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Book review: the capitalist revolution: fifty propositions about prosperity, equality, and liberty. by Peter Berger

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The Capitalist Revolution: Fifty Propositions About Prosperity, Equality, and Liberty. by Peter Berger

Review by: Craig Calhoun

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The Capitalist Revolution: Fifty Propositions about Prosperity, Equality, and Liberty. By Peter Berger. New York: Basic, 1986. Pp. v+272. \$17.95.

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My department chairman is a great believer in Churchill's notion that not to be a socialist when one is young shows lack of heart but still to be one in middle age shows lack of brain. He sees this vindicated in the careers of neoconservatives such as Daniel Bell and Seymour Martin Lipset and looks eagerly for signs that I may soon follow their lead. When Robert Heilbronner's favorable review of *The Capitalist Revolution* appeared in *Contemporary Sociology*, he quickly sought me out to show me (as he believed) that another leftist had come to his senses. Only a few days later, I accepted this review assignment. I am pleased to report that one does not have to be conservative to find merit in either Peter Berger's book or capitalism itself.

Karl Marx, of course, considered capitalism the most advanced, progressive economic system the world had ever seen (and managed to remain both brilliant and a socialist well past middle age). Peter Berger does not attempt to construct a theory as complete as Marx's. Rather, he proposes to "adumbrate" an eventual theory of capitalism by laying out and clarifying 50 propositions that he believes are supported by empirical work. Perhaps a third of Berger's propositions need neither surprise nor trouble a Marxist: that industrial capitalism has generated the greatest productive power in human history (PROPOSITION 1) is both what Marx claimed and what most Western Marxists would grant, I think, after 70 years of putative socialism in the Soviet Union, Eastern Europe, and the Third World. About another third of Berger's propositions cause more trouble to Marxist analyses, though Marxists differ in the subtlety and success of their responses to these difficulties. Berger is right that advanced industrial capitalism has generated, and continues to generate, the highest material standard of living for large masses of people in human history (PROPOSITION 5). Moreover, there has not appeared so far any clear trend toward either relative or absolute immiseration of the working class in capitalist societies, though levels of inequality are certainly high. Some Marxists (and other critics of capitalism) ignore the evidence of this; others incorporate it into convoluted efforts to maintain orthodoxy; still others recognize that history has dealt telling blows to certain of Marx's political and economic predictions but has hardly invalidated all of his critical theory of capitalism.

Remarkably, Peter Berger shows little awareness in this book of the wide range of analyses on the Left; Marxism is trivialized as a foil for his procapitalist arguments. To exemplify "neo-Marxist" sociological studies of stratification, Berger uses a book by Crompton and Gubbay, with a

single passing reference to Poulantzas and no mention of Wright. Ernest Mandel and Immanuel Wallerstein are not given the opportunity to inform Berger's chapter devoted to demolishing dependency theory (though Wallerstein rates a citationless, substanceless mention; the omission is all the more remarkable given that Berger makes direct claims that anti-capitalist theorists have ignored the success of East Asian capitalism, which both Mandel and Wallerstein have addressed). Habermas is granted a footnote of joint dismissal with Daniel Bell as a sponsor of the idea (a myth, says Berger) of a legitimation crisis in modern capitalism.

In general, Berger offers very weak citations in support of very strong claims. It is pointless to dwell on his arbitrary use of the scholarly literature, however, for this book is not mainly intended for scholars. Rather, it is the effort of a public intellectual (something I do in fact think it is good to be) to put forward an essentially political argument that draws support (intellectual as well as rhetorical) from more genuinely scholarly work (including some of Berger's own). It is more stylish and generally better than most of its socialist counterparts; intellectually serious Marxist theory is very seldom presented in any form other than the most academically arcane. As a socialist, this book gives me a good deal to think about, and in Berger the neoconservative movement finds a far more intellectually worthy representative than George Gilder. But as a sociologist, I learned a good deal less from *The Capitalist Revolution* (though considerably more than nothing) and found it disconcerting how often the political purpose of the book dominated the analytic. Although Berger is a much better writer and thinker, the ratio of scholarship and analysis to ideology is more typical of Szymanski than of Wallerstein; Berger is more comparable to Proudhon than to Marx.

This brings up the final third of Berger's 50 propositions, the ones I find dubious. Most are not so much wrong as predicated on arbitrary or prejudgmental definitions. In what he presents as a fair and balanced, descriptive but not evaluative, empirical comparison of capitalism and socialism, the latter term is restricted to self-proclaimed communist countries. On this basis, comparison of the policies and practical results of socialist and capitalist governments in Western Europe is excluded, and PROPOSITION 43 finds "an intrinsic linkage between socialism and authoritarian governance." Berger takes state planning as so integral to the idea of socialism that he asserts that "the term 'market socialism' is not meaningful theoretically—a society dominated by market mechanisms would not usefully be called socialist" (p. 174). In general, socialism versus capitalism is taken to be a matter of categorical, either/or distinction, not a continuum. The Frankfurt School analysis of Soviet "state capitalism" and other Marxist critiques of "actually existing socialism" are neglected.

There are some other surprising assertions. For example, Berger apparently considers Latin America to be part of the "non-Western world": "It is worth noting that, following the end of dictatorial regimes in Spain,

Portugal, and Greece, all the cases of non-democratic capitalism are found (at the time of writing) in the non-Western world" (p. 82). Or, "capitalism is an economic system and nothing else (by contrast, socialism is a comprehensive view of human society)" (p. 206).

This quotation is part of Berger's effort to explain why socialism is a powerful myth, while capitalism suffers "mythic deprivation." Berger does not, however, consider the distinction between mythic legitimation for the capitalist status quo (of which the contemporary United States offers plenty of examples, starting with Horatio Alger stories) and mythic motivation for adherence to a movement against the status quo (where socialism may indeed have an edge). Similarly, Berger argues (familarly) that "the socialist project in itself contains a totalitarian tendency, since it necessarily precludes the autonomy of the economic sector of society vis-à-vis the political structure" (p. 84) but does not note how the waters are muddied by the tendency of economic considerations to exert controlling influence on many "noneconomic" facets of capitalist societies. "Capitalism," he hypothesizes, "is a necessary but not sufficient condition of democracy."

Some of Berger's best and several of his worst arguments appear in his discussion of development. He uses the successful economic development of Japan and the "Four Little Dragons" to good effect in arguing against the idea that capitalist development is a doomed strategy in the contemporary Third World. At the same time, he claims that these cases of successful capitalist development flatly falsify dependency theory. In dismissing a slightly caricatured conclusion of some *dependistas*, Berger does not consider the actual propositions of dependency theory. He does not, for example, note the relative absence of Western multinational corporations from the five Asian success stories (with the partial exception of Hong Kong). As a result, his argument does not challenge the proposition that dependent development is a strategy likely to distort or put severe limits on development. His theory offers little to account for the place of Africa at the bottom of the international development table and confuses the discussion by equating colonialism with capitalism in an attempt to show that capitalist penetration has been conducive to development. Nonetheless, Berger makes good points, most of which could be accepted by Marxists. The effects of colonialism were not all negative. Capitalist development strategies are effective in the Third World (though one would like Berger to acknowledge the importance of the capitalist world system in determining this, and also the multiplicity of capitalist strategies, some of which may benefit wealthy countries at the expense of economic development in poor countries). Despite their problems, multinational corporations may be very effective vehicles for the transfer of capital and technology to Third World countries. Berger is certainly right that "the inclusion of a Third World country within the international capitalist system tends to favor its development" (PROPOSITION 25), at least if the other choices are autarkic closure or Soviet alignment and if development is understood in exclusively material terms. He

is on shakier ground when he discusses hunger only in aggregate terms, neglecting the issue of vulnerability to crisis, and is on quicksand when he denigrates arguments that population growth is a crucial impediment to much of the world's economic development.

There are many other weak points in Berger's argument; indeed, many points where he simply asserts rather than argues. So why is his book valuable? First, it breaks out of narrow academic boundaries and tries to make sense of a large and important topic; one cannot complain that Berger limits himself to the reporting of original but trivial findings. Second, Berger offers a variety of insights. His point that downward mobility is as important as upward mobility in gauging the openness of a stratification system (p. 58) is well taken and suggests a weak point in contemporary studies of stratification. Third, despite his own attempt to define capitalism in narrowly economic terms, the topical richness of Berger's book reveals the limitations of a narrowly economic analysis of capitalism. Fourth, Berger is simply a pleasure to read; even where his arguments short-circuit they are witty, and even where he oversimplifies he provokes thought.

The Economics of the Welfare State. By Nicholas Barr. Stanford: Stanford University Press, 1987. Pp. xiv + 475. \$39.50.

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It is unusual to find a current book about the welfare state that does not contain the words "crisis," "decline," or "decay" in the title or subtitle; it is even more unusual to find a recent work in the social sciences that argues for the welfare state; and it is most unusual that the argument for the welfare state should be made by an economist who builds a case for social programs and efficiency.

Such an unusual series of events is found in this "textbook" about the British welfare state by a British economist who argues that public programs that are normally labeled welfare-state programs are needed to correct for inequities and inefficiencies inherent in market economies. I have placed the word "textbook" in quotation marks because *The Economics of the Welfare State* has many of the elements of a textbook—general literature review, nontechnical summaries, suggestions for further readings, and a glossary—but is far too sophisticated to be lumped into a category with most American textbooks in the social sciences. Added to the level of sophistication that differentiates this volume from most textbooks is Nicholas Barr's goal of arguing for a perspective. This too would disqualify the book from being considered a "text" in the American sense. This should not be taken as criticism of the book but rather as praise.