

SYMPOSIUM

Power and Organization in the Making of the Long Twentieth Century: A Response to J. Bradford DeLong's *Slouching Towards Utopia: An Economic History of the Twentieth Century*

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Professor DeLong has clearly been thinking about the ideas in this book for a long time. Even from reading the blurbs on the back cover, there is a strong subtext of “damn, took you long enough!” that is detectable. Fortunately, it was worth the wait.

It is hard to think of a better place to discuss this book than the Palmer House Hilton. First opened in September 1870, its existence maps perfectly onto DeLong's idea of the “long twentieth century.” It is of course located in Chicago, a city that embodies the transformations at the heart of the book.

The Palmer House is a product of the first Gilded Age when economic takeoff and technological innovations made possible a standard of living for some that was previously unthinkable. It was Chicago's first hotel with elevators, and the first hotel with electric light bulbs and telephones in the guest rooms – products of the industrial research labs of the time. It also had ostentatious symbols of old-school opulence, like a barbershop whose floor was tiled entirely in silver dollars.

Chicago businessman Potter Palmer had the Palmer House built as a wedding gift for his young bride, Bertha Honoré. So it was a symbol of his vast personal wealth and, by extension, symbolic of the vast wealth inequality that characterized the era. It was also a symbol of the ownership structures of the time, with individual “robber barons” controlling vast holdings.

Palmer rebuilt the hotel on the same site in 1925, the heart of the Roaring Twenties, just before the Great Depression. Then, in 1945, right as the postwar expansion was taking off, the Palmer House was sold to the Hilton Hotels corporation – another of DeLong's key modern innovations. Thereafter, it became one part of that larger global entity, which itself was a key node in the global travel infrastructure that made modern hyperglobalization possible. Then, in a nice coda that embodies the neoliberal turn at the end of the book, the Palmer House was sold off in 2005 to Thor Equities, a New York-based private equity firm, although Hilton Worldwide Holdings, Inc. continues to manage the property.

In sum, this place embodies many of the key themes of DeLong's book: unprecedented economic takeoff starting in the 1870s, catastrophe and restructuring through two world wars, growth through the postwar period, and the neoliberal turn of the 1970s. And whatever you think of DeLong's take on the events he tries to explain in his book, it is important to recognize that he is asking the right questions: why such a dramatic takeoff in 1870? And why didn't it lead to some sort of utopia?

Basically, his answer to the first question is that we figured out better ways to organize technological innovation, turn it into products for human use, and get them in people's hands (the industrial research lab, the modern corporation, and globalization), and his answer to the second question is that politics got in the way, except for that 30 years after World War II when politics kind of worked. Overlooking this broad sweep of DeLong's grand narrative are the specters of Hayek and Polanyi, who embody the conflict between the market and the people.

There's a lot to like and admire in DeLong's book. I particularly welcome his effort to advance a grand narrative. In fact, I would like to pause for a moment here to offer three cheers for grand narratives. In the 1990s, while DeLong was working in the Clinton administration, I was majoring in comparative literature at Oberlin College. There I lived and breathed the academic assault on grand narratives, denounced as the tool of colonizers.

There is certainly something to be said for this critique, especially when it comes to grand narratives like the white man's burden or manifest destiny. But I have also come to understand that there is also something to be said for not throwing the baby out with the bathwater. As DeLong notes, grand narratives help us to think and understand. And if we want to use that understanding to help create a better world, figuring out those grand narratives is key.

The important thing is to do grand narratives right. That means doing them with humility, with an understanding that you're not going to get everything right, and with an openness to alternatives. Here DeLong gets it right.

So my critique of DeLong's book will not involve attacking him for trying to resurrect grand narratives. As the token Marxist in this symposium, I will also not critique his account of *what* happened. I will not mount a Graeberian defense of hunter-gatherer societies and denounce a focus on economic growth as a key indicator of human well-being. I will also not follow my fellow Marxist academic Robert Brenner and get into arguments about the character of the economies within the Dover Circle in the seventeenth century. Generally, I agree that something big and qualitatively different happened around 1870, that it dramatically increased the quality of life for most of humanity, and that its benefits largely stalled out in the 1970s.

My argument is not about *what* happened but more about the *how* and the *why*. And here we need to revisit DeLong's "Hayek vs. Polanyi" framing of the political-economic battles of the twentieth century.

DeLong understands that it is people informed by ideas, not ideas themselves, that make history. So when introducing his framework he notes that "not Hayek but Hayekians, and not Polanyi but Polanyians, and those acting on the motives identified by Polanyi, made history."

This is true and important, but there is a major asymmetry. We can think of a Hayekian in a meaningful sense. There are books written about the activities of the Mont Pelerin Society. Margaret Thatcher famously carried around a copy of *The Road to Serfdom* in her handbag. Hayek's book was excerpted in *Reader's Digest* for mass consumption.

