Albert Hirschman's Rhetoric of Recrimination

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***Albert O. Hirschman*: The Rhetoric of Reaction.** *Harvard University Press. 197 pp. $25.00 cloth, $10.95 paper.*

FOR THOSE INTERESTED in the links between policy analysis and the history of ideas, a new book by Albert Hirschman is a cause for anticipation and high expectations. Hirschman's eventful first six decades included activism in the German socialist youth movement, volunteer service in the Spanish republican army, underground resistance activity in Nazi-occupied France, a stint in the American army, work on the Federal Reserve Board related to the Marshall Plan, four years in Colombia as an advisor to the National Planning Council, and a distinguished academic career as a maverick developmental economist at Yale and Harvard. His 1970 book, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*, marked his turn toward political theory; it attracted a wide audience and has served as a seminal source for social scientists in several disciplines. In 1974 Hirschman became a permanent member of the School of Social Science at Princeton's Institute for Advanced Study, where he is now professor emeritus. In the last fifteen years Hirschman has produced a remarkable series of works of intellectual history which explore past policy debates and their contemporary resonances. By demonstrating that the study of policy debates in the past can illuminate policy analysis and political debate in the present, he has resurrected one of the oldest justifications for the study of intellectual history.

In a 1977 work, *The Passions and the Interests: Political Arguments for Capitalism Before its Triumph*, Hirschman showed that the "repression" or "alienation" of the human personality denounced by modern critics of capitalism was precisely the goal of capitalism's early advocates, who saw an interest-governed world as an antidote to the dangers posed by the lust for power of ambitious men. "Both critics and defenders of capitalism," he concluded, "could improve upon their arguments through knowledge of the episode in intellectual history that has been recounted here. This is probably all one can ask of history, and of the history of

ideas in particular: not to resolve issues, but to raise the level of debate."

A subsequent study—first published in 1982 and then as the eponymous chapter of *Rival Views of Market Society and Other Recent Essays* in 1986—was perhaps even more significant in linking the history of ideas to contemporary political debate. Hirschman traced the recurrence over the last two centuries of conflicting claims about the social, cultural, and political effects of capitalism. Its advocates have claimed that the spread of market activity would enhance social peace by making men more gentle and peaceful, and that interest-oriented behavior would create social solidarity. Its denigrators have argued that capitalism undermines the moral foundations on which any society must rest, which ironically are the preconditions for the survival of a capitalist society. Hirschman concluded wisely that the rival views may both be correct, depending upon the time and place, and that even in the same time and place contradictory processes may be at work. At its best, as in these books and essays, Hirschman's scholarship combines erudition in several disciplines and languages with logical rigor and policy experience—all spiced with the author's wit and nonpartisan irony, as in his evident pleasure in showing that adherents of opposing ideologies often arrive at similar analyses without taking notice of one another.

HAVING PROFITED much from Hirschman's past work, I awaited with great anticipation his most recent book on conservative thought, *The Rhetoric of Reaction: Perversity, Futility, Jeopardy*. (Indeed, my own research had led me to correspond with Hirschman, and the attentive reader will find my modest contribution to the enterprise generously noted in Hirschman's acknowledgements.) My hopes were raised even higher by the admirable aims set out by Hirschman. His purpose, he tells us at the outset, is to alleviate "the systematic lack of communication between groups of citizens, such as liberals and conservatives, progressives and reactionaries." The book concludes with the author's hope that he has contributed to democratic deliberation, in which the participants "are expected to engage in meaningful discussion, which means that they should be ready to modify initially held opinions in the light of arguments of other participants and also as a result of new information which becomes available in the course of the debate." Such sentiments are all the more welcome at a time when the hegemony of the "politically correct" serves as a brake on the exchange of ideas in so much of the academy.

Perhaps my expectations ought to have been lowered by Hirschman's admission in the preface that the impetus for his book came from the utter puzzlement of liberals like himself at "the ascendant and triumphant conservative and neoconservative movement," which led him to ask "How did they get to be that way?" The obvious solution would seem to be to ask them. Far from belonging to another species with which communication is impossible, conservatives—both neo- and unprefixed—are generally quite capable of conveying their own answers to such questions. Indeed, since all neoconservatives (by definition) and not a few conservatives were once liberals or progressives themselves, the literature explaining the shift in their views is massive. Still, Hirschman's assurance that he would eschew psychologistic explanations, which "would widen the rift and lead, moreover, to an undue fascination with a demonized adversary," seemed a good omen. Recognizing the negative connotations of the term "reactionary," Hirschman apologizes in advance for using it as a virtual synonym for conservative, since he "d[oes] not mean to write in a vituperative mode."

Ostensibly then, Hirschman's book is at the other end of the ideological and methodological spectrum from Paul Johnson's *Intellectuals*. Johnson's book is an attack upon progressive intellectuals, and his primary mode of explanation is psychological reductionism. Though Johnson can be very acute in analyzing the pivotal intellectual errors of his subjects, the dominant message of his book is that progressive intellectuals produce bad ideas because they are bad people. Whatever its faults, Johnson's book at least has the advantage of being rather straightforward about its method. Despite his avowed intentions, Hirschman ends up making a comparable argument more circuitously; he simply reverses the ideological heroes and villains.

THE GOAL OF the book, Hirschman writes, is "to delineate formal types of arguments or rhetoric" used repeatedly "by those who set out to debunk and overturn 'progressive' policies and movements of ideas." His strategy is to search for recurrent forms of argumentation in "reactionary" responses to three key events in modern Western history: opposition to the French Revolution, which in his view derived from a rejection of the ideals of civic equality; skepticism about universal male suffrage in late nineteenth-century Europe; and the "contemporary attack on the welfare state," which Hirschman tries to put into perspective by

evoking earlier debates regarding public assistance to the poor in eighteenth- and nineteenth-century England.

Hirschman discovers three recurrent arguments that purportedly characterize conservative responses to these progressive reforms. The *perversity* thesis maintains that "any purposive action to improve some feature of the political, social, or economic order only serves to exacerbate the condition one wishes to remedy"; stated another way, "the attempt to push society in a certain direction will result in its moving all right, but in the opposite direction." The *futility* thesis holds that attempts at social transformation "will be largely surface, facade, cosmetic, hence illusory." The *jeopardy* thesis argues that "the cost of the proposed change or reform is too high as it endangers some previous, precious accomplishment."

The distinction between the three theses, while conceptually illuminating at first glance, turns out to be less useful when applied to real-world debate. The perversity argument—that some reform measures actually make situations worse—in fact almost always hinges upon the jeopardy thesis, which holds that the gains produced by the reform will be counterbalanced by the loss of existing advantages. The argument that intended gains are more than offset by unanticipated losses is hardly a reactionary ploy. Instead it is a version of one of the most basic and universal theorems of social science. Consider Robert Merton's formulation:

> Owing to the systemic interdependence among the parts of a social structure, efforts to do away with one social problem will often introduce other (either more or less damaging) problems. Sociologists have long noted this tendency.... But it does not follow that public policy cannot result in the progressive curbing of particular social problems and be the better prepared to cope with the new ones coming along.

All three of Hirschman's theses are variants of what Merton (in a 1936 article cited by Hirschman) called "the unanticipated consequences of purposive social action." As Merton suggested, this is perhaps the key theme of modern social science. Hirschman himself acknowledges that at times all three theses have been correct. The valid lesson that emerges from Hirschman's discussion of the three recurrent theses is that conservatives have a propensity to focus upon the *negative* unanticipated consequences of intentional action, while underestimating the positive. This proposition is obvious enough to rank as a truism. In a brief later chapter devoted to progressive rhetoric, Hirschman points out that progressives have vices of their own that are the converse of conservative vices: they tend to ignore or underrate the unanticipated negative consequences of social action while exaggerating the dangers of inaction. In other words, conservatives

tend to be—*conservative*. Liberals instead have "a bias for hope" (the title of an earlier collection of Hirschman's essays). The elements of Hirschman's analysis that are the most true are the least novel; they are old ideas dressed in new clothes.

SINCE SOCIAL SCIENCE represents the organized attempt to increase our capacity to anticipate the consequences of social action, one might assume that it behooves social scientists of conservative or progressive propensities to compensate for their own biases by paying careful attention to the arguments and evidence of those of the opposite disposition. Regrettably, Hirschman fails to do this. Among the most disturbing features of his book is the gap between his presentations of the arguments offered by "reactionary" authors and their actual claims.

In discussing the argument that the welfare state is a threat to liberty and democracy, Hirschman turns to Friedrich Hayek's *The Road to Serfdom*. "Today's neoconservatives would be shocked on rereading it," Hirschman surmises, "for Hayek goes surprisingly far in endorsing what was later to be called the Welfare State. He comes out in favor of 'the certainty of a given minimum of sustenance for all,' that is for 'some minimum of food, shelter, and clothing sufficient to preserve health and the capacity to work,' as well as for state-assisted insurance against sickness, accident, and natural disaster." Hirschman claims that "Hayek himself went over to an explicit attack on the Welfare State ... with his next major publication, *The Constitution of Liberty*."

In *The Constitution of Liberty* and elsewhere Hayek does indeed claim that the welfare state can endanger liberty and democracy, not to speak of economic growth. But the portion of the book cited by Hirschman, entitled "Freedom in the Welfare State," is neither a retreat from the position enunciated in *The Road to Serfdom* nor an attack on the welfare state; instead it is an examination of how social security (in the broad sense) can be provided in a manner that does as little damage as possible to individual freedom and social innovation. "There is little reason," Hayek wrote, "why the government should not ... play some role, or even take the initiative, in such areas as social insurance and education." Hayek objected only to what he regarded as the abuse of the welfare state to pursue traditional socialist goals of equality of income. Thus he criticized "not so much the aims as the methods of government action." Specifically, Hayek was suspicious of government monopolization of the provision of social, medical, or educational services. Neoconservatives would hardly be shocked by his view,

since many of them have adopted it. Some of the most promising recent social-policy innovations—such as the introduction of school vouchers—attempt to end such monopolization. These proposals have long been championed by Hayek, Milton Friedman, and others classified by Hirschman as "reactionaries."

As HIRSCHMAN recognizes in the closing pages of his book, many of the reactionary arguments he dissects are "limiting cases, badly in need, under most circumstances, of being qualified, mitigated, or otherwise amended." Yet his earlier presentation makes it appear as if the perversity thesis in its radical form is typical of conservative argument. In fact, its extreme form is actually rejected by most of the few intellectuals Hirschman cites in support of his claim.

Take what Hirschman terms the "extravagantly general formulation" of Herbert Spencer, who wrote in 1884 that "uninstructed legislators have in past times continually increased human suffering in their endeavours to mitigate it." Hirschman is quite right to cite this essay, "The Sins of Legislators," as a prime example of the perversity argument. Yet even Spencer's essay does not make the perversity argument in the radical form offered by Hirschman: it is a plea for legislators to be "instructed" in the pitfalls of unanticipated consequences by taking into account past failures of legislative attempts at social improvement, and by familiarizing themselves with social science.

Sometimes a statement that is plausible in its original form is restated by Hirschman in a manner that makes it seem outlandish. Consider his summary of and comments upon Nathan Glazer's 1971 *Commentary* article, "The Limits of Social Policy":

> The article starts ominously, "There is a general sense that we face a crisis in social policy," and wastes little time before proclaiming, in quite general terms, "Our efforts to deal with distress themselves increase distress." .... Welfare-state policies, [Glazer] argued, are meant to deal with distress that used to be taken care of by traditional structures such as the family, the church, or the local community. As these structures break down, the state comes in to take over their functions. In the process the state causes further weakening of what remains of the traditional structures. Hence there arises a greater need for public assistance than was anticipated and the situation gets worse rather than better.
>
> ....One wonders whether there is really no way in which the two sources of assistance can ever be made to coexist and perhaps to complement each other.

Readers who turn from Hirschman's summary to Glazer's article will find that Glazer qualified the perversity and jeopardy

theses; he presented them not as invariant arguments against reforms, but as reflections on recent experience. "I do not mean to suggest any automatic law," Glazer wrote, "I do suggest processes." Later he wrote, "I believe that social policy has ameliorated the problems we have inherited but that it has also given rise to other problems no less grave in their effect on human happiness than those which have been successfully modified." Hirschman's suggestion that state assistance may be offered in such a manner as to buttress traditional structures makes it seem as though such a possibility had never occurred to Glazer. In fact, Glazer's article counseled "hesitation in the development of social policies that sanction the abandonment of traditional practices."

HIRSCHMAN'S DISCUSSION of the work of George Stigler is still more misleading. As his major piece of evidence for the application of the futility thesis to recent debates over the welfare state, Hirschman turns to a 1970 article by Stigler entitled "Director's Law of Public Income Redistribution" (a law named for Stigler's colleague Aaron Director, who suggested the idea to him). Hirschman uses the article as an instance of the conservative claim that welfare-state transfer payments do not actually reach the poor, so that such attempts at income redistribution are "futile." Hirschman begins by noting the inherent implausibility of this thesis: first, it contradicts conservative claims about the perverse effect of the welfare state; second, the fact that recipients of key welfare programs such as AFDC must pass means tests makes a diversion of funds to other income groups implausible. Nevertheless, writes Hirschman, "The futility thesis, in the shape of the just-noted diversion argument, has on occasion been put forward as a general critique of the Welfare State." Here is Hirschman's summary of the evidence:

> According to Stigler, Director held that 'public expenditures are made for the primary benefit of the middle classes, and financed with taxes which are borne in considerable part by the poor and rich.' Early in his article, however, Stigler disregards the role of the rich and argues primarily that public expenditures for such purposes as education, housing, and social security represent, if considered in conjunction with the taxes that finance them, state-mandated income transfers from the poor to the middle class. How can such a state of affairs come about in a democracy? Stigler's explanation is simple. The middle class first maneuvers the voting system so as to reduce turnout of the poor by means of literacy and registration requirements and the like; once in control of political power, it molds the fiscal system so as to suit its corporate interests....

Stigler's argument, Hirschman tells us, reflects the views of "certain pillars of the 'free-enterprise' system," whose "hatred" is directed against attempts at reforming unjust features of capitalism through government programs; the right subjects these programs to "criticism and mockery because any intervention of the state, particularly any increase in public expenditures for purposes other than law, order, and perhaps defense, is considered as noxious or futile interference with a system that is supposed to be self-equilibrating." Having accused Stigler and his ilk of sophistry, ignoring the obvious, and hatred of reform, Hirschman returns repeatedly for further attacks. We are reminded, for example, that "Stigler chose ... to proclaim a natural-law-like regularity that rules the socioeconomic realm and invariably crushes attempts at income distribution...." So much for what Hirschman says that Stigler said. Let us turn to what Stigler actually said.

Stigler claimed not to demonstrate but "to defend the plausibility of Director's Law." Stigler's brief and compressed argument proceeded as follows. He listed a variety of contemporary government programs that disproportionately benefit the middle class (broadly and vaguely conceived) at the expense of the poor, such as farm subsidies, social security, and the tax exemptions enjoyed by churches and educational and medical institutions. Turning to the topic of "welfare expenditures," however, he claimed that "[t]he great modern programs presumably involve net transfers to the poor and are therefore apparently contradictory to Director's Law."

Stigler explained the rise of these programs in terms of the changing basis of government taxation and expenditure. In the nineteenth century, Stigler argued, most federal funds came from customs and excise taxes, while state and local taxes derived from property taxes. All of these taxes were tied only loosely to income. Poorly equipped to tax on the basis of income, the government was also poorly equipped to redistribute income to selected income classes; most of the services—above all protective functions—that it provided were of special value to the upper and middle classes, which had the most property to protect. But in the course of the twentieth century, Stigler suggested, the state developed the ability to acquire its revenue through new forms of taxation that can be more closely keyed to income (income taxes and a wider range of excise taxes), and to distribute its revenue to particular income classes through direct transfer payments. In the past, the political participation of the poorer classes was diminished by literacy requirements, poll taxes, and residence requirements; the poor then also had less incentive to vote on a class basis, since the state lacked mechanisms to transfer income directly to the poor. For

these reasons the upper and middle classes once benefited disproportionately from state action; they were able to make their political influence felt more easily, and had more of an incentive to participate in the political process. In the present, by contrast,

> the increase in the flexibility of taxes and expenditure programs works toward a larger role for government, and toward programs which redistribute income increasingly toward lower income classes. As the amount that can be collected from upper income classes increases, the potential rewards from redistribution rise for the lower income classes [which therefore have more of an incentive to participate]. In the long run the middle classes may have been beneficiaries of this process because they were in coalition with the rich in the nineteenth century, and are entering into coalition with the poor today.

What is significant here is not whether Stigler's conjectural claims are historically correct, but the fact that his claims are the opposite of those attributed to him by Hirschman. Far from launching a general critique of the futility of the welfare state as an agency for transferring income to the poor, Stigler sought to show how the changing technical modalities of taxation made such an agency possible in the first place, and that its growth can be attributed to a coalition between the middle classes and the poor, both of whom benefited financially from the welfare state—the former through a variety of subsidies, the latter through "welfare programs" that redistribute income directly to them. It turns out that the sophistic, injustice-loving exemplar chosen by Hirschman did not criticize the welfare state or even suggest that attempts at redistribution through the welfare state were futile; instead he assumed that they were successful.

DESPITE HIRSCHMAN'S inaccuracies, he is of course correct in his contention that the perversity, jeopardy, and futility theses have been and continue to be invoked. Indeed, the theses are older and have been invoked more continuously than Hirschman records. But why is this important? Most readers will want to know whether the arguments chronicled were correct, in order to gauge their utility in the future—especially when applied to social-welfare policy, the only contemporary debate addressed in the book. Yet Hirschman informs us that he will not deal with the substance of the various arguments against social-welfare policies; in fact he deals only sporadically with the validity of any of the conservative arguments put forward in the historical debates that he examines. (When he does deal with them, the deck often seems stacked, in that historical instances are chosen in which "reactionary" warnings were not borne out by subsequent events,

while other instances in which such warnings proved more accurate go unmentioned. The notion that the expansion of the welfare state might threaten liberty and democracy is less plausible in the case of the post-war Western democracies, which Hirschman cites, than in the case, for example, of Argentina, which he does not.) Instead, Hirschman's major riposte against "reactionary" arguments is their very recurrence. "The demonstration of repetition in basic argument," he asserts, ought to establish that reactionary reasoning is frequently faulty.

Of course Hirschman knows that this is a logical fallacy. "The fact that an argument is used repeatedly is no proof, to be sure, that it is wrong in any particular instance.... My point is that, much of the time, the arguments I have identified and reviewed are intellectually suspect on several counts." Hirschman's suspicions about conservative arguments all turn out to be variations on the theme that such arguments serve some irrational and usually disreputable psychological need, which he regards as their major source of attraction. The thrust of the book is that conservatives are victims of their own rhetorical strategies, strategies that reflect the unwholesome psychological propensities of those who adopt them.

Though in his preface Hirschman states that he will eschew psychologistic explanation, his polemical trump becomes his own speculation regarding the irrational attraction of conservative arguments: "The arguments have considerable appeal because they hitch onto powerful myths ... or because they cast a flattering light on their authors and provide a boost for their egos." Thus we learn that conservatives are "irresistibly attracted to deriding those who aspire to change the world for the better." They are "powerfully attracted time and again by the same form of reasoning" because it makes them feel good about themselves, since they believe they see the negative consequences that others fail to anticipate. Moreover, they are "unduly arrogant when they are portraying ordinary humans as groping in the dark, while in contrast they themselves are made to look so remarkably perspicacious."

This last accusation could be invoked against any social scientist who draws attention to unanticipated consequences, positive or negative. Those who invoke the perversity thesis do so because it appeals to "deeply rooted myths." Furthermore, "[i]t also has a certain elementary sophistication and paradoxical quality that carry conviction for those who are in search of instant insights and utter certainties." We are repeatedly reminded that conservatives invoke the jeopardy thesis in order to attack changes that they hesitate to attack directly because of the prevailing state of public opinion: in other words, conservatives are disingenuous. In fact, their argu-

ments "are in effect contraptions specifically designed to make dialogue and deliberation impossible." Such is Albert Hirschman's progressive case against those who wield the rhetoric of reaction.

Hirschman's liberalism is not the sort that excludes the possibility of enemies to the left; in fact, he is repeatedly critical of arguments from the radical left. Nevertheless, he seems more concerned to ensure that liberals will make no friends to the right. Until now, Hirschman writes, "progressives have remained mired in earnestness. Most of them have been long on moral indignation and short on irony." Now, thanks to his book, they can be long on moral indignation and scornful of their opponents as well. For Hirschman's implicit argument is that conservatives "are that way" because they are driven by powerful and unsavory impulses. In short, his book explains to progressives why they need not deal with conservatives at all, indeed why conservatives should be excluded from serious intellectual debate. As such it translates into an American context a mode of intellectual politics perfected in Germany by Jürgen Habermas. According to Habermas, democratic debate ought to be rational and undistorted; unfortunately, he always seems to find that his opponents are irrational and disingenuous. Hirschman's negative psychological characterization of "reactionaries" reinforces the stigmatization of conservatives, and this in turn makes those who regard themselves as liberals less likely to question viewpoints presented as progressive, for fear of being called conservative, neoconservative, or reactionary.

ALBERT HIRSCHMAN'S intellect is so fine that almost anything written by him is worth reading, and this book too is not devoid of insight. Nevertheless, by his own high standards it must be judged a failure. How did so distinguished a mind come up with so flawed a book? To attribute Hirschman's errors to a lack of sincerity or generosity would contradict much of what we know about him. A more plausible interpretation is that the source of the book's weaknesses is the author's incapacity to control for his own biases. Institutionalized scholarly inquiry is designed to compensate for such biases, by exposing us to the opinions, criticisms, and knowledge of those with different ideological propensities. This is why Robert Merton defined science as "institutionalized skepticism." Unfortunately, there is evidence that in Hirschman's case the mechanisms of bias-compensation have been short-circuited.

This brings us back to the puzzle of why Hirschman did not ask conservatives "how they got that way," or seek the criticism of scholars more attuned to conservative thinkers. Did Hirschman

not know any conservatives? Did he have no conservative colleagues? Surely an institute of advanced study in the social sciences is not a seminary, whose adherents are bound together by a shared orthodoxy. Of course, Hirschman's permanent colleagues at the School of Social Science—Clifford Geertz, Michael Walzer, and Joan Scott—do not represent an excessively wide political spectrum. What about the possibilities offered by other academic forums to bring critical scrutiny to bear? The author tells us that part of the book, delivered as a Tanner Lecture at the University of Michigan, profited from commissioned critiques by John Diggins, Stephen Holmes, and Charles Tilly—none of whom could be considered ideologically conservative. Another chapter, delivered as a Trilling Seminar at Columbia University, is said to have profited from the incisive comments of Stanley Hoffmann and Stephen Holmes. Taken singly, these colleagues and commentators are formidable intellects. Taken collectively, on the issues addressed by Hirschman's book, they are nearer to a herd of independent minds, always most comfortable when attacking the purported forces of reaction. As a group, they are little disposed to speak well of conservatives, even when—perhaps especially when—they adopt some conservative arguments.

Excessive ideological inbreeding seems unlikely to strengthen the intellectual stock. The most generous and most plausible explanation of the book's weaknesses is that it exemplifies what David Landes has termed "the echo-chamber effect," in which those of a given intellectual propensity have their perceptions about the world consistently reinforced by communicating exclusively with others who share their basic assumptions. While the echo-chamber effect has the benefit of reinforcing one's intellectual self-confidence, it can have the unfortunate cost of causing one to lose touch with the world. As such, it exemplifies a much broader problem in the academy, that of institutionalized ideological isolation, in which opposite and rival voices are not available to compensate for ideological or methodological bias.

Albert Hirschman has spent decades productively transcending national and disciplinary boundaries; it would be a pity if a mind as fruitful and independent as his were to become the latest victim of this self-imposed seclusion.

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