V: ON THE CUSP BETWEEN PERESTROIKA AND PRIVATIZATION

I migrated to Hungary to experience socialism and its work regime first hand. I had wanted to know why the first society wide workers' revolution took place in a socialist rather than a capitalist society. I was curious about the prospects for the democratization of state socialism, the possibilities of workers' socialism.<sup>20</sup> I had not come to study the transition to capitalism, so I packed my bags and made my way to the bastion of communism. It was not only a matter of escaping Hungary, just as important was the appeal of the Soviet Union which, in the period of late perestroika, was undergoing momentous political change. For the first time foreigners could travel and talk freely. I began the exploration of Soviet enterprises at the beginning of 1991 with Kathryn Hendley. For two months we spent every day at Rezina, a famous rubber plant in the center of Moscow. Through the enterprise trade union she had managed to gain unlimited access in exchange for a couple of computers for their kindergartens. We were promised that Rezina was a "drop of water," through which we could study the turbulent seas of perestroika. We were not disappointed. Rezina was a dreadful place, an apparition arisen from the last century. It was just as I imagined those Victorian satanic mills to be, with workers, mainly women, toiling in dark, dank dungeons without ventilation or light, suffering respiratory diseases from the fumes of resin and paid a pittance for the privilege. Whenever we wanted to talk to workers we were accompanied by managers and the conversation quickly fell into a sullen silence. Even if they could speak freely, what was there to say to a couple of foreigners? Their humiliation and degradation was palpable. We managed to inveigle ourselves into the morning planning meetings attended by all the managers and shop chiefs. It was quite a scene to behold with insults and innuendo thrown from one end of the table to the other, managers fulminating at each other for this failure or that. Usually the manager for supplies bore the brunt of verbal abuse. He had the unenviable task of begging, cajoling, bribing, coercing suppliers from all over the Soviet Union.

But that was only half the job. He then had to wave his magic wand over truck drivers and railroad officials to transport the materials. He would never reveal to us the secret of his trade. With the entire planning system in disarray, Winter 1991 was a particularly bad time to coordinate production. It was further complicated by the burgeoning second economy within the enterprise. The director was funnelling funds from the state into the pockets of supervisors, managers and suave, young entrepreneurs who ran the so-called cooperatives and small enterprises within the plant. These semi-autonomous units used the materials, machinery and labor of the official enterprise at discounted rates, set by the director, and could sell or barter the products very profitably at so called contractual prices, boosted by the pressures of a shortage economy. Workers never saw these profits -- they were expected to consider themselves lucky for the opportunity to work over time. I'd seen it all before in Hungary in 1988 and 1989. Managers at the Lenin Steel Works had made themselves (in cooperation with foreigners) share owners of limited companies which they had created from the potentially profitable parts of the enterprise. The state continued to own the company shell and was billed for overheads and the escalating losses, while the limited companies and their shareholders pocketed handsome