But who or what is a Polanyian? The only bags in which you will find copies of *The Great Transformation* belong to grad students – hardly the key actors for social change, notwithstanding a recent uptick in organizing and striking among academic workers across the United States. I would be hard-pressed to locate a Polanyian outside an academic conference or graduate seminar.

That leaves “those acting on the motives identified by Polanyi.” Who are they? What are they doing? It has often struck me that talking about Polanyi and disembedding and double movements is a vaguer and more polite way to talk about Marx and class struggle. And we see the problems that this vagueness creates in DeLong's book.

Efforts at balancing Hayek and Polanyi like basic welfare state reforms seem to just happen. Likewise for postwar social democracy, the “shotgun marriage of Hayek and Polanyi blessed by Keynes.” We can see a few more actors involved when it comes time to discuss the neoliberal turn, but then when we get to the vitally important question of why the neoliberal turn has persisted even as it has manifestly failed to deliver on almost all its promises, we are essentially left with “Ronald Reagan won the Cold War.” I don't even think that DeLong is satisfied with his own answer.

So yes, as a Marxist, I am going to say that we need to be a bit less polite and actually talk about Marx and class struggle. Or at least talk about Marxists and class struggle, because there are many more historically consequential people who carried Marx in their bags than Polanyi.

But DeLong is not a Marxist, and it is his book, so perhaps that is not fair to ask of him. But it is fair to point out that what is missing in the book is an account of how power and organization shaped the long twentieth century.

DeLong partially gets this point when it comes to explaining economic takeoff. His key factors – globalization, the industrial research lab, and the modern corporation – are all examples of organizational innovation, which is fundamentally about the organization of power: the power to gather people and resources and direct them toward a goal. Globalization might seem an odd fit there, but it is only possible with dense webs of rules and organizations to establish and maintain the trust necessary to make it work.

And what backstops these rules and organizations that make globalization possible? Modern nation-states – another innovation of the late nineteenth century. DeLong talks about developmental states when discussing the Global South and the Soviet bloc, but less in relation to the West in this early, formative stage.

As DeLong's narrative unfolds, he recounts the conflict between Hayek and Polanyi, between the market and the people. But who is fighting this conflict? Where are they fighting it? And what are they fighting about? Here DeLong's account gets hazy.

It is clearer who the Hayekians are: employers, along with their intellectual and political representatives. But who are “those acting on the motives identified by Polanyi”? Here we are primarily talking about workers. But not just any workers. We are talking about workers *organized* into mass political parties and industrial labor unions: two more organizational innovations of the late nineteenth century. And to the extent that they are acting on ideological motivations, those motivations are distinctly Marxist or, at least, socialist.

Where is the conflict unfolding? In the workplace and the streets, as well as within the modern state, which has a new mandate to represent the will of “the people,” not just notables. DeLong notes this expansion of states’ democratic mandate but does not get into what is driving it. But democratic expansion is not just some idea that occurs to political leaders; it is the product of massive social struggle. And it is a struggle largely led by workers organized into mass political parties and labor unions.

So what DeLong sees as the Hayek/Polanyi conflict is really a conflict between capital and labor over the meaning, scope, and content of democracy, as embodied in the state. And the “shotgun marriage of Hayek and Polanyi blessed by Keynes” is more of an unstable truce negotiated between the organizational representatives of these historical actors. So Marx ends up being consequential not only for the creation of an external alternative to Western capitalism in the form of the Soviet bloc but also for the formation and development of Western capitalism itself.

Clarifying who is doing what to whom brings DeLong’s narrative into focus. The 1970s neoliberal turn is not just a tale of certain central bankers and freshwater economists gaining the upper hand in the marketplace of ideas. Rather, it is an offensive by capital against labor to restore profitability by redistributing wealth upward in the face of the stalled economic growth of the 1970s. More concretely, it is an attack on the organizational vehicles that maintained the workers’ side of the postwar truce: left parties and unions.

It is important to recognize that some of that organizational weakening came from within left parties and unions themselves. For the parties story, I recommend my colleague Stephanie Mudge’s book, *Leftism Reinvented*. But the critical point is that the neoliberal turn is about the crisis and defeat of the organizational vehicles that made postwar social democracy possible.

Understanding that helps us make more sense of DeLong’s final question: why has neoliberalism persisted? And here I think the answer lies less with Reagan and more with Thatcher, particularly her bleak statement that “there is no alternative” to “free market” capitalism.

She was right in terms of describing the world as it was, in that the crisis of social democracy and the smashing of labor unions had indeed left no alternative. That organizational crisis of working-class representation persists to this day, which goes a long way toward explaining the persistence of neoliberalism.

But it is important to understand this process of neoliberal ascendance and persistence as a product of political and organizational defeat, not ideological decline. Not only does that allow for a better understanding of how and why we got to where we are today, but it gestures toward a way forward that might involve not having to resign ourselves to slouching for the rest of time.

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