

# MULTI-CASE ETHNOGRAPHY: REFLECTIONS ON 20 YEARS FIELDWORK IN SOCIALISM<sup>1</sup>

PAPER IN PROCESS

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One of the most insistent laments of my teacher, anthropologist Jaap van Velsen, was aimed at Marxists who damned capitalism with utopian socialism. This he averred was a *false comparison*, comparing the reality of one society with an idealization of another. He demanded a comparison of like with like – capitalism-as-we-know-it must be compared with socialism-as-we-know-it. It was a categorical mistake to compare the reality of one society with the utopian version of another. It was irresponsible of Marxists to let the Soviet Union or Eastern Europe off the hook. His voice boomed all the louder as Marxism became the fashion in the 1970s. When I completed my own study of the capitalist labor process based on 11 months working as a machine operator in a South Chicago manufacturing plant<sup>2</sup>, then he targeted his wrath at me. He was right, lurking behind my text was an unspecified utopian socialism.

His remonstrations were enjoined by Robert Merton who reproached me for the *false imputation* that mistakes capitalism for industrialism. He was criticizing an essay I wrote in 1982 about the industrial sociology of his recently deceased student Alvin Gouldner. I claimed that Gouldner's classic, *Patterns of Industrial Bureaucracy*<sup>3</sup>, missed the specifically capitalist character of industrial bureaucracy. His mock bureaucracy and his punishment-centered bureaucracy were both shaped by the exigencies of wage labor and the competitive pursuit of profit, while his representative bureaucracy was simply unrealizable in capitalism. Merton responded by saying that I had not demonstrated my claims, which would require comparisons of industrial bureaucracy both within and between capitalist and non-capitalist societies.

To atone for my sins of false comparison and false imputation, I resolved to take actually existing socialism far more seriously. I decided against the easy road of Western Marxism that dismissed the Soviet Union and its satellites as a form of statism or state capitalism, unrelated to the socialist project. Instead I began a twenty-year journey into the hidden abode of actually existing socialism, the last ten years of which were unexpectedly devoted to following the painful Soviet transition to capitalism. Ironically, in evaluating this Soviet leap into capitalism – the experiments of shock therapy and big bang -- I now turned the tables on the avatars of market freedoms. I accused them of *false comparisons*, as they damned the realities of socialism with an idealization of capitalism, and of *false imputations* as they assumed the pathologies of Soviet societies would

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<sup>2</sup> Michael Burawoy, *Manufacturing Consent* (Chicago: University of Chicago Press, 1979).

<sup>3</sup> Alvin Gouldner, *Patterns of Industrial Bureaucracy* (New York: Free Press, 1954).

evaporate if its socialist character were destroyed. They forgot the transition costs, all the higher in a global order dominated by capitalism, as well as capitalism's very own pathologies. The economists thought they were shopping in a supermarket and could just grab whatever combination of institutions they wanted and, then, walk out without even paying. Indeed, the Russian transition proved to be looting on a grand scale. Having been under the heel of state socialism, the population at large colluded in this unrestrained expropriation to their own detriment. To be sure they never saw themselves in a supermarket but in a prison. They had been there all their life, so they assumed that life on the outside could only be better. It turned out to be another sort of prison.

The life and death costs of a capitalist transition, guided and justified by such false comparisons and false imputations, were no less horrific than those borne of similar errors during the period of agriculture's collectivization and the planned economy. Just as Stalinism eclipsed its atrocities by proclaiming the new order as the realization of "communism" and by imputing perversions to pernicious capitalist legacies, so the neoliberal economists hid the horrors of the capitalist transition behind the labels of the "free market," while imputing perversions to the obdurate inheritance of communism or totalitarianism. Behind the social science errors of false comparison and false imputation there lies a mountain of political (ir)responsibility and guilt.

In this essay I reflect on my own attempts to grapple with the challenges of comparison and imputation in a journey that, in the 1980s, took me from workplace to workplace in Hungary, and, then in the 1990s, from workplace to community in Russia's market restoration. What was peculiar, I asked, to work organization and working class consciousness in the "workers' state," that is under actually existing socialism, and with what consequences for the demise of the old order and the genesis of the new? And now I must also ask what are the lasting lessons we can draw from socialism-as-it-was?

### **The Multi-Case Method**

How does an ethnographer compare capitalism and socialism without falling into the traps of false comparisons and false imputations? The old style anthropologist, alone in his village, focused on the here and now, and cut off from the world beyond has little to offer. No better is the old style symbolic interactionist or ethnomethodologist, working with the minutiae of face-to-face social interaction, searching for formal theory in social process, suspending both time and space, suppressing the historical contexts of capitalism and socialism.

Breaking out of these traditional genres of ethnography, seeking to grasp social meaning in the age of globalization, is the appealing idea of multi-sited ethnography – ethnography that connects different sites across national boundaries. Multi-sited ethnography may work well in the study of social flows, such as flows of people (immigration), flows of objects (commodity chain), flows of images (reception studies). To compare capitalism and socialism, however, we need a different approach -- one that pursues multiple sites but not, in the first place, to study their empirical connection but to see how they are constituted as *different cases*. Instead of *multi-sited* ethnography we

have the *multi-case ethnography* – *instead of the connection of sites, the comparison of cases.*

To be sure we begin with factories in specific places, a factory in the United States and one in Hungary, but then the factories have to be constituted as cases, expressive of the worlds in which they are situated – the worlds of capitalism and socialism. The factories have to be rooted in their broader political and economic context, in the system of which they are a product.<sup>4</sup> This is the first step, to see the micro processes as an expression of macro structures. The second step is to recognize the dynamics of change within each order. Capitalism and socialism are not static orders, but dynamic societies, and in comparing the two we have to pay attention to how they change over time. But not only over time, over space too. We have to recognize both the changes that take place within factories and the variety of factories that can be found within each system – complexities expressive of the character of each order. Just as there is not a singular capitalist factory so there is not a singular socialist factory. Thus, each case dissolves into multiple subcases from which we reconstruct what they have in common, what makes them part of a capitalist or socialist order.

So much for the *realist dimension* of comparison – the real forces and social processes at work that constitute the case. But, there is also a *constructivist dimension* to comparison. Any complex site looks different from different places within it. A factory, whether capitalist or socialist, looks very different according to whether we take the standpoint of the manager or the worker, just as a village looks different through the eyes of Dalits or Brahmins. As ethnographers we don't have access to some Archimedean standpoint, we are always inserted somewhere in the site, which has grave consequences for what we see! Moreover, once inserted into a specific location, the competences of the ethnographer play a crucial role in how she or he is viewed and in turn views others. Some attributes are learned while others are ascribed. Depending on the specific context, race, gender, age all affect the way others see one and interact with one. I call this first constructivist dimension *positionality*. In making comparisons among factories, it is important to recognize the embodiment and biography of the ethnographer as well as his or her location. Positionality, as we shall see, is very important in the constitution of the case.

The second constructivist moment refers to the theoretical suppositions and frameworks necessary to make sense of our sites. All three moments -- context, process and positionality -- are heavily saturated with theory. The very categories of context, capitalism and socialism, presume a theoretical framework of some sort. The dynamics of such systems, that is social processes, cannot be examined empirically without understanding possible internal variation and this requires prior conceptualization. Even comprehending the significance of position is not simply an empirical problem, since significance is also theory laden – significance for what? Indeed, we might say that theory is necessary to keep us steady within the field, giving us bearings on our

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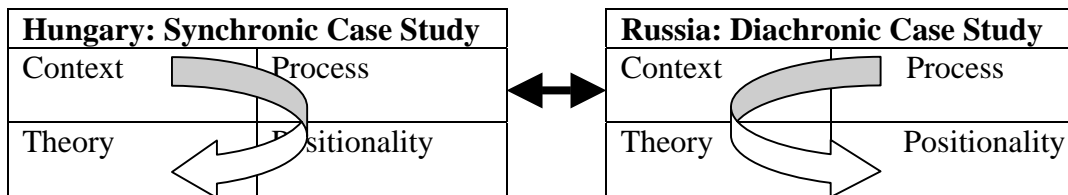
<sup>4</sup> I'm here reworking the elements of the extended case method. See Michael Burawoy, "The Extended Case Method." *Sociological Theory* (1998), Vol. 16: pp.4-33; and "Revisits: An Outline of a Theory of Reflexive Ethnography." *American Sociological Review* (2003), Vol. 68, pp. 645-679.

positionality. To put it more generally and bluntly, the world is complex: we cannot see anything without lenses that make it possible to focus. We carry around lenses that are so much part of us that we don't notice we have them, yet as social scientists our task is to bring those lenses to consciousness, compare one with another, and to develop from them other more detachable lenses, we call social theory, so that we can get on with the business of studying the world. Theory is an inescapable moment in the discovery and constitution of the difference between capitalism and socialism.

**Table 1: Four Moments of The Multi-Case Method**

	EXOGENEOUS	ENDOGENEOUS
REALIST	Context	Process
CONSTRUCTIVIST	Theory	Positionality

It is impossible to concentrate on all four moments of comparative ethnography at the same time, so that it is necessary to proceed moment by moment, but in such a way that each step responds to anomalies created by the previous steps. The cases do not spring ready-made, like a phoenix out of the ashes, but develop through successive approximation. The Hungarian case studies, trying to grapple with the peculiarities of socialist working class consciousness and work organization, based on a *synchronic* comparisons with capitalism. I move from context to process, and from process to positionality and finally to theory. The Russian case studies are a *diachronic* analysis of the transition to capitalism. They proceed in the opposite direction: from process to context and from there to theory and finally to positionality. In both sets of studies the realist analysis precedes the constructivist analysis, but each moment always presupposes the necessary existence of the other three moments. The two sets of studies diverge in the order in which the moments are problematized but each enters serially into dialogue with the others as, indeed, do the two series themselves.



The ethnographer is not a lone figure, observing the natives in isolation, recording their every move in his private notebook. The ethnographer is not only in dialogue with the participants, but with various informants and collaborators, active participants in the process of construction and reconstruction. Here I am drawing on the plot of Paul Rabinow's, *Reflections on Fieldwork in Morocco*<sup>5</sup>, which traces the anthropologist's dialogue with a succession of informants, as he moved from periphery to the center,

<sup>5</sup> Paul Rabinow, *Reflections on Fieldwork in Morocco* (Berkeley and Los Angeles: University of California Press, 12977).

moving from superficial to deeper truths. In contrast to Rabinow, however, I make no presumption of increasing depth as ethnographer engages with collaborator or adversary, nor is there the separation of the dialogic process between informant and observer from the scientific process, which is a second dialogue between theory and data, the dialogue within the academic community. They work together – the two dialogues are themselves in dialogue. From beginning to end, dialogue is of the essence of this reflexive approach to ethnography.

## **I: SEARCHING FOR SOCIALISM IN HUNGARY**

I had already turned my attention to the Soviet Union and its satellites in Eastern Europe when Poland was struck by the Solidarity movement (August 12<sup>th</sup>. 1980 to December 13<sup>th</sup>. 1981). This, or so it appeared to me, was the first society-wide revolutionary working class movement. Why should it take place in a “communist” society rather than a “capitalist” society? I watched with amazement as the movement unfolded, sweeping up more and more of Polish society into its orbit, refusing to succumb to the party state as other such movements before it had done – East Germany in 1953, Hungary in 1956, Czechoslovakia in 1968. I had recently completed *Manufacturing Consent*, which had sought to demonstrate that the Marxist anticipation of working class revolution under capitalism was stymied not at the level of superstructures – education, ideology, state, etc. -- but in the workplace, that is in the very place where it was supposed to congeal.

My South Chicago ethnography, based on 11 months working at Allied, 1974-1975, drew out a model of advanced capitalism in which “hegemony was born in the factory,” consent was produced by the very way work was organized and regulated. Work was constituted as an absorbing game that eclipsed the conditions of its existence, while the internal labor market and grievance machinery constituted workers as individuals ready to play games and the internal state coordinated the interests of those individuals and those of management in the pursuit of profit. Could it be that work was organized and regulated differently in Eastern Europe, so much so that dissent rather than consent was the product? This was the abiding question that motivated the succession of comparative factory studies. It began as a comparison of my own experiences in the United States with those of Miklós Haraszti in Hungary, it continued as an examination of the specificity of Haraszti’s experience as a factory worker, based on studies conducted first by others, and then by myself.

### **Context: Advanced Capitalism versus State Socialism<sup>6</sup>**

It was with amazement that in 1979 I read Miklós Haraszti’s, *A Worker in a Worker’s State*<sup>7</sup>. A dissident who, in 1971-1972, had been punished by the state with industrial employment, Haraszti turned this to his advantage by writing a poetic account of his experiences at Red Star Tractor Factory. But it was serendipity that found us both in similar machine shops of enterprises that produced similar vehicles, using similar

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<sup>6</sup> This section draws on the analysis in Michael Burawoy, “The Politics of Production and the Production of Politics: A Comparative Analysis of Piecework Machine Shops in Hungary and the United States.” *Political Power and Social Theory* (1980), Vol.1, pp. 259-97.

<sup>7</sup> Miklos Haraszti, *A Worker in Worker’s State* (Harmondsworth: Penguin Books, 1977).

technology – the familiar array of mills, drills, and lathes. I was a miscellaneous machine operator, which meant I moved from one machine to another, whereas Haraszti ran two mills. We both worked on a piece rate system that paid workers for how much they produced. Indeed, the Hungarian version of the book was called *Piece Rates*. Furthermore, workers were similarly divided into operatives, like ourselves, who ran the machines, and auxiliary workers who facilitated production – clerks, inspectors, truck-drivers, set-up men, and so forth, who could be the bane of our lives.

What was extraordinary to my capitalist eye was the intensity of work under Hungary's socialism. I estimated Haraszti was working, or was supposed to work, twice as hard as my fellow operators at Allied. He had to run two mills at once whereas that was unheard of at Allied. Now there was the puzzle – if there was one right socialist workers had won, it was the right not to work hard. Or so conventional wisdom had it. To be sure there was the socialist competition and the Stakhanovite movement of the 1930s, but now with full employment workers never feared loss of job and thereby commanded considerable power on the shop floor. So how come Haraszti was working so much harder than myself?

My first answer to this question lies in the political economy of advanced capitalism and state socialism. I dissected Haraszti's representation of his lived experience in order to compare it to my own. He lived under the oppressive rule of the foreman, the party and the trade union as well as petty clerical staff. He was subjected to what I called bureaucratic despotism. All this was so different from the hegemonic regime of Allied where the trade union was a guardian of the rule of law, enforced the contract and administered a grievance machinery that protected the rights of individuals. At Allied there was an "internal state," but it was not the arbitrary exercise of power that Haraszti faced. Rather it was a regulated form of power that possessed a measure of legitimacy, and elicited consent to the factory order. Moreover, the internal labor market gave workers with seniority the opportunity to move away from hated bosses by simply bidding on other jobs. Haraszti had no such escape hatch.

But what had Haraszti to fear? Why did he work so hard, how was he forced to run two machines at once? To answer this question one needs to go beyond the regulatory order of bureaucratic despotism to its material basis, the piece-rate system. Whereas the hegemonic regime guaranteed a minimum wage so that if the rate for a job was impossible we were still assured a reasonable minimum wage. This economic security gave rise to two types of output restriction: goldbricking when we took it easy on a difficult job because we were guaranteed a minimum wage unattainable on the basis of piece rates, and quota restriction in which we collectively agreed to adhere to a maximum of 140% so that management would not be alerted to gravy jobs. At Red Star there was no minimum wage, no security against speed-up. There was, therefore, no gold-bricking but nor was there quota restriction because there was no rhyme or reason to the setting of piece rates and no collective enforcement of upper ceiling to output. Rather than establishing counter-norms to protect against the intensification of work, Haraszti was defenseless against the dictatorship of the norm. Bureaucratic despotism pulverized the workforce, making each wage dependent on a battle with the norm, so workers could not

develop any counter-power. At Allied, on the other hand, the security offered by minimum wage, unemployment compensation, and an elaborate bumping system that protected workers against lay-offs called forth a hegemonic order in which managers had to coax and bribe rather than coerce workers into the expenditure of labor. Workers were allowed to organize work as a game of making out, that turned life on the shop floor from arduousness and boredom into excitement, measuring an operator's status and ingenuity by his success in meeting but not exceeding management's output targets.

In describing these regimes of production I was also explaining their divergent politics. In the case of hegemony workers were constituted as individual citizens with rights and obligations, and because of rewards to seniority and collective bargaining their economic interests were coordinated with those of the enterprise. Instead of galvanizing opposition capitalism elicited the consent of its drudges. In the case of bureaucratic despotism, workers faced the arbitrary power of the state in the form of a collusive arrangement of management, trade union and party. Workers responded to repression by carving out secretive realms of autonomy and creativity – Haraszti's "homer" – that could burst forth in a rebellion against the entire political system as it did in 1953, 1956, and 1968. State socialism, I concluded, seemed more vulnerable to working class rebellion than advanced capitalism. The following year Solidarity would demonstrate precisely my point, or so it seemed.

### **Social Process: Variations in Despotism and Hegemony<sup>8</sup>**

This was the first step in developing a comparison of actually existing socialism and advanced capitalism, namely a comparison of my experiences at Allied and Haraszti's experiences at Red Star in which each factory stood for the respective type of political economy. It assumed that each society was internally homogeneous and unchanging. The next step was to explore variations of and within capitalism and state socialism to see if there was any basis to the claims I had made. Perhaps these were simply two anomalous factories?

The most difficult task was to determine whether the bureaucratic despotism found at Red Star was typical of socialist Hungary, and then why Solidarity sprung to life in Poland rather than Hungary (not to mention the Soviet Union). A second easier task was to examine whether the hegemonic regime was representative of the US, and whether US production politics was distinctive among advanced capitalist countries. A third task was to pose the question of despotism – how did the bureaucratic despotism of Red Star compare with the market despotism of early capitalism. This is where I began.

The conceptualization of hegemonic regimes under advanced capitalism and of bureaucratic despotism under state socialism both implied a contrast with market despotism of early capitalism.<sup>9</sup> The hegemonic regime was built on the double

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<sup>8</sup> This section draws on analysis previously reported in the chapters of Michael Burawoy, *The Politics of Production* (London: Verso Books, 1985)

<sup>9</sup> I would also throw "colonial despotism" of Southern Africa into the mix, but it is not essential to the story I tell here.

supposition: first, that the reproduction of labor power (wages, social security, etc.) was independent on the expenditure of labor and second, that the nation state set limits on the way management could wield its power by regulating a relatively autonomous “internal state.” Comparisons among machine shops, or similar work processes, in Japan, Sweden, England and the United States substantiated the idea of a hegemonic regime’s association with advanced capitalism, although the regulation of industrial relations and the extent of the welfare state gave rise to different types of hegemonic regimes. But what they shared as hegemonic regimes separated them from the despotic regime of early capitalism. Here my point of departure was Marx’s characterization of manufacturing as a form of market despotism in 19<sup>th</sup>. century England wherein the livelihood of the worker was directly dependent upon the expenditure of labor in the factory, and subject to the arbitrary whim of the overseer. If the foundation of despotism in 19<sup>th</sup>. century England was the economic whip of the market, then the source of despotism in socialist Hungary was the bureaucratic power of the party state.

Marx provided the model of market despotism, but the reality of 19<sup>th</sup>. century industry was rather different, operating as it did through family patriarchy as mode of recruitment and regulation, or through the company town that assured the binding of community to workplace, and ameliorated by the skill of the craftworker who could not be replaced at will. Examining various secondary accounts of factory work I could compare patriarchal and paternalistic regimes in the English cotton industry, with the paternalism of the New England mills and the artisanal regimes of the Russian textile industry. What distinguished the Russian case of despotism was the greater regulatory presence of the state at the site of production, which created a clear object of struggle. Just as workers could identify the state as exploiter and oppressor at Red Star, so the same was true in the factories St. Petersburg and Moscow. Both repressive orders were, therefore, vulnerable to insurrectionary struggles from workers.

Still, the fact remained that Solidarity occurred in Poland not Hungary, and there were few signs after 1956 of working class mobilization. The question had to be posed, how typical was Haraszti’s portrait of Red Star? Just as I knew that in the United States hegemonic regimes of the monopoly sector coexisted with more despotic regimes of the competitive sector, I asked what was the corresponding variation within a state socialist economy? The most obvious counterpart to the monopoly and competitive sectors of advanced capitalism was the position of different enterprises with regard to central planning – the existence of key enterprises that received closer attention and more resources than the more marginal ones. Heavy industry had traditionally been given priority whereas consumer goods were underprivileged. Yet there was no evidence to suggest if or how this impacted work organization and its regulation. The few Hungarian studies that were available by Héthy and Mako documented a center and a periphery within the enterprise, with workers in the core having a more privileged existence on the shop floor than peripheral workers subject to much greater hardship and labor intensity. This would begin to explain why Haraszti, a new and peripheral worker, was under such intense pressure to produce.

Further digging around revealed that Red Star Tractor Factory was also under the gun of economic reform when Haraszti was working there. This monster of a factory was subject to harder budget constraints as attempts were made to introduce economic criteria for efficiency. The pressure from the state to tighten up its finances translated into pressure to work harder on the shop floor. Here was another reason why Haraszti might be working harder than workers in other socialist factories as well as workers in the United States. The enigma was beginning to unfold.

### **Positionality: American Worker in a Socialist Factory<sup>10</sup>**

*A Worker in a Worker's State* was intended to be a general representation of all work under state socialism. At no point does Haraszti acknowledge that his experience might be specific to a particular factory (in crisis), to a particular time period (the beginning of reforms), to a particular country (Hungary), nor even to his particular position within the factory. Until this point I had been trying to reconstruct the historical and locational specificity of his experience from theoretical explorations and secondary data. Still the evidence was thin and so I decided to examine the question by taking up a job in a Hungarian factory myself. Of course, it would be a decade later, but nonetheless worth the effort.

Fascinated by the development of the Solidarity Movement that seemed to support the conclusions of my first essay on *Worker in a Worker's State*, I planned an entry into Poland. By the time I had managed to secure leave of absence, however, and begun learning Polish, General Jaruzelski had staged his coup and Solidarity went underground. Instead I readily accepted the invitation of Ivan Szelenyi to accompany him to Hungary in the summer of 1982 – his first trip back since being exiled to Australia. Coincidentally, his expulsion was in part due to his role in publishing Haraszti's book. It was during those two weeks that I learned of Hungary's burgeoning sociology of labor and labor markets. I returned the following summer for six months, learning Hungarian, and working first on a state farm that produced champagne and then on an agricultural cooperative in a small textile shop. During this period I began my collaboration with János Lukács, then, a young industrial sociologist at the Institute of Sociology in the Academy of Sciences.

It was the following summer (1984) that I landed a job as a machine operator in a manufacturing plant analogous to Allied and Red Star. It wasn't easy to secure the position since the fate of the working class was perhaps the most heavily guarded secret of state socialism. While not overly enthusiastic, the director of the enterprise was willing to go along with the idea of my working on the shop floor, so long as all the authorities would endorse the project. The Academy of Sciences supported my request and Lukács used a contact in the Central Committee to secure the support of the party. It was a tortuous process, but in the end permission was granted. I could enter the hidden abode of socialist production. I recall the look of glee on the shop superintendent's face when he was told to give me a job. He led me to an old radial drill that no one used. I

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<sup>10</sup> This section draws on research previously reported in Part I of Michael Burawoy and János Lukács, *The Radiant Past* (Chicago: University of Chicago Press, 1992).

soon learned why, it was not just old but dangerous. I'd never run a radial drill in my life, but for two months that's what I tried to do.

Much of what I had inferred from Haraszti and the few industrial sociologists who had studied work was true. The party, the trade union and management were in cahoots, although they were not necessarily the oppressive presence described by Haraszti. When I tried to file a grievance for non-payment of overtime with the union – everyone laughed at me. The union – they are *nulla nulla*. And yes the piece rate system worked much as Haraszti described it with no security wage. The rates weren't easy, at least for me, but they were nowhere near as tight as at Red Star, which reinforced my supposition that Red Star was indeed victim of the economic reforms of the immediate post-1968 period.

The most distinctive difference was our conception of social relations on the shop floor. Haraszti painted a picture of atomized individuals, and here I think he was projecting his own (unreflected) placement within the factory. As a dissident, a Jew and an intellectual he was shunned by his fellow workers. He was thrown into competition with them, he was ruled by them, and he was most certainly not one of them. To be sure I was not one of them either – but my strangeness had an appeal. They laughed at my inept Hungarian, at my incompetence as a machine operator, and I was embraced as an exotic foreigner. Within hours of hitting the shop floor, I was ringed by workers asking me about the United States. From my vantage point I could see and experience the spontaneous cooperation that made production possible in the socialist factory.

Here I drew on the work of the great Hungarian economist János Kornai and his theory of the socialist economy as a shortage economy. In an economy of centralized (re) distribution, enterprise managers continually bargain with the state for resources, as a result of which they are always in short supply. But Kornai was not one to fall into false comparisons. He understood that market economies have their own disequilibria, not in the direction of shortage but in the direction of surplus. Each economy had its own (ir)rationality – the one constrained from the side of supply, the other from the side of demand. That explained a lot! For, to be effective, socialist work organization had to improvise in the face of the fluctuating quantity and quality of inputs on the one side and the pressure from plan targets on the other. I saw such flexible cooperation all around me at Bánki and, curiously, its work organization was far more efficient than at Allied where incomplete engines lined the aisles, where management was always demanding that “hot jobs” – a sort of rush work -- take precedence over everything else.

Indeed, I concluded that Bánki looked more like the stereotype of a capitalist workplace while Allied exhibited features of the stereotypical socialist workplace! The reason lay in the character of a multi-national capitalist corporation which is itself a planned economy generating its own internal shortages! There was a reverse embeddedness – a corporate enterprise within a market economy in the US and a marketized enterprise within a corporate economy in Hungary. Just as US enterprises compensated for market exigencies with bureaucratized internal labor markets, so Hungarian enterprises experimented with market driven inside-contracting systems to address the exigencies of central planning.

From my vantage point in production I was able to see more clearly the differences and similarities between advanced capitalist and state socialist production. Haraszti's account made no attempt at comparing socialist and capitalist work but rather it was aimed at the yawning gap between ideology and reality, between the workers' paradise projected by the state and the reality experienced on the shop floor. Still, even that experience on the shop floor was colored in ways he did not reveal by his own biography, his embodiment so much at odds with his fellow workers – a difference that set him apart from the working class community. Concerned to debunk state ideology he had no interest in the peculiarity of his own experience brought about by the economic circumstances of Red Star. My own difference, on the other hand, brought me into the community so that I could, with the help of my experiences at Allied, explore the specificity of state socialist production.

### **Extending Theory: Western Marxist Meets Eastern Dissident<sup>11</sup>**

The last stage of my Hungarian odyssey took me into the heart of the working class – the Lenin Steel Works situated in the industrial city of Miskolc. Between 1985 and 1988 I worked there as a furnaceman on three occasions, adding up to about a year in total. The importance of shop floor autonomy in the face of a shortage economy was even more apparent here in the production of high quality steel. Again working with Lukács, who spent time interviewing management, we observed the clash of two principles – management's bureaucratic regulation vying with workers' spontaneous collaboration. Often, we observed how senior management's interference disrupted the capacity of the shop floor to adapt to the fluctuating quality of materials and unreliable machinery. When Lukács and I reported our findings to management, a party meeting was called in which our research was vilified and we were told to do it again!

Firmly integrated into the October Revolution Socialist Brigade I was able to focus on the class consciousness of socialist workers. Again this was not a question of much concern to Haraszti, yet his own perspective as a dissident was not that different from those of my fellow workers. Compelled to participate in rituals that proclaimed socialism to be just, efficient and egalitarian, what I called “painting socialism,” they were only too keenly aware of the injustices, inefficiencies and inequalities that pervaded their life. This led them, so I argued, to embrace the idea of socialism but as an imminent critique of the party state that governed their lives. Finally, I was approaching the question of the Polish Solidarity movement – the question that had brought me to Hungary!

I worked with Konrád and Szelenyi's theory which regarded state socialism as a system of central appropriation and redistribution of goods and services, a system in which intellectuals play a key role in defining societal needs to be realized in the plan.<sup>12</sup>

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<sup>11</sup> This section draws on research previously reported in Part II of Michael Burawoy and János Lukács, *The Radiant Past* (Chicago: University of Chicago Press, 1992).

<sup>12</sup> George Konrád and Iván Szelenyi, *The Intellectuals on the Road to Class Power* (New York and London: Harcourt Brace Jovanovich, 1979).

State socialism has a legitimation problem, justifying open and transparent domination and exploitation. A system that requires legitimation is always vulnerable to being held accountable to its ideology. State socialism is vulnerable to imminent critique, demanding that the party state live up to its promises. Whereas this led Haraszti to cynical dismissal of the whole enterprise, it led workers to demand the proclaimed fruits of socialism. Through this lens Solidarity was not an attempt to overthrow the state, but to force the state to take its own ideology seriously. It did this by keeping its distance from the state, opposing it with a burgeoning, self-regulating civil society.

But the puzzle remained: Why Poland and not Hungary? Here the question was not so much one of class-in-itself becoming a class-for-itself, i.e. the capitalist question of consciousness raising, but rather the opposite question: how class consciousness could become a material force. In Hungary, the development of a market economy to compensate for the dysfunctions of planning – the cooperatives both inside and outside production – led to a competitive individualism. In Poland, on the other hand, the lesser development of the second economy, on the one side, and the umbrella of the Catholic Church on the other, created the propensity and the resources for collective mobilization.

As I was busy working out the conditions for working class challenge to state socialism and the possibilities for a transition to democratic socialism, history took its revenge. Hungary's socialism did not capitulate from below but collapsed from above, and the transition was not toward some democratic socialism but toward market capitalism. This was not without some resistance. My own shop steward in the October Revolution Socialist Brigade was part of an effort to resurrect the council system that had sprung up in 1956, by turning the struggle over privatization as a struggle for worker control of industry. And my collaborator, János Lukács, inspired by what he saw of ESOPs (Employee Stock Ownership Plans) in the United States, sought to introduce legislation that would favor workers taking over their factories. But in the end this was all to no avail as managers grabbed the profitable parts of socialist enterprises, leaving the state to subsidize the rest.

I and the workers around me were completely unprepared for the transition to capitalism precisely because we were so focused on production. The transition game was being played at the political level, slowly but surely, bringing in its train privatization and devastating consequences for the Lenin Steel Works as well as many other industries. If the Lenin Steel Works would slowly disintegrate over 10 years to become a black dwarf, Bánki would be completely rebuilt by their German partners. Revisiting in 1999, I discovered the old gray, noisy, oily and dirty socialist factory had been turned into a bright and polished high-tech plant run by neatly clad technicians, nursing their numerically controlled machines with their barely audible hum.

How could I have been so blind? As a Marxist I came to Hungary in search of the potentialities of socialism, but now I faced the unexpected transition to capitalism. To help me uncover those potentialities I had compared state socialism with capitalism, never thinking that one would morph into the other! To be sure I had reconstructed Marxism to accommodate the past, a working class revolt under state socialism. I had

recognized that whereas capitalism might organize consent of workers, state socialism was far more fragile and was as likely as not to generate dissent. In the end however, it was the loss of faith of the party leadership in its own ideology that resulted in the crumbling of the socialist edifice, and the imposition of capitalism.

While theory was indispensable for the comparative analysis it also limited what I could see. Haraszti suffered a similar fate. He too revised his theory of state socialism in the 1980s<sup>13</sup>. He now saw state socialism not as a repressive order but a more smoothly running panopticon, absorbing rather than punishing dissent. Dissidents were no longer shot, jailed, exiled, or even sent into factories. They were watched by giving them space to make their criticisms, a far more powerful effective mechanism of control. Like myself he did not anticipate the collapse of this order, but like myself he was heavily invested in state socialism -- his identity as a dissident relied on its continued existence. In the aftermath he became no less estranged than myself. Even though he, like other dissident intellectuals, would enter politics in his case, as in so many, this was not for long. He was born to be a dissident just as I was born to be a Marxist!

## **II: THE TRAUMA OF THE CAPITALIST TRANSITION IN RUSSIA**

While all eyes were on the disintegration of state socialism in Eastern Europe my attention turned to the Soviet Union that, in the full flow of perestroika and glasnost, was opening itself to the sociological eye. I'd been to the Soviet Union on five occasions during the 1980s – two conferences on US and Soviet labor history and three extraordinary trips with Erik Wright to launch a Soviet version of his survey of class structure. It was all too clear to me that the Soviet Union was politically inhospitable to ethnographic studies, but additionally this was not something Soviet sociologists would ever take seriously. It simply wasn't science! I was very skeptical, therefore, when I received an invitation, while on sabbatical in Hungary in 1990, to spend 10 days on the Volga River, lecturing to a boat full of industrial sociologists. Still, I accepted, having never even seen the Volga, and always looking for new adventures, not to mention the distraction it afforded from the ongoing Hungarian debacle in the transition to capitalism. As it turned out, it was politically courageous of the organizer, Nina Andreenkova, to let me (and three other social scientists from the US) loose among some 130 sociologists and personnel officers from a diverse array of organizations, including military plants, from all over the Soviet Union.

It was on that boat, fittingly called *The Gogol*, that I met Kathryn Hendley, then a political science graduate student at Berkeley, and Pavel Krotov, a sociologist from Syktyvkar, capital of the Komi Republic in the far north of European Russia. With Kathie I would collaborate in a study of a Soviet rubber factory, known as Kauchuk, during the following Winter (1991) and with Pavel I would develop a ten year partnership, studying the capitalist transition in Komi. The theoretical framework I had developed in Hungary came up against all sorts of challenges from the civil war we discovered at Kauchuk. The study of the internal processes of social change in a Moscow factory was followed, later that Spring by a study of the timber industry in Komi, beginning with my own participant observation at a furniture factory in Syktyvkar. Here, Krotov and I looked more carefully

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<sup>13</sup> Miklós Haraszti, *The Velvet Prison: Artists Under State Socialism* (New York: Basic Books, 1987)

at the character of the transformation of the economy as a whole, a move to what we called merchant capitalism. In the following decade I teamed up with other sociologists in Komi, most notably Tatyana Lytkina, to examine the process of economic and social involution as it affected family life. This called for a major overhaul of theoretical framework, a shift from Marx to Polanyi. I would leave Komi with a whimper rather than a bang as my attention was turned back on the fate of American sociology.

### **Social Process: Between Perestroika and Privatization<sup>14</sup>**

My introduction to working class life in Hungarian socialism came via the brilliant account of Miklós Haraszti; my introduction to the Soviet landscape was more dramatic and visceral. Together with Kathie Hendley I was plunged into an old political enterprise – Kauchuk, a rubber factory that had begun production in 1915. We arrived in January 1991 when Russia had already plunged into political turmoil. The party had formally relinquished its monopoly of political power, and the Baltic Republics, inspired by the path taken in Eastern Europe, were asserting their autonomy. The struggle between Yeltsin and Gorbachev, between the Russian Federation and the Soviet Union, was intensifying. On the one side you had the forces for privatization and a market economy while on the other side you had apparatchiki still invested in the continuity of the planned economy. The crisis that engulfed the Soviet Union became a fault line running through Kauchuk itself.

Mode of entry always says much about the place being entered. Whether because of the changing times or because of Soviet specificities, access to Kauchuk was very different from the Hungarian enterprises. In the latter case Lukács had to enlist the support of a range of powerful authorities in state and party, national and local, as well as enterprise management. Here we gained entry through a deal struck between ourselves and the trade union leadership. If we provided computers for their kindergarten then we could have carte blanche access to the enterprise and its personnel! So that's what we did, notwithstanding opposition from Soviet customs. And, with the assertiveness of a corporate lawyer, Kathie got us access to almost everything we desired. Much to my disbelief we even got into the morning planning meetings, where all managers assembled to discuss the state of the enterprise, the bottlenecks, the breakdowns. The dysfunctionality of the Soviet enterprise was laid out before us – until we were banned from those meetings!

From this privileged vantage point Kauchuk looked so different from the Hungarian enterprises I had studied. First, I had finally stumbled on the true economy of shortage. Kornai insisted that, reforms or no reforms, socialist enterprises suffered from shortages, but there are shortages and shortages. They were not so palpable at Hungarian enterprises, but Kauchuk was awash with shortages, not least because of the collapsing Soviet infrastructure, and its dependence on materials from all over the Soviet Union. The manager of supplies was regularly vilified in the planning meetings, and it remained a mystery not only how he survived in that position, but also how he actually secured

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<sup>14</sup> This section is based on research previously reported in Michael Burawoy and Kathryn Hendley, "Between Perestroika and Privatization: Divided Strategies and Political Crisis in a Soviet Enterprise," *Soviet Studies* (1992), vol. 44, pp.371-402

basic supplies during the Winter of 1991. We finally managed to interview him, but being an astute and wily customer he gave away no secrets of his trade.

In some ways the external turmoil exaggerated the pathologies of the Soviet enterprise, and yet, paradoxically, at the same time it also exaggerated the opposite – the entrepreneurial moments of the Hungarian enterprise. Turbulence in the wider economy deepened the problem of shortage but, equally, created the opportunity for a complex network of cooperatives that thrived within the protective shell of the formal enterprise. The Hungarian second economy – the inside contracting cooperatives – was sedate, transparent and restrained as compared to the wild entrepreneurship we observed at Kauchuk. All the workshops contained their own cooperatives or even “small enterprises” (as they were then called), where the real money was made. Funneling labor, machinery, materials, and social contacts into their ventures, chosen managers and selected workers were able to make a killing at the expense of the official enterprise. I’d seen all this at the Lenin Steel Works, but only after 1989. At Kauchuk we saw this spontaneous privatization from below within the fast-eroding Soviet economy. Although, of course, we didn’t know that the collapse of that entire order was just around the corner.

The internal economic transformation of Kauchuk was reflected in schisms cutting through its political superstructure. Managers could not hide from us the open warfare between the director and his henchmen on the one side and the younger technicians and engineers on the other. The old guard, connected to the ministries, resolutely defended the Soviet planning order, while the young turks defended the encroaching market system, and, what was a political reflex of the same project, the autonomy of the Russian Federation from the Soviet Union. We witnessed public meetings in which the young turks attacked the director’s private accumulation (through the cooperatives), while the latter and his supporters vilified the former for sabotaging the enterprise to pursue their own careers. As the keeper of peace the party apparatus within the enterprise had already effectively dissolved. Nothing could restrain an all out struggle for control of the enterprise. I had seen workers use guerilla tactics on Hungarian shop floors, but this was the first time I had seen two alternative political-economic systems vying for power within a single enterprise!

This was my introduction to the Soviet economy. We were there for two months before I moved out of Moscow and trekked north to the Komi Republic where I began a quite unexpected 10 years of research into the processes and repercussions of economic decline.

### **Context: From Merchant Capitalism to Economic Involution.<sup>15</sup>**

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<sup>15</sup> This section draws on research previously reported in Michael Burawoy and Pavel Krotov, "The Soviet Transition from Socialism to Capitalism: Worker Control and Economic Bargaining in the Wood Industry." *American Sociological Review* (1992), vol.57, pp. 16-38; "The Economic Basis of Russia's Political Crisis." *New Left Review* (1993)198: 49-70; Michael Burawoy, "The State and Economic Involution: Russia through a Chinese Lens." *World Development* (1996), vol. 24, pp.1105-17

I got a job at Polar Furniture in 1991 through a rather circuitous route. Pavel Krotov, whom I met on the Gogol, was the first Soviet sociologist I came across who exhibited the ethnographic instinct. Coming from a very poor background he knew the life of the down-trodden and he was himself fearless in exploring it. One of his friends was a Korean entrepreneur who had recently left academia, like so many in late perestroika, to set up a small business. He, in turn, was a good friend of the young leader of the Republic's Labor Federation – part of a new generation of politicians that would come to power after the Fall of the Soviet Union. It was through the offices of the official trade union that Pavel and I spent a month visiting all the main enterprises in the city. We hit it off with the Personnel Manager of Polar Furniture as he showed off his new, model factory that made the wall units, the staple furniture found in every Soviet apartment. So we inquired whether I could work there. The old man who was director – a known public figure – laughed and said why not. And so I began working there, once again drilling holes, while Krotov talked with management for two critical months – May and June, 1991 -- and then we spent another month trying to construct the linkages among the different enterprises of the Komi timber industry.

Being at the heart of the Soviet system and dependent on supplies from all over the country, Kauchuk was far more vulnerable to the turmoil in the economy. Polar Furniture, on the other hand, situated in the periphery, was able to capitalize, at least for a short time, on the disintegration of the planning system. Management formed a unified bloc, cleverly taking advantage of the new uncertainty. Spaces for maneuver opened up as the power of the central planning agencies evaporated. Polar had many advantages: it was well placed in the local timber consortium that organized the local industry, it depended on local supplies of timber and other materials, and it had a monopoly in the production of a needed consumer item – wall units. While shop floor life was still subject to shortages and I experienced many moments of production standstill as well as end-of-month rush work, there was not the chaos of Kauchuk. Indeed, there was a bargain between workers and management. The various shops took responsibility for meeting the plan, while management was responsible for making sure supplies arrived for which they had a precious commodity to barter, namely wall units. Management could also use wall units to barter for timber supplies, for lacquer or whatever materials were needed, but also for places in summer camps for children of employees, or for sugar that was on ration.

As the political superstructure of state socialism peeled away, and as the centralized distribution system disintegrated, so enterprises were left to fend for themselves and those who could exploited their monopoly position in the emergent market. Time horizons shrunk and no one was thinking about capital investment but rather they were turning to a primitive pre-bourgeois capitalism based on booty, adventure, speculation, or piracy. Instead of capital accumulation, we found asset stripping. As Max Weber insisted such a capitalism, what we called merchant capitalism, seeking profit in exchange rather than production, is a revolution away from modern bourgeois capitalism. Yes, the market was stepping into replace the planning mechanism but with disastrous consequences.

The collapse of the Soviet Union at the end of 1991 only consolidated the perverse effects of the market. At the beginning of 1992 prices were liberated and astronomical inflation was the immediate result, fueling barter and the invention of new currencies. Voucher privatization, represented as a democratic way of sharing the public wealth, proved to be a peaceful and system of effective looting for the powerful. In the summer of 1992 we went up to the coal mines of Vorkuta the site of militant strikes in 1989 and 1991, which, together with miners from Siberia and the Ukraine, played an important role in bringing down the curtain on the Soviet Union. There, a syndicalist fever had gripped the workers. They thought that the demolition of the party state and their taking over the mines would install a new order of plenty. Instead they would become the victims of mine closures as coal became more expensive with the spiraling price of transportation and as the demand for coal fell with the collapse of the metallurgical industry. From 1991 to 1998 the Russian economy seemed to be in free fall. The only dynamic sectors involved natural resources (gas and oil) and the realm of exchange where the mafia, banks or new fangled intermediaries were gorging the rest of the economy. There was neither revolution nor evolution but economic *involution*, a gradual hollowing out of production by exchange. It was a process of primitive disaccumulation.

To underline how catastrophic was the transition to the market I extended out even further beyond the factory, comparing the Russian and Chinese transitions. To be sure my knowledge of China was limited but the argument seemed compelling to me. The Russian transition to capitalism was a replica of its earlier transition to socialism – dominated by revolutionary intent. Western economists were also preaching the quickest transition possible – big bang and shock therapy -- to forestall any political backlash against the market. The Bolshevik transition to capitalism argued for the most rapid destruction of all that was socialist, specifically all the levers of central control, on the assumption that the market would rise like a phoenix out of the ashes. But there is no market transition to a market economy without the creation of supporting institutions (financial, legal, material infrastructure). This was the lesson of China where a market economy was incubated under the supervision of the party state. If in Russia there was transition without transformation, in China there was transformation without transition.

### **Theory: From Marx to Polanyi<sup>16</sup>**

To study a small furniture factory in Northern Russia and draw conclusions about the transition to capitalism will appear preposterous to those who think social science proceeds through induction from fact to theory. If, however, we recognize that facts are always theory laden, and therefore we must begin with theory, then science progresses through the reconstruction of theory. We have to be self-conscious about the theory we carry into our studies. I began with a theory – developed in my research in Hungary and before that in the United States and Zambia through (real and imagined) dialogue with

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<sup>16</sup> This section draws on the research previously reported in Michael Burawoy, Tatyana Lytkina and Pavel Krotov, "Involution and Destitution in Capitalist Russia." *Ethnography* (2000), vol.1, pp. 43-65; and the analysis in Michael Burawoy "Transition without Transformation: Russia's Involutionary Road to Capitalism." *East European Politics and Societies*(2001), vol.15, pp. 269-290.

others such as Szelenyi and Kornai -- of how the Soviet economic system worked. Kauchuk and then Polar Furniture became the vehicle for extending this theory to the transition to a market economy. In other words the theory *constitutes* the case and the case in turn helps to *reconstruct* theory.

However, the theory I worked with was manifestly Marxist, focusing on the political economy of state socialism. From Szelenyi I had elaborated the class character of state socialism, based on “teleological redistributors” who appropriated and then redistributed surplus in a transparent fashion. These redistributors, planners if you will, needed a justifying ideology, which in turn set in motion imminent critique. Capitalism hid its exploitative practices and secured the coordination of interests between conflicting parties. Its domination became a *hegemony based on the consent* of workers and intellectuals. State socialism, on the other hand, had to *legitimate its central appropriation*, its barefaced exploitation. It, therefore, always faced a potential legitimation crisis that threatened to bring down the system as a whole. State socialism was always a fragile order, which was why it had such frequent recourse to force. The success of the Hungarian system lay in the effort to build hegemony alongside and in support of legitimation.

From Kornai I derived the distinctive character of work and its regulation. A shortage economy required a spontaneous and flexible specialization on the shop floor that gave rise to solidarities that could fuel a working class movement against state socialism. I was, of course, wrong. State socialism dissolved from above rather than below. The legitimators themselves could no longer believe in their own legitimation, they lost confidence in the capacity of the party state to deliver on its socialist promises. Like rats they fled their sinking ship for an imaginary one, dragging with them a population, also victim of their own hallucinations.

This revised Marxist theory could make sense of the collapse of the old order – the veritable forces of production had collided with the relations of production, a collision most forcibly felt by the political directorate. But Marxist theory had greater difficulty making sense of the genesis of the new capitalist order, especially as industrial production soon disappeared altogether. With the unleashing of market forces, what we were observing in Syktyvkar was the retreat to an economy of barter, reciprocity and household production. The strategy of research had to change dramatically. Instead of working on the shop floor with Krotov interviewing managers, I turned to the workers who were losing their jobs, trying to comprehend how they were surviving. I teamed up with a brilliant interviewer, Tatyana Lytkina, and together we visited households of those who had worked at Polar Furniture and at a local garment factory. We learned the importance of social networks of exchange, political resources that garnered benefits from the state, especially pensions, and the economic significance of subsistence production. Women became the center of household production, and men hangers-on. Men were more likely to have lost their wage-labor jobs and were singularly ill-prepared to do anything else whereas women held on to their jobs in the service and retail sectors and were much better able to adapt to the exigencies of a barter economy – they inherited

those skills from state socialism and they shouldered the responsibility for children. The story is a familiar one in different parts of the world, undergoing structural adjustment.

The market transition required a new body of theory and for this I turned to the work of Karl Polanyi, a key figure in transition studies. *The Great Transformation* engaged the dangers of market fundamentalism – the view that left to themselves markets could solve all economic problems. Polanyi argued that when certain entities -- land, labor and money in particular -- are fully commodified then they can no longer perform their function. Exchange values destroy use value: when commodified land can no longer support agriculture, workers can no longer contribute their labor, and money can no longer serve as a medium of exchange. Markets cannot survive if they are not embedded in social relations that regulate and sustain commodification.

If that's the general principle, the power of *The Great Transformation* lies in its historical treatment of market society. First, Polanyi shows the crucial role of the state in creating and then sustaining market capitalism in 18<sup>th</sup>. and 19<sup>th</sup>. century England. In short, there is no market road to a market economy. Second, if market forces are unregulated then, precisely because they threaten the very existence of society, they generate a reaction – a reaction that takes different forms in different societies. So Polanyi claims that the counter-movement in the 19<sup>th</sup>. century was largely the spontaneous revolt of labor -- the development of trade unions, cooperatives, friendly societies, and the factory movement to limit the length of the working day. In the 20<sup>th</sup>. century the counter-movement revolves around the nation state, reacting to global markets: social democracy in Scandinavia; the New Deal in the United States; but also fascism in Italy, Spain and Germany; and Stalinist collectivization and planning in the Soviet Union. For Polanyi, reactions to the market can easily erode the freedoms of liberal democracy and there lies its danger. *The Great Transformation* spelled out the dangers of the liberal creed, what we now call neoliberalism. What then is the character of the second (or third?) great transformation?

What better foundation than *The Great Transformation* for exploring the consequences of the market transition in Russia? Working with Polanyi's theory I asked what sort of counter-movement to the fanatical devotion to the market does Russia exhibit? All my research pointed to the absence of a counter-movement from below, the working class had been decimated and its morale deflated. The Soviet working class was in full flight from the market, defending itself against the on rushing market tide. There was no evidence that, driven to extremes, it would spontaneously turn against the tide as Polanyi imputed to the English working class. Rather reaction was more likely to come from above via a repressive state. Putin fit the role perfectly, personifying the authoritarian response to market fundamentalism.

### **Positionality: Farewell to Ethnography**

When studying capitalism in the US, Africa, Hungary or even Russia in 1991, the site of production was still at the center of the world. It disclosed the physiognomy of the social formation in which it was embedded. Just as the market transition called forth a shift in theoretical perspective from Marx to Polanyi, from production to exchange, from

exploitation to commodification, so it also required reorientation of empirical focus. That is to say, the “case” had to be reconstituted. Already in 1993, when plants were closing down and production was in free fall, it was not only immoral to take up someone’s job but it was also not the place from which to study the new order. Krotov and I devoted ourselves to the investigation of banks in Syktyvkar. In the Soviet era banks were largely accounting centers, an epiphenomenon of the planning system, but now they became a fulcrum of transition.

But how to study a bank as an ethnographer?! We tried for five months and while this afforded us all sorts of insights into the dilemmas of the new companies serviced by the bank, understanding the bank itself was far more challenging. It didn’t help that I knew nothing about banks, and there was no tradition of sociology that studied banks. Once one gains entry into a factory, it is no longer hidden, its functioning is there for all to observe, production is tangible. Not so with a bank. This is not a productive entity but a transactional entity, and transactions with no firm place in space or time. We could talk to everyone in the bank, except the person who was making all the decisions, and miss all that was crucial. Precisely because its transactions are invisible, it can be the vehicle of the wholesale movement of resources from the realm of productive to the realm of exchange and from there into all sorts of surprising outlets. On reflection I think we were rather fortunate not to discover much, since had we been successful we might never have lived to tell the tale. At that time banking was a hazardous occupation as its leading cadre were the target (or source) of criminal activity. Bankers were routinely being imprisoned or shot – an indication that something important was at stake.

We faced analogous problems in the study of survival strategies of families of the now unemployed or semi-employed workers. Short of living with them it was almost impossible to grasp how they survived and they certainly, with the best will in the world, could not articulate their tacit, non-discursive knowledge. Even had I lived in families I think it would have been difficult to comprehend what they were up to. The complexity of their lives would have been inaccessible. I simply did not have the categories, the concepts or the theory with which to interpret what I heard and saw. All this was made amply clear to me when I worked with Tatyana Lytkina. I watched with awe and amazement how she unraveled, layer by layer, the household strategies that our informants recounted. She knew when and how to probe, she knew what was justification and what was cause, what was surface and what was deep. It might take her several long interviews, but she always managed to ferret out from our informants things they did not comprehend themselves, so much part of their unexamined life.

After every interview, during which I generally remained silent, she would interrogate me to see what I had understood. Hard as I might try I invariably failed the test. It was not simply a matter of language incompetence – although it was that too – but the unfamiliarity of the practices embedded in the language. Our informants knew that Tanya understood their lives – she was from their class, she grew up in a rural community and migrated to town like so many. She went through the same struggles as they, trying to keep her own family together. She shared with them the language of life, a very specific life that was inaccessible to me. I was fascinated by the confidence and

assertiveness with which she interrogated her interviewees and how trusting were their responses.

Gender, of course, was central to the picture . She herself, from her own life, understood what it meant to be the main breadwinner and manager of the household. She understood what no man could. Indeed, when we tried to interview men about strategies of survival we quickly landed in a cul-de-sac. Even under Tanya's prompting – and she was the expert interviewer with many arrows to her bow -- men simply did not know what was going on in their own household, they abstained from the very process, had become parasites and burdens. In their depression they had also become inarticulate.

Even with our studies of enterprises – whether it be the timber, coal or construction industries – our interviews became more difficult over time. In the beginning managers were full of hope for the future, happy to embrace a sociologist from the US, proud of the possibilities of their enterprises in the newly found freedom of the market. But as they struggled to survive, as the economy plunged into depression, so the mood of the managers also changed. Rather than greet me as a long lost friend, they wondered what I was doing returning year after year. I often wondered myself. To be sure fellow workers from Polar, at least those who had managed to find jobs elsewhere after its closure, were happy to greet me in their homes. But this a decaying society in which social research became daily more difficult.

It is interesting, indeed, to think about my reception in different workplaces. At Allied, where the workforce was fragmented by age and by race, and coming from all over the South Side of Chicago, workers had little tolerance for my incompetence. My experiences there were, perhaps, more similar to Haraszti's at Red Star. When I came to Hungary the situation was reversed and my incompetence was a source of amusement, eliciting sympathy and even affection from fellow workers. There I would go out drinking with my brigade and visit them in their homes – the only problem was when to write my field notes. Especially at the Lenin Steel Works, the more I drank the more I had to write, and the less time I had at my disposal, and the more difficult it was to concentrate.

Russia, however, was more like Chicago. Here my exotic qualities redounded against me. Syktyvkar had been a “closed” city, more or less cut off from the outside world, so my fellow workers had never seen an American before, let alone a professor laboring on their machines. I felt my every move was being watched, and I was excluded from shop floor rituals. This was also the time of Gorbachev's campaign against alcohol consumption so it was difficult to break the ice with alcohol. Instead, a few workers took pity on me and invited me to play dominoes in breaks and down time. As I discovered years later that was not the only problem. The forewoman in my shop had exploited my presence, continually warning workers that they had better come to work on time because there was an American watching!

Finally, there is the age factor. When I began my ethnographic odyssey in Chicago I was 27, toward the lower end of the age spectrum. There were people my age

and I could stand to work for 8, 10 and even 12 hours a day. Ten years later, it was already more difficult – but added to that transactions were conducted in shop floor Hungarian, and besides one never gets used to rotating on shifts. By the time I got onto the Russian shop floor I was 44 – not that old for a real worker, but arduous for an itinerant one like myself. Moreover, learning yet another language at that age, for someone who is not good at languages in the first place, was an uphill struggle. On top of that I could spend less time in Russia as my obligations at Berkeley accumulated. As it turned out, Russian industry shut down so I didn't have to ever work again. For me it was a blessing, for others a catastrophe.

### **CONCLUSION: POSTSOCIALIST THEORY**

If postcolonial theory tries to come to terms with the illusions of independence struggles, with the involutory processes that denied liberation to postcolony after postcolony, then postsocialist theory must settle accounts with the illusory hopes of a market transition, hopes that were borne within socialism. What was this society and what did it portend?

In my Hungarian studies I paid close attention to the specificity of state socialism by comparing it with advanced capitalism, trying to be attentive to the variations of each. Throughout I was preoccupied by the capacity of capitalism to absorb any challenges to its existence, and how it thrived on economic crisis while state socialism was more fragile, held together by force and legitimacy rather than hegemony and consent. If capitalism effectively reproduced itself, state socialism, so I thought, harbored an alternative, democratic socialism. Undoubtedly there were such alternatives nurtured in the womb of state socialism – Polish Solidarity, the flourishing of cooperatives in Hungary, and the Russian burgeoning of civil society under Perestroika. These sprung naturally from the logic of state socialism. They aimed to address one pathology or another, to fix socialism so that it could work better, to bring its reality into conformity with its ideology.

The warning against false comparisons, the admonition not to compare the reality of one society with a utopian version of another, doesn't preclude comparing the reality of a society with ideological representations of itself – what we call imminent critique. State socialism was especially vulnerable to imminent critique because it did not hide exploitation and domination – it had to justify and legitimate it as being in the collective interest. Imminent critique, calling attention to the failed promises of socialism, can lead to cynicism and retreat if it is not attached to social movements inspired by alternatives struggling to free themselves from within the girders of the existent. That is what happened.

While I was seeking alternatives nascent within socialism, the ruling powers had other ideas. They decided to abandon socialism altogether! Just as the ruling groups of the postcolonial world were gripped by a project of Western modernity, the very modernity that had subjugated them in the first place, so powerful fractions of the Soviet ruling class were gripped by the utopian possibilities of capitalism. Aided and abetted by Western economists, ruling elites succumbed to a fateful false comparison: they

compared what they regarded as their own miserable reality with a glittering imagination of capitalism. They did not, could not comprehend the limits of capitalism.

Worse they succumbed to false imputations as well as false comparisons. Just like their forefathers who led the Bolshevik Revolution, the marketeers presumed that destroying the past was sufficient to create a radically different and better future. They thought that by destroying state socialism – as wantonly and as rapidly as possible -- a radiant capitalism would arise miraculously from the ashes of the old. In fact the Bolsheviks were far more realistic in their imputations than the marketeers – once it became clear that there would be no socialist revolution in the West, and the Soviet Union would be surrounded by hostile countries. Theory guiding Lenin, Trotsky, and Bukharin was far more realistic than the one guiding such forgotten figures as Yeltsin, Gaidar, Burbulis, and Chubais. The marketeers had far deeper illusions about their prospects not only because of the illusory qualities of their theory, but because they would be joining world capitalism rather than fighting against it. They understood neither the costs of transition, nor that they might end up with a peripheral and impoverished dictatorship rather than Swedish social democracy. Capitalism was not organic to Soviet socialism, it was imposed upon that society from above and from outside. As our Russian studies of economic involution show, the imposition led to wild and unanticipated distortions, pathologies and disasters.

There is a temptation to repress the era of state socialism as a bad dream, marked as the longest road from capitalism to capitalism. Those who take this road now turn to the investigation of the plurality of capitalisms, relegating the comparison of capitalism and socialism to the dustbin of history.<sup>17</sup> Postsocialist theory, on the other hand, demands that we think about what has passed, what socialism was, what were its potentialities, and with what implications for the way we think about today's world and its alternatives. Postsocialist theory speaks to the illusions of free markets and liberal democracy that enraptured so many under the heel of the Soviet dictatorship. Postsocialist theory takes a standpoint against capitalism, pointing to its limitations as an economic system, and the way it necessarily generates inequality, marginality and oppression – absorbing and repressing dissent while organizing consent. The fragility of state socialism helps us better comprehend the strength and vitality of capitalism.

In searching for standpoints against capitalism, postsocialist theory calls forth the ethnographer as archeologist seeking embryonic, emergent forms within the interstices of capitalism, social, economic and political forms that challenge capitalism. These social experiments, these emancipatory forms are real utopias or ideal types that require analytical abstraction, an interrogation of their constitutive principles, the exploration of their external conditions of existence and thus the possibilities of their dissemination, as well as an understanding of internal contradictions that disclose their dynamics and sustainability. Postsocialist theory dispenses with eschatologies based on laws of history, predicting the inevitable collapse of capitalism and ruptural breaks – the mistaken

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<sup>17</sup> See Michael Burawoy, "Neoclassical Sociology: From the End of Communism to the End Classes." *American Journal of Sociology*, (2001), Vol.106, pp.1099-1120.

eschatologies that provided the ideological support for socialism as it was. The postsocialist theorist is no longer a legislator armed with truth but a self-reflective ethnographer, eliciting alternatives buried within the existent rather than promulgating sermons of the approaching new order, an interpreter of hidden possibilities rather than a prophet, a human being rather than a god.