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Chamlee-Wright and Burawoy: Another Reformulation of Austrian Methodology

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Economists who consider themselves students of the Austrian School have had a long and torturous relationship with empirical research. Stemming from Mises' (1957; 1978; 1998) expositions on the dichotomy between theory and history, many Austrians following Mises eschewed the latter to focus solely on the former. They soon found themselves slowly falling out of touch with a discipline which was becoming increasingly empirical. For some Austrians, this was not a problem. Economics was going in the wrong direction, so there was no reason why they should follow. For other Austrians, the dichotomy between theory and history was being misconstrued. As a result, the Austrian School was not advancing as a science.

This led Rizzo (1982) to reexamine Austrian School methods in light of debates that took place in the philosophy of science literature in the post-war era (Popper 1959; Kuhn 1962; Lakatos 1978). Using Lakatos' work on the methodology of scientific research programs, Rizzo attempted to rationally reconstruct Mises' methodology for social science research. Rational reconstruction, according to Rizzo (1982: 54), "involves showing the interconnection of ideas even where their originators had not perceived them and creating new analytical categories or distinctions where that seems implicit in the original treatment." He then set about suggesting propositions to be put into the "hard core" and "protective belt" of an Austrian research program. Most importantly, for our discussion here, Rizzo laid out a positive heuristic with instructions suggesting directions for further research. In his view, a progressive Austrian research program should look at the role and content of expectations in explaining economic phenomena as well as breakdowns in the communicative process that appear discoordinative despite theoretical predictions of a tendency toward coordination.

Rizzo saw rational reconstruction as "the first, albeit necessary, step in rendering a previously dormant research program viable and fit for continued development in the modern community of scientists (Rizzo 1982: 54)." It would be up to future researchers to determine whether the Austrian research program would be degenerative or progressive.

In my view, the Austrian research program since 1982 has largely been stagnant.[1] The majority of scholars working within the program have devoted themselves to rehashing the socialist calculation debate in new forms, quibbling over what Mises and Hayek *really* meant in some paper or another, and conceptualizing the implications of subjectivism and radical uncertainty. Readers will point to some particularly novel application made by a few economists but this is precisely the problem – they are the exception rather than the rule.

It is with those exceptions that I have hope for the future of the research program though. Emily Chamlee-Wright's (2010) *The Cultural and Political Economy of Recovery* is a beacon of light in a sea of darkness. Austrian economists often look to the price mechanism to solve all coordination problems. They have been timid in exploring non-priced environments, in part as Chamlee-Wright (2010: 174) points out, because of an aversion to Marxist theories which believe coordination is possible without the market. As sociologists have shown, prices, though important, are not the only way that knowledge is discovered and transferred among actors (Powell 1990; Abolafia 1996; Uzzi 1997; Scott 2007). Despite repeated assertions that praxeology is the study of human action, Austrians have done little research into coordination in non-priced environments.

Chamlee-Wright's empirical investigation of community recovery (or lack thereof) in the wake of Hurricane Katrina does exactly this. "The post-disaster context gives us a window into the nature of social order itself… If we understand how it is that communities rebound (or fail to rebound) in the wake of disaster, we are in a better position to understand how societies succeed in obtaining complex social coordination and cooperation more generally. In other words, we understand the phenomenon known as 'social learning' (Chamlee-Wright 2010: 11)." She combines Austrian insights with cultural sociology and network analysis in order to come away with a better understanding of the emergent orders that arise in post-disaster environments. In doing so, she successfully follows Rizzo's (1982) instructions for making progress within the Austrian research paradigm.

