

reactionary socialism that comprised the cooperative movement in Peru. Nor does he know in the end whether they affirm or deny the dominance of private interest over ideology and other social facts. After much hard-nosed talk of how the individual rationality of Jose, Andres, and Manuel determined the fate of cooperatives, the paper suddenly in its last paragraph shifts to macrosociology and the "congruity" of one "level" of society with another and the "nexus" between them.

I am uncertain, therefore, which of the following thoughts suggested by the paper are novelties and which mere restatements of the paper's themes. Arranged in what I reckon is diminishing probability that Petras and Havens will agree with them, they are:

1. The usual arguments for cooperatives (reported by Petras and Havens on pages 203 and 204) are not decisive. One hears similar arguments daily for cooperative apartments, worker control of factories, buying food directly from farmers, and so forth.

They all assume that bigger is always better, that "eliminating the middleman" is always a good idea. To put it the other way, they all assume that political or bureaucratic methods of making decisions -- who shall vacuum the hallway, who shall work overtime in the factory this week or, in the present context, who shall get the fertilizer -- are always superior to the market. Sometimes they are; but, as Petras and Havens argue later in detail, sometimes they are not. The clumsiness of a large scale can offset its economies. The co-op idea sounds obviously true. The very old way was (brutal) coercion; the recent way was (cut throat) competition; and the new way is (harmonious) cooperation. By the precept of Sesame Street economics cooperation is always and obviously better. Well it ain't.

comment on James Petras and Eugene Havens, "Peasant Behavior and Social Change--- Cooperatives and Individual Holdings," in Clifford S. Russell and Norman K. Nicholson, eds., Public Choice and Rural Development proceedings of an A.I.D./ Resources for the Future conference in September 1979. Resources for the Future, Washington, D.C. 1981, Research paper R-21

COMMENTS

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Petras and Havens tell us in general that Peruvian peasants do what is good for them, not what ideology would demand. They tell us in particular that the cooperatives imposed during the 1970s by the government in order to shortcut a political revolution and finance an industrial revolution were bad for the peasants, and therefore disintegrated into private, capitalist firms. Rural socialism failed not because peasants were at heart capitalists (no more than they were at heart socialists) but because the particular form of the socialism violated the peasants' self-interest. It was not a matter of the heart, or even the head. It was a matter of the stomach.

The tone in which this lesson in the limits of social engineering is couched is admirably restrained. In a departure from the usual practice, Petras and Havens do not club us with their ideology while declaring ideology irrelevant. They even restrain themselves in Latinate word-making. The sober distance they maintain, however, puzzles the reader after it charms him. He does not know exactly where Petras and Havens stand, in what rocky port (so to speak) they anchor. He does not know, for example, whether they agree or disagree with the various species of

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2. More generally, the superiority of one form of tenure over another is not obvious. It is usually assumed (for example, page 204) that the sequence serfdom-wage work-sharecropping-renting-owner occupation-communistic tarian paradise is a ladder reaching from hell to heaven. But the distance between the rungs cannot be measured by the exercise of pure reason unassisted by facts. Contrary to the usual thinking, there is no theorem in logic that says that an owner-occupier is in a better condition than a wage worker. What can be asserted confidently from the easy chair is that the condition of the working class depends on its power, not on its position. If workers have the power to move between wage work and a co-op, and if workers are rational maximizers, then it follows logically that their condition under the two tenures (if both exist) will be the same. Consequently, it is not the relation of workers to the means of production (here, the tenurial form) that fixes their condition but their competitive relationship with other workers. The logic is thus anti-Marxist; or, to lay my cards on the table, pro-neoclassical. A lowly serf and a holder of many other serfs; a grand and free owner-occupier of a fishing boat competing with thousands of similar ones in an open market can starve. But the logic, to repeat, is mere logic, not fact. Neoclassical economics is no more a shortcut around factual difficulties than is Marxist economics. The abstracting power of words ("wage labor" sounds bad; "cooperative" sounds good) fools some people, though not I believe Petras and Havens, into thinking that a study of the particular facts of the goodness or badness of the workers' condition is unnecessary. "The materialist conception of history," wrote Engels in 1890, "has a lot of dangerous friends, to whom it serves as an excuse for not studying history." We must all

try harder to be virtuous in this, and not presume to settle great social issues at the blackboard.

3. A minor point on the abstracting power of words brought out in the paper is the commodity fetishism, as one might say, of planning for development. The commodity is the thing, and the industrial commodity the real thing. The result is that services -- that largest sector of even a poor economy -- are ignored and agriculture is raped (page 222) for the good of industry. The plan seems to be based in part on a misunderstanding of economic history, that is, that in olden days the service sector was small and that agriculture financed industry. Neither was true.

4. The main point of the paper, alas, also illustrates the problem of word play that stops short of proof. Petras and Havens assert (page 214) that "the ongoing day-to-day experience and rational calculations of the peasantry rather than any preconceived notions of 'communalism' or 'individualism' shaped peasant response" to the cooperatives. The problem is that the paper does not in fact offer much proof for the assertion. This is especially disappointing to me because (like all upright and sensible people) I am predisposed to agree with it. The proofs required are two. First, it needs to be proven that cooperatives did in fact worsen the lot of the participating peasantry. Were the coops in fact forced to "grow inexpensive food" for industry (page 210)? Were the losses in fact "deepening" (page 214)? What in fact were the "market pressures" (page 219)? What "most essential needs" (page 224) did co-ops in fact fail to meet? And so forth. There is a high ratio of assertion to fact in the paper, especially statistical fact, which most of these assertions purport to be. The precise assertion that needs to be proved is that

the co-ops hurt the peasants relative to what would have taken their place, no easy task of discernment in the confusion of other events buffeting the Peruvian countryside.

Second, it needs to be proved that peasants were not guided by ideology in rejecting the co-op, but measured the "costs and benefits of membership and found it wanting" (page 219). The task is to find evidence. Most directly, did the peasants describe themselves as making such a calculation? The only evidence on this score "indicates that more than 70 percent of cooperative members felt that lack of participation in decisions ... was the biggest single failing, ... [which was] given [even] greater importance ... than was low wages" (page 224), a statement that would delight a Hegelian, as evidence of the force of ideas and feelings over material circumstances (love of participation over wages). The paper offers no indirect evidence to offset this inadvertently damaging admission. The problem of collecting the evidence is identical to that in studies of power elites in sociology, or of class interest in political science, or of the profit motive in economics. The trick in all of these is to find an instance in which ideology and rationality diverge yet rationality is chosen. Since the Peruvian peasants chose to escape from the co-ops, the evidence will only be useful as undermining a conclusion opposite to that of the paper, namely, that the peasants were ideologues. Yet undermining one's enemies is useful work; some would say the only scientific work. In any case, it requires an exhibition of the earnings inside and outside the co-ops, and a full accounting of any side benefits (such as the greater security of co-ops). This the paper does not give.

5. So far my small disagreements with Petras and Havens have been on matters of how peasants actually do behave and how one can find out.

I end by mentioning a big disagreement on a matter of how governments ought in morality to behave towards them. The disagreement slices our field in half, and in the name of candor, therefore, is worth making explicit. I gather that Petras and Havens approve of bringing or allowing politics into questions of allocation. It will not surprise them, I am sure, to find that I would like to limit the domain of politics, preferably to night watchman and lighthouse repairman. The reason for making the declaration here is obvious: the Peruvian experiment with rural cooperatives shows with spectacular clarity, to reverse the opening sentence of the paper, how irrationally, inefficiently, and inequitably politics makes economic decisions.