profits. No wonder workers were cynical about so called "privatization" or what was euphemistically called "spontaneous privatization." Over their heads but in the name of the labor collective struggles were tearing Rezina's management apart -- a microcosm of the wider Soviet polity. On the one side there were the defenders of the integrity of the Soviet Union which included the director of the enterprise, his chief engineer and much of the old guard. They argued that Rezina's dependence on supplies from all over the Union meant that fragmentation would be suicide. They urged continued allegiance to the Soviet ministries who guaranteed their livelihood. The Young Turks, headed by the leader of the Factory Council (STK), argued for changing the enterprise's affiliation to Russia and Yeltsin's government. They attacked the Soviet ministries as the source of Rezina's economic crisis. A market economy and privatization, proposed for Russia, could not be worse than the existing planning system. While we were there factory civil wars broke out in public meetings with each side pressing its interest as the interest of the labor collective while accusing the opposition of particularism and corruption. So much for the legendary unity of the labor collective, so beloved by Western treatises on the planned economy which had regarded the enterprise as an integral entity bargaining with the state over success indices and plan targets. In the classic pictures of David Granick, Alec Nove, and Joseph Berliner the enterprise was like a machine operator -- restricting output below 100% (goldbricking) to signal a plan that was too tight and keeping output to only a little above 100% (quota restriction) to hide those plan targets that were loose. Enterprises would try and restructure themselves in order to enhance their power vis -a-vis the center, integrating backwards into supplies in order to overcome shortages or expanding into key products that would enhance its leverage with the center. In every analysis the enterprise acted as a unit, the interests of all lay in minimizing what they had to give up to the state and maximizing what they took from the state. Apart from literary works we never heard of struggles within the factory, like those that overwhelmed Rezina, around divergent interests and strategies. As the coherence of the state broke down and dual power emerged on the national scene so the enterprise itself split into two, an organic crisis in which the old is not yet dead and the new is struggling to be born. The symbol and guarantor of enterprise unity had been the party organization. Under the Soviet order it sought to build internal unity and align the interests of enterprise with the state. By January, 1991 the party had already disintegrated at Rezina. We were perhaps the first and the last to visit Rezina's new party secretary in his spacious office, now stripped of all furniture. A lonely old man sat all by himself behind a desk, with an enormous telephone switchboard -- symbol of by-gone power -- at arms length. Its connections, however, had all been ripped out of the wall. He reminisced about the past and his long standing ambitions to become a party secretary. He had realized his dream now when the party, except for a handful of obdurate old timers, was already defunct. The power struggle was raging all around but it never blew through his hollow chambers. Long before August, 1991 he had been consigned to the museum of communist history. Rezina lay on the fault line of a low intensity earthquake that was rumbling through the Soviet economy. Dependent on supplies from all over the Union, Rezina was itself a major supplier of rubber products to the allimportant auto industry. When the economy shook, Rezina threatened to fall apart at its seams. The collapse of the Soviet Union was catastrophic, so different from the molecular transformation of Hungary. Even though I was at the center of Hungary's largest steel plant, the politics of disintegration seemed remote from the workplace. For twenty years Hungary had been grooming an alternative political economy, a rudimentary hegemony which coordinated disparate interests, that lay in waiting when the party state crumbled. In Russia, however, there

was no legitimate alternative ready to take over, and so the forces of the past would quickly regroup to exploit the new opportunities of disintegration. But that is getting ahead of myself. For now I fled the scene of the Rezina disaster for the north where things were still tranquil and from where I could get a better glimpse of the past and future.

## VI: INDUSTRIAL INVOLUTION: RUSSIA'S DESCENT INTO CAPITALISM

Sykttyvkar, with a population of 250,000, is the capital of the Komi Republic, lying to the West of the Urals in the far North of European Russia. Sparsely populated it is rich in natural resources -- coal, bauxite, oil, and gas -- covered in a rich forest, much of it still inaccessible. Komi has always been a land of exiles from the period of Catherine the Great. Under communism it was an integral part of the Gulag, with labor camps feeding the timber and coal industries. The area was essentially closed to foreigners. In the Spring of 1991 it was already possible to migrate there to continue my peripatetic vocation as an incompetent factory worker. With the help of a local sociologist, Pavel Krotov, I obtained a job drilling holes in the city's model furniture factory.<sup>22</sup> Where Rezina's management was divided into warring factions, Polar Furniture had a tightly knit managerial team that capitalized on its favorable economic position. It had a regional monopoly of the production of poor quality wall units, an item of furniture found in every Soviet apartment. Because they were in such demand wall units were easily bartered for other goods in short supply -- places in holiday camps in the Crimea, housing, precious supplies of sugar and tinned meat. The chief barterer was the trade union boss who acted like a feudal baron, dispensing his loot to keep peace among his minions. Wall units are simple to manufacture, providing one can guarantee the supply of materials. At Polar Furniture this presented few problems for two reasons. First, the supplies were simple and for the most part locally accessible, namely pressed wood that was produced locally from the Komi forests. Second, Polar Furniture had a privileged relation to the Komi Timber Conglomerate that distributed resources throughout the industry. Polar's charmed existence gave its General Director the self-assurance to hire me, when everyone else had closed their doors. On the shop floor it was a different matter. There the lack of enthusiasm was palpable and I was shunned from most collective activities. I speculated at the time that I was too much of an oddity for people to accept -- an American professor who wanted to work on the shop floor. My work mates had never met an American let alone one as strange as I. My Russian was still embryonic and my mechanical ineptitude put me at the very bottom of the status hierarchy. To add insult to injury I was paid more or less the same as everyone else in the brigade. Still, under not too different conditions Hungarian workers had embraced me. At the time, I speculated that cultural factors must be at work -- the legacy of Stalinist suspicion but also the solidarity of the labor collective. It turned out to be more simple. Management, in particular my shop floor supervisors, were using me to discipline the work force. Sveta, my "master," would say, "Hey, lads get to work there's an American watching us!" Still it didn't seem to have much effect. To the contrary, workers would straggle in late and leave early. There were all sorts of stoppages in work. At the end of the month there would be a desperate surge of production to make up for lost time, the legendary shock work lived on. At last I'd arrived in a "real" socialist factory! The tempo of production was too unstable for the work games as I had known them at Allied. Instead we played cards and dominoes on the side to while away surplus time. We were not constituted as individuals with rights and obligations but as a labor collective. The trade union did not patrol a grievance machinery nor even bargain with management. The trade union was unambiguously