At the same time, she treads into uncharted territory for an economist by employing qualitative methods. She is careful to avoid the two pitfalls associated with economists doing research traditionally associated with other disciplines (Lavoie and Chamlee-Wright 2000). She is neither an economic

imperialist swooping in with an econometric hammer ready to turn everything into nails nor is she a tourist who read Granovetter (1985) and simply pays lip service to the "embeddedness of economic life." The world of qualitative research is not free from the same controversies that plague quantitative research though and there is a vigorous debate as to how one should go about using qualitative methods (King, Keohane, and Verba 1994; Brady and Collier 2004; Luker 2008). With this in mind, the rest of this paper will focus on situating Chamlee-Wright's methodology and attempting to rest it on stronger ground. To do so, I will look for a model in the unlikeliest of places – Marxist political economy. In the next section, I will show how the Marxist research program parallels the Austrian research program in many ways. In particular, I will show how Austrian researchers can benefit from Michael Burawoy's (1998; 2009) discussions on reflexive methodology. I will then apply these insights to Chamlee-Wright (2010) and rationally reconstruct her methods to show how they conform to Burawoy's concept of clinical research.

From Lakatos to Burawoy

Marxist political economy, despite its reputation as being the school that most approximates the polar opposite, has much in common with the Austrian School. Both schools are characterized by 1) a sharp critique of mainstream economics; 2) an emphasis on economic processes; 3) an assertion that the theory's main tenets cannot be disproved by empirical evidence; and 4) similar normative views among scholars working within the tradition. All of these would be reason enough to explore the merits of Marxist models of research, but there is a fifth commonality they share: Many consider both to be degenerating research programs. In fact, Lakatos (1978: 5-6) explicitly used Marxism as an example of a degenerating research program:

> Has, for instance, Marxism ever predicted a stunning novel fact successfully? Never! It has some famous unsuccessful predictions. It predicted the absolute impoverishment of the working class. It predicted that the first socialist revolution would take place in the industrially most developed society. It predicted that socialist society would be free of revolutions. It predicted that there will be no conflict of interests between socialist countries. Thus the early predictions of Marxism were bold and stunning but they failed. Marxists explained all their failures: they explained the rising living standards of the working class by devising a theory of imperialism; they even explained why the first socialist revolution occurred in industrially backward Russia. They 'explained' Berlin 1953, Budapest, 1956, Prague 1968. They 'explained' the Russian-Chinese conflict. But their auxiliary hypotheses were all cooked up after the event to protect Marxian theory from the facts. The Newtonian program led to novel facts; the Marxian lagged behind the facts and has been running fast to catch up with them.

This led to some serious soul searching among prominent Marxists. Michael Burawoy, in particular, has led the charge in rehabilitating Marxism as a science. Burawoy (1990) looks at the history of Marxism from the perspective of Lakatos' methodology of scientific research programs just as Rizzo (1982) did for the Austrian School years earlier. While he does find elements of degenerative elements within Marxism, he also finds a thriving progressive research program.[2] Marxist work still gets published in top economics and sociology journals as well as books with prestigious university presses. Burawoy not only talked the talk but also walked the walk, producing a number of ethnographic studies looking at everything from the transition from colonialism in the Zambian copper mines (Burawoy 1972) and the politics of production on a Chicago factory shop floor (Burawoy 1979) to the organization of work under capitalism and communism (Burawoy 1985). Many sociologists still questioned his unorthodox research techniques which led him to explain and elaborate on them and their relationship to the positive science that dominates the discipline.

Burawoy (1998) argued for a methodological dualism within the social sciences. In addition to the *positive model* used by most sociologists, he wanted room for a *reflexive model* of social science.[3] The positive model sees the research as working outside of their object of study. This is akin to Chamlee-Wright's (2010: 27-30) metaphor of the giant puzzle and the economists who take a chunk of it to study or look at it from a bird's eye view. The reflexive model, on the other hand, embraces the interaction between subject and object. This is where we step into the puzzle to study it. Table 1 summarizes the two models and their techniques according to Burawoy.

Table 1. Four Methods of Social Science

	Models of Science	
Techniques of Research	Positive	Reflexive
Interview	Survey Research	Clinical Research
Participant Observation	Grounded Theory	Extended Case Method

Source: Burawoy (1998): 27

Historically, qualitative researchers have valued the positive model above the reflexive model based on the "4Rs" (reactivity, reliability, replicability, representativeness) which are seen as the strengths of the model. As Burawoy shows though, each of these strengths are problematic for one reason or another due to various context effects. Reactivity runs into interview effects, reliability runs into respondent effects, replicability runs into field effects, and representativeness runs into situational effects (Burawoy 1998: 12). Instead of seeing these as flaws that spoil the scientific legitimacy of the study,[4] the reflexive model seeks to turn them into strengths. "Objectivity" according to

Burawoy (1998: 5), "is not measured by procedures that assure an accurate mapping of the world but by the growth of knowledge; that is, the imaginative and parsimonious reconstruction of theory to accommodate anomalies." While Burawoy spends the bulk of the article elaborating on the extended case method, a reflexive model that utilizes participant observation techniques, his insights work the same for what he calls "clinical research." This is another reflexive model that utilizes interviews and closely resembles the methods that Chamlee-Wright employs in her book. The rest of this paper will apply Burawoy's insights on the reflexive model to Chamlee-Wright's analysis of post-disaster recovery.

From Burawoy to Chamlee-Wright

Burawoy (1998) lays out four strengths that characterize the reflexive model: intervention, process, structuration, and reconstruction.[5] Using these concepts, I will rationally reconstruct Chamlee-Wright's methods in *The Cultural and Political Economy of Recovery* to fit with Burawoy's clinical research technique within the reflexive model of science.

Intervention

According to Burawoy (1998: 14), "In the view of reflexive science, intervention is not only an unavoidable part of social research but a virtue to be exploited. It is by mutual reaction that we discover the properties of the social order. Interventions create perturbations that are not noise to be expurgated but music to be appreciated, transmitting the hidden secrets of the participant's world." Chamlee-Wright purposefully eschews surveys in favor of interviews because of the context one can glean from the latter.

> Interview talk is quite different indeed. Interviews help us get at not only the information that subjects possess that the researchers do not, but interviews also provide access to that interior life that frames problems in particular ways, allowing people to fit their own puzzle pieces together according to some image of what the final picture looks like… But even when they are wrong or off the mark, we understand better how, according to those paradigms, people align their actions… Further, it is in novel circumstances that creative responses unfold. For example, it is precisely in contexts like post-disaster reconstruction that the researcher would want to create the 'space' for the subject to articulate the newness of their thinking and the discoveries they have made (Chamlee-Wright 2010: 30).

By interviewing participants, Chamlee-Wright and her team are taking them out of their social situation and forcing them to think about it in ways they would not otherwise do. Additionally, she wisely has her team record the details of

their surroundings in order to add additional context to the interviews that the respondents do not put into words but nevertheless influence their ways of thinking and acting. The interviews themselves do not slavishly conform to some predetermined set of questions. They allow for fluidity and leave multiple occasions for the respondents to take control of the narrative as they wish. Instead of "getting off track," this format allows the researchers to discover new knowledge possessed only by the respondents.

Process

"Just as survey research aggregates data points from a large number of cases into statistical distributions from which causal inferences can be made, reflexive science collects multiple readings of a single case and aggregates them into social processes (Burawoy 1998: 15)." In the process of interviewing several different communities in New Orleans, Chamlee-Wright collected hundreds of stories from individual residents. Each and every respondent experienced the same hurricane to some degree, but their version of what happened differed significantly. Through these interviews, she was able to aggregate individual experiences in a way that both the researcher and respondents could make sense out of them. In contrast to North (1990), who takes mental models and culture as abstract assumptions, Chamlee-Wright is able to show us how collective narratives are built up and influence individual action. Whether it was a sense of "who we are and where we've been" in the MQVN neighborhood, an ideology of rugged individualism and agency in St. Bernard Parish, or a special connection to place in the lower Ninth Ward, individual mental models are concretized and given a collective flavor that defies statