GLOBAL 25.09.2019 | Sheri Berman

The dangers of economic determinism

Our interests and identities are not just determined by class, but shaped by choices of politicians and political parties

We are living in a time of rapid and disorienting change. Twenty-first century capitalism differs greatly from its post-war predecessor and many believe it has changed western societies in ways that have caused growing dissatisfaction with democracy, the decline of the traditional left and the rise of the populist right.

There is clearly some truth to this argument. But it is also true that arguments like these are not new and have always been flawed and incomplete.

The economic determinism at the core of such arguments has been a staple of thinking on the left and right since capitalism emerged. But now as in the past, economic forces and developments (the 'base') do not alone determine the nature of politics (the 'superstructure'). More specifically, voters' identities and interests cannot be read off from their position in the economy (their 'relationship to the means of production'). An examination of capitalism can at best be the beginning of an explanation of political outcomes, not its end. As Antonio Gramsci reminded us about a century ago, 'the counting of votes is the final ceremony of a long process'.

Collective identity

During the late 19th and early 20th centuries many assumed the development of capitalism and the changes in social structure generated by it would inexorably produce certain political outcomes. In particular, it was widely believed that, because of their position in the economy, workers would develop a strong collective identity and a shared interest in the victory of socialist parties and the overthrow of capitalism — something the left welcomed and liberals and conservatives feared.

Of course, this didn't happen. Economic position did not mechanically

translate into social-class status: more people worked for a wage than belonged to the working *class*, defined as a self-identified group of people with common interests and a shared identity. Relatedly, workers did not all demand an end to capitalism or vote socialist. Indeed, the number of workers in the population turned out to be a relatively poor predictor of socialist party success temporally or comparatively: within particular countries the success of socialist parties over time was weakly correlated with the proportion of workers in the population, as was the relative success of socialist parties cross-nationally.

This is because, to paraphrase the great British historian EP Thompson, rather than being *given*, identities and interests were *made*.

Critically shaped

Most obviously, identities and interests only become salient when they are mobilised around. As is the case today, during the late 19th and early 20th centuries religion, language, ethnicity and nation competed with economic class to determine workers' identities, political priorities and voting habits. Accordingly, which identities, cleavages and issues came to dominate political competition was critically shaped by the policies and appeals adopted by politicians and parties.

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In particular, the degree to which workers came to see their economic identities and interests as primary was critically shaped by parties on the left. As Adam Przeworski and John Sprague put it in their classic study, *Paper Stones*, 'the causes which lead individuals to vote in a certain way during each election are a cumulative consequence of the competition which pits political parties against one another as well as against other organizations which mobilize and organize collective commitments. The strategies of these organizations determine, as their cumulative effect, the relative importance of [various] social cleavages on the voting behavior of individuals ... Solidarity among workers is not a mechanical consequence of their similarity. The competition among workers can be overcome only if some organization ... has the means of enforcing collective discipline.'

Whether, for example, left parties cultivated strong ties with unions and other civil-society organisations, championed universalistic or targeted welfare-states, appealed to workers alone rather than to 'the little people' — to all citizens potentially at risk from the downsides of unregulated markets — and so on, critically influenced working-class cohesion and voting patterns, as well as the degree of support socialist parties attracted from workers and non-workers alike. Similarly, whether the right was able to monopolise nationalist sentiment and thereby create tensions between national and class identities, or institute social policies that divided the working class against itself or other social groups, critically shaped identity formation and voting patterns during the late 19th and 20th centuries.

Dramatic change

As capitalism entered a phase of dramatic change at the end of the 20th century, seeming once again to make 'all that is solid melt into air', economic-determinist thinking returned with a vengeance. The most obvious manifestation of this was neoliberalism, which proclaimed the primacy of markets and the inefficiency and even undesirability of state attempts to rein them in. It also, of course, promoted a particular type of 'identity' — individualism rather than one based on class or nation. And it prioritised particular goals — most notably economic 'efficiency' rather than equality or social stability, as advanced under the post-war social-democratic order.

But even outside of neoliberalism's advocates, economic-determinist thinking is back in fashion, in the form of arguments that identify the development of capitalism and the changes in social structure generated by it as the cause of our era's most pressing political problems. Such arguments go something like this.

As Fordist production has declined and western economies have become increasingly dominated by knowledge-based industries, and the size, interests and identities of socio-economic groups have changed. The decline of the working class due to trade and automation has caused the decline of the left. The suffering of the working as well as parts of the middle class, which have also experienced stagnating wages and growing insecurity, has fed the rise of populism. Highly-educated members of the middle and particularly the upper classes, on the other hand, have captured an ever-increasing share of national wealth and income while becoming increasingly segregated from capitalism's 'losers' in cosmopolitan metropolitan areas, leading to growing social divisions and resentments as well as dissatisfaction with democracy.

Why did the most important interpretation of and solution to the problems of late 20th-century capitalism come from the neoliberal right?

Now as in the past, there is some truth to such arguments: changing economic and social conditions matter. But also as in the past, such changes are not determinative. Within constraints, politicians and parties have choices and these choices matter. A full understanding of our era cannot take the problems we face as *givens*, but instead examine how they were *made* — how politicians and parties helped determine what identities and interests have come to dominate contemporary politics.

Disillusionment

Why did the most important interpretation of and solution to the problems of late 20th-century capitalism come from the neoliberal right? Why, even after the 21st-century financial crisis, when disillusionment with 'free' markets and neoliberalism was at its height — as Nicolas Sarkozy, France's right-of-centre president put it at the time, everyone now recognised that 'the idea of the all-powerful market that must not be constrained by any rules, by any political intervention, was mad' — was the left unable to offer voters a distinctive and convincing alternative?

Relatedly, why has the left been unable to construct new solidarities and coalitions among the increasingly large number of citizens suffering from the downsides of contemporary capitalism? Workers and many members of the middle class find themselves in precarious economic positions and resentful of growing social and economic inequality. Why hasn't this led to the formation of a new class identity among the economically insecure and at-risk?

A recent survey in Germany, for example — where the economy has done well and unemployment has been low — reveals that a majority of citizens worry about their own and their country's economic future and view socio-economic status as the most important dividing-line in contemporary German society. Why has the main beneficiary of these trends and concerns been the populist right rather than the traditional left?

Answering these questions requires more than an analysis of economic and social trends. If we want, accordingly, to fully understand the problems the west faces today and devise effective solutions to them, we must move beyond economic determinism and instead examine the

choices made by parties, particularly those on the left.

This article is a joint publication by Social Europe and IPS-Journal

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