part of management. If there was a production game it was between the brigades on the shop floor and enterprise managers around plan fulfillment. It was not an individual game as at Allied or at Bánki but part of a bargain in which management ceded control of production but provided conditions of work in return for workers' best effort to meet plan targets. From here bargaining spiralled up the hierarchy between successive levels. As controls from the Republic's planning centers relaxed in the Spring 1991 I could already discern capitalism incubating within socialism. As the party lost its grip on power monopolies such as Polar, but also the conglomerate within which it was embedded, became more autonomous and better able to exploit their market position, dictating terms of exchange. Barter relations which had always existed but under the auspices of party supervision spread like weeds through the economy. Management, which before had devoted its attention to garnering supplies, now strategized to maximize the returns on trade. At the same time autonomy of the shop floor increased. Always great because of the need for flexible specialization to adapt to supply uncertainty and because workers could not be fired, autonomy was now even greater because the party as the one organ of control had all but vanished. It was as if managers had become merchants subcontracting working out to the labor collective. This merchant capitalism was a far cry from modern bourgeois capitalism with its focus on accumulation and investment, on process and product innovation. Still it was capitalism -- profit had come to rule the day -- even if it was not Max Weber's Western bourgeois sober capitalism. Incipient merchant capitalism set the parameters for enterprise response to economic reforms promulgated from Moscow. I stopped work two months before the failed coup of August 1991, that signalled the disintegration of the Soviet Union, and the ascendancy of Yeltsin and his economic reformers. I returned to Polar in the following summer of 1992, six months after price liberalization and the dismantling of planning organs. Polar was still doing very well, exploiting its new won freedom by raising prices to capture the unfulfilled demand for wall systems. But by the Fall of 1992 the reforms were taking their toll. Wage increases were falling behind those in neighboring enterprises, Polar was losing money on its export contract with IKEA, and privatization was looming ahead. A revolt from the shop floor threw out the wily old director for dictatorial and corrupt practices. Most of the old managerial team left with him. They could see the writing on the wall. In 1993 Polar's fortunes took a nose dive. Furniture from different parts of the ex-Soviet Union and even Europe was appearing in the shops, often cheaper and of vastly better quality than Polar's. Then came the disintegration of the Komi Timber Conglomerate and Polar's privileged access to credit and material resources. The effects came slowly through 1993 escalating in 1994, first in the form of falling real wages, and then through furloughs and non-payment of wages. Once more in the Spring of 1994 the labor collective, now owners of the enterprise, installed a new director. But there was not much he could do. The enterprise had accumulated such enormous debts that credit was unobtainable. It tried to sell its reserve shares but no one would buy them. The enterprise was bankrupt but maintained limited operations through bartering its products for raw materials. Decline was now irreversible. When I returned in the summer of 1995 I found most of the enterprise in darkness. The experience of Polar was quite typical of factories all over Russia. The decline of the Russian economy is unprecedented -- since 1989 every year has seen a decline in gross domestic product, sometimes by as much as 20%. Far from promoting accumulation, liberalization, privatization, monetization and stabilization have come at the cost of production. A process of economic involution governs economic decline, an economy that eats itself up. Dynamism in the sphere of exchange -- shop-keepers, merchants, financiers, mafia -- funnel resources from production, forcing workers to retreat into subsistence and petty

commodity production. Instead of primitive accumulation Russia today is marked by primitive disaccumulation, a reversal of Soviet industrialization that had been purchased at such great human cost. Involution is not so much an enduring legacy of the past as the outcome of neoliberal policies applied to an administered economy. In the first phase of transition -- disintegration -- monopolies are strengthened. Freed of party control they can now exploit their market position. The second phase -- liberalization -- continued to feed enterprise coffers through inflation. With privatization managers appropriate the benefits whether through asset stripping or price gouging, while workers turn to stealing. Under pressure from monopolistic industry the state expands enterprise credits, channelling them through newly independent banks which rake in their share of the profit. The newly constituted banks are after all owned by the same enterprises which receive the credit. Budget constraints are not hardened but monetized. The third phase -- stabilization -- saw the credit supply dwindle, interest rates turn positive, and inflation rates fell. Rather than disappear into bankruptcy enterprises exited the financial sphere and returned to barter relations. Banks collapsed or were absorbed by "mafia" which came into its own as a shadow state to guarantee transactions. The fourth phase -- consolidation -- saw the concentration of wealth in financial industrial groups, closely tied to government and organized around the export of raw materials, energy and the media. In return for supporting local and national cliques descended from the communist nomenclatura, the new Russian managers are rewarded with ownership of the most lucrative public enterprises. Untold wealth accumulates at one pole and poverty at the other. Workers retreat rather than resist. Wages are not paid but workers still turn up for work in the vain hope that something will trickle their way. Socialism has been so effectively discredited that it provides no more than nostalgia for the past. There is no ideology to cement opposition or to imagine alternatives. Production politics have been eviscerated and commodity fetishism has won undisputed allegiance.

## VII:THE GRAVE DIGGERS OF COMMUNISM

One thousand kilometers north of Syktyvkar lies Vorkuta -- a city of some 200,000 inhabitants on the Arctic Circle which has had one and only one reason for existing, namely its rich supply of coal. It is a living artifact of the gulag, an internal colony cut out of the frozen tundra by prison labor in the 1930s. No one could escape from this valley of death -- as one of the communities is called -- because there was simply nowhere to go. Vorkuta became a critical supply of metallurgical coal during World War Two when the Ukraine was occupied by the Germans. Prisoners of war as well as from all over Russia were despatched to Vorkuta so that it became a veritable international community. Many were political prisoners -- writers, painters, scientists and musicians -- and the city became famous for its artistic talent and its theatre. Aspiring apparatchiki would do their sacrificial stint in the inhospitable Vorkuta before being promoted into the higher circles of Moscow or Leningrad. After the camps were closed in the 1950s workers migrated to Vorkuta from all over the Soviet Union, and especially from the mining towns of the Ukraine, in search of higher wages. Accustomed to horrific working conditions underground and storms, blizzards and arctic temperatures on surface, the people of Vorkuta developed their own rugged culture, a sense that they could confront any adversity, even communism. In 1989, together with the miners from Kuzbass in Siberia, and Donbass in Ukraine Vorkuta miners stunned the world with their sustained and militant strikes. They demanded improved wages, pensions, longer vacations, Sunday as a holiday for all, improved housing, guaranteed supplies of basic food and the termination of the feudal code that held

workers in bondage to a single mine. The second set of demands attacked the economic order, calling for enterprise autonomy, the right to dispose of 25% of foreign earnings, and most broadly the introduction of a market economy. The third set of demands were political: the dismantling the command economy, revoking Article on the Constitution which gave the part its monopoly of power. They called for free elections to all official positions, the right to form independent trade unions and parties, rights of free press and recognition of their own strike committee. This was an all embracing radical program for a new society. The protests lasted through the summer of 1989 and were renewed in 1991 when Yeltsin, already leader of the Russian Federation, used them in his battle against Gorbachev and the Soviet Regime. The miners were the dynamite that brought down the Soviet system but they were also among the first victims of the new order. Their anarcho-syndicalist platform was appropriated as a program for a capitalist economy and liberal democracy. In 1992 the economic reforms brought inflation rates of 30% per month, wiping out the miners' life-long savings. Allowed to sell 17% of their coal at any price, mine management and the new independent trade unions competed for access to the world market. Vorkuta was flooded with Western consumer goods -- televisions, videos, refrigerators, and clothes -- a sop to the miners who had fought for much more. The strike committee abandoned its followers for sinecures in local and federal government or found their way into lucrative "commercial structures." In Vorkuta, at least, socialism had created its own grave diggers, the very proletariat the regime had celebrated. No soon had they put down their spades than their captains grabbed the inheritance, abandoning their followers to their fight for daily bread. Vorkuta spawned its own mafia -- the merchants of coal -- who spread their nodes across the former Soviet Union and from there across Europe arranging chains of barter, exploiting the as yet low production costs, based on handsome subsidies and low wages. As in timber very quickly prices caught up with the coal merchants and the intruding capitalism brought world prices to the Russian hinterland. Involution of the coal industry, however, never reached the destructiveness it did in timber. The timber industry was a vertically integrated commodity chain with the lumber villages and timber centers exploited at the bottom of the hierarchy. When the reforms came they exited in the expectation that they could only do better in the open market. Their departure brought about the collapse of the industry, leaving them destitute without buyers for their raw timber. The coal industry, by contrast controlled a scarce resource which it could parlay into political muscle. Once the initial flurry into the world market was over, the mines and the trade unions regrouped around the conglomerate to demand increased subsidies and wage payments from the federal government. Strikes were orchestrated to draw attention to the miners' plight. Their's was a strategy of voice rather than exit and for the time being it has contained the rate of involution. Under the supervision of the World Bank the Russian coal industry is down sizing. Vorkuta Ugol, the local coal conglomerate, has already closed five of the thirteen mines. The World Bank proceeds as rationally as possible, determining how best to implement a safety net, how best the community can participate in its own demise, trying to ensure that the government not create false expectations. The World Bank's strategy of environmentally sustainable development seeks to implant a hegemonic production politics wherever protest threatens the global expansion of capitalism.<sup>23</sup> To promote the mobility of capital, the enlightened are now trying to transport Western apparatuses of production, organizing consent on inhospitable soils. So far there is no sign that hegemonic regimes are so portable!

## FLEXIBLE CAPITALISM, FRAGILE SOCIALISM AND THE AFTERMATH



Braverman captured the rhythm of capitalist expansion, its capacity to reconstitute itself through the recomposition of work, a dialectic of deskilling, reskilling, followed by further deskilling. But he didn't capture the source of capitalism's political and ideological "sustainability," which, I argued, lay first in its despotic and then in its hegemonic apparatuses of production. Capitalism has proved to be as durable as socialism has been fragile. As I scampered away from under Gulliver's feet, migrating from Hungary to Russia, from Moscow to Syktyvkar to Vorkuta, everywhere capitalism caught up with me. Why did socialism keel over, for the most part without even a murmur or a gasp? Too much has been said about the flexibility of capitalism and not enough of the fragility of socialism. There are, of course, many theories. Some relate the internal economic contradictions of socialism that had begun to make themselves felt in the 1970s, but all economic orders face contradictions. Others argue that socialism was too rigid to adapt to the information order. But this does not explain the absence of resistance to the collapse of the social order. Then there are globalism arguments but they too stress the strength of an irrepressible international capitalism rather than the feebleness of socialism. In addition to such economic arguments, there are also the political theories that portray socialism as a pack of cards waiting to collapse. No order can live for ever by repression alone. But it did live for seventy years and it crumbled when repression was at its weakest. Ken Jowitt's offers a more prescient analysis of a regime that had lost its sense of purpose with the routinization of its charismatic powers. From the standpoint of my own odyssey from capitalism to socialism, from the standpoint of production I see the political and the economic as inextricable. The hegemonic regimes of advanced capitalism work through the coordination of interests, operating at all levels of society, and not least in production. The bureaucratic regimes of socialism work through the legitimation of a transparent exploitation and domination. Hegemony organizes and isolates struggles on its own terms while legitimacy invites critique that challenges its own order. To speak of a legitimation crisis in advanced capitalism or a hegemonic crisis of state socialism is to confound their distinctiveness. But the economic foundations of political crisis and continuity are more complicated than simply pinning hegemony to one regime and legitimacy to the other. Each system can only exist when complemented by the other. Capitalism calls on states to compensate for the irrationality of its economy. The fragility of capitalism, therefore, lies with its weakest link, the state, which politicizes its own regulation. Equally, socialism requires an elaborate private sphere, coordinated by market type relations, to compensate for the malfunctioning of the administered economy. In this complementary world of real socialism interests can be organized and coordinated, hegemony can be constituted to bolster legitimacy. This was developed furthest in Hungary and is the mainstay of the Chinese order. Private, market-like coordination may be necessary to sustain socialism, but it may be labelled antithetical to socialism, so deepening the crisis of legitimacy. This was the case in Russia. In short each system incubates its opposite which can in turn either reinforce or undermine the dominant order. How do these comparisons help us comprehend the postsocialist order? Does the specific combination of administered and market coordination prefigure the emergent political economies? No such determining path dependency can be established. To try to do so would be to confuse the dynamics and collapse of the old order with the very different process of the genesis of the new. Much better to focus on the transition as a sui generis process with its own combined and uneven logic in which government interventions are as important as their unintended and unexpected consequences. Still this process does not take place in a vacuum -- its origins lie in the breakdown of the socialist order just as its direction is influenced by global capitalism. Where the break-up of the

socialist order does not reveal a sturdy structure of civil society and hegemony, as it did not in Russia, so an alternative legitimacy has to be fabricated out of a new ideology, in this case neoliberalism, which carries its own unanticipated consequences and immanent critiques.

## ENDNOTES

1. See, for example, Ruth Milkman, *Gender at Work* (University of Illinois Press, 1987); Robert Thomas, *Citizenship, Gender and Work* (University of California Press, 1985); Ching Kwan Lee, *Gender and the South China Miracle* (University of California Press, 1997); Leslie Salzinger, "From High Heels to Swathed Bodies: Gendered Meanings under production in Mexico's export processing industry," *Feminist Studies* (1997) 23(3), pp.549-74.
2. See Burawoy, *Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism* (University of Chicago, 1979). This book was heavily influenced by Gramsci, and the French structuralist marxism of Althusser and Poulantzas.
3. Donald Roy, "Restriction of Output in a Piecework Machine Shop," Ph.D. Dissertation, University of Chicago, 1952.
4. See Antonio Gramsci, *Selections from the Prison Notebooks* (International Publishers, 1971), pp.277-318.
5. *A Worker in a Worker's State* (Penguin, 1977).
6. Burawoy, *The Politics of Production: Factory Regimes under Capitalism and Socialism* (Verso, 1985), chapter 4.
7. I had also studied a different type of despotism -- colonial despotism -- in the Zambian copper mines. Based on four years field work, 1968 to 1972, I analyzed the uneven persistence of colonial despotism even after the attainment of political independence. See Burawoy, *op.cit.*, chapter 5.
8. *Ibid.* chapter 2. For elaborations of this comparative approach, showing the links between factory politics and wider struggles see Richard Biernacki's comparison of nineteenth century textile industry in England and Germany, *The Fabrication of Labor* (University of California, 1995) and Jeffrey Haydu's comparisons of metal workers in England and the United States at the turn of the century, *Between Craft and Class* (University of California Press, 1988).
9. Burawoy, *The Politics of Production*, chapter 3.
10. For a more recent analysis of this phenomenon see David Gordon, *Fat and Mean* (The Free Press, 1996) and at this conference see the papers of Joe Blum, "Degradation without Deskillling," and Jennifer Chun, "Flexible Despotisms."
11. This point is elaborated in detail by Paul Johnston, *Success While Others Fail* (ILR Press, 1994).

12. Michael Burawoy and János Lukács, *The Radiant Past: Ideology and Reality in Hungary's Road to Capitalism*

(University of Chicago, 1992), chapter 2.

13. János Kornai, *Economics of Shortage* (two volumes) (North-Holland Publishing, 1980), and *The Socialist System*

14

(Princeton University Press, 1992).

14. *The Radiant Past*, op cit., chapter 3.

15. This idea of mirrored comparisons derives from Ivan Szelenyi, "The Relative Autonomy of the State or the State

Mode of Production," in M. Dear and A. Scott (eds.), *Urbanization and Urban Planning in Capitalist Society*

(Methuen, 1981) and "Karl Polanyi and the Theory of a Socialist Mixed Economy."

16. *Radiant Past*, chapter 4

17. *Ibid.*, chapter 5.

18. VGMKs were work collectives based on a form of inside contracting. See David Stark, "Rethinking Internal Labor

Markets: New Insights from a Comparative Perspective," *American Sociological Review* 51 (1986), pp.492-504.

19. Here I am indebted to Georg Konrád and Ivan Szelenyi's classic, *The Intellectuals on the Road to Class Power*

(Harcourt Brace Jovanovich, 1979).

20. Linda Fuller, for example, shows how Cuba's economic decentralization in the late 1960s led to a democratization of

production politics and how this in turn fed back into national politics. See *Work and Democracy in Socialist Cuba*

(Temple University Press, 1992).

21. Michael Burawoy and Kathryn Hendley, "Between Perestroika and Privatization: Divided Strategies and political

Crisis in a Soviet Enterprise," *Soviet studies* 44 (1992), pp.371-402.

22. Michael Burawoy and Pavel Krotov, "The Soviet Transition from Socialism to Capitalism: Worker Control and

Economic Bargaining in the Wood Industry," *American Sociological Review* 57 (1992), pp.16-38.

23. See Michael Cernea and Ayse Kudat, *Social Assessments for Better Development: Case Studies in Russia and*

*Central Asia* (The World Bank, Washington D.C., 1997), Michael Goldman, "Green Hegemony," (Unpublished MS,

1997) and James Ferguson, *The Anti-Politics Machine* (University of Minnesota Press, 1994).

### Some Interesting Ethnographies and Case Studies

1. Adler, P. A. (1985) *Wheeling and Dealing*. NY: Columbia University Press. The business of buying and selling drugs. The lifestyle that goes with it.

2. Becker, Howard., Geer, Blanche, Hughes, Everett & Strauss, Anselm. (1961) *Boys in White*.

Chicago: University of Chicago Press. A classic – students learn to be doctors.

3. Peter Blau (1953/1963) *The Dynamics of Bureaucracy: A Study of Interpersonal Relations in Two Government Agencies*, University of Chicago Press. A classic comparative case study.

4. Michael Burawoy. *Manufacturing Consent: Changes in the Labour Process under Monopoly Capitalism*. University of Chicago Press, 1979. Why do workers work so hard? A study of shop floor work practice from a Marxist perspective.

5. Catherine Casey. (1995). *Work, Self and Society: After Industrialism*. London: Routledge.

6. David Collinson (1992) *Managing the Shopfloor: Subjectivity, Masculinity and Workplace Culture*, New York: de Gruyter. David Collinson spent about three years in a "hard" working environment in the North of England looking at how workers used the construction of identity as a strategy for dealing with the circumstances they faced in the workplace. Explores the potential for, and limits of, resistance.

7. Dalton, M. (1959). *Men who Manage*. NY: Wiley. One of the classics.

8. Erving Goffman, *Asylums: Essays on the social situation of mental patients and other inmates*. Garden City, NY: Anchor Books, Doubleday, 1961. There are a lot of similarities between employees and inmates.

9. Alvin Gouldner. (1955). *Patterns of Industrial Bureaucracy*, London: Routledge and Paul. One of the earlier studies of this type and a classic. Gouldner had a whole team of researchers observing workers in a Gypsum mine looking at the introduction of bureaucracy into the workplace.

10. Hamper, B. *Rivertown: Tales from the assembly line*. New York: Warner, 1991.

11. Miklos Haraszti. *A Worker in a Worker's State*. NY: Universe Books, 1978. What is it like to work in a piece-rate factory in Communist Hungary?

12. Hochschild, A. (1983) *The Managed Heart* University of California Press. This is a study of flight attendants, focussing on the effects of emotional labour. A very interesting study.

13. Jackall, R *Moral Mazes: The World of Corporate Managers* 1988 Oxford University Press. A participant-observation study on corporate managers in America. In particular, Jackall explores how corporate life within large bureaucracies - with all the internal political struggles –relates to questions of organisational morality.

14. Rosabeth Moss Kanter. (1977). *Men and Women of the Corporation*. NY: Basic Books. A classic. A study of men (managers) and women (secretaries, wives and the occasional token manager) at Industrial Supply Corp.

15. Dorinne K. Kondo (1990). *Crafting selves: Power, gender, and discourses of identity in a Japanese workplace*. University of Chicago Press. Fascinating study by a Japanese American woman in Japan. Foucauldian approach.

16. Gideon Kunda (1992) *Engineering Culture: Control and Commitment in a High Tech Corporation*. Philadelphia: Temple University Press. Kunda looks at a high tech engineering organisation where management explicitly manages the culture of the organisation. Kunda looked at how employees dealt with this "engineering" of culture.

17. Tracey Kidder (1981) *The Soul of the New Machine*. Boston: Atlantic-Little, Brown. A great story about the race to build a new computer. How did a small, under-resourced, inexperienced group do it?

18. Law, J. (1994) *Organizing Modernity*. Oxford, Blackwell.

19. Julian E. Orr . 1996. *Talking about machines: An ethnography of a modern job*. Ithaca, NY: ILR Press. The oral culture of xerox copy machine repair people.

20. Ong, Aiwa. 1987. *Spirits of resistance and capitalist discipline: Factory women in*

Malayasia. Albany: SUNY Press.

21. Scase, R. and Goffee, R. (1989) *Reluctant Managers: Their work and Lifestyles*. London, Routledge

22. Vicki Smith, *Managing in the corporate interest: control and resistance in an American bank* Berkeley : University of California Press, 1990.

23. James P. Spradley (1970) *You Owe Yourself a Drunk: An Ethnography of Urban Nomads*, Canada: Little, Brown and Company. A look at tramps in the USA. Spradley spent a couple of years living with these people.

24. James P. Spradley, Brenda J. Mann (1975) *The Cocktail Waitress: Womens Work in a Man's World*, New York: John Wiley and Sons, Inc. Brenda Mann spent some time working as a waitress at a University cocktail bar and focused her attention on the relationships women workers had with male workers and with the customers.

25. Watson, T.J. (1994) *In Search of Management*. London, Routledge.

26. Watson, T.J. and Harris, P. (1999) *The Emergent Manager*. London, Sage

27. Willis, P. (1977). *Learning to Labour: How working class kids get working class jobs*. Hampshire: Saxon House.

28. Wolfe, T. *The Right Stuff*. NY: Bantam, 1979. A history of the early NASA astronaut program exploring the relationships between technology, bureaucracy and professions (without mentioning any of those words).

29. William F. Whyte (1955) *Street Corner Society*. Chicago: University of Chicago Press.

Whyte lives in a poor Italian ghetto. The methodological appendix has become an exemplar for ethnographic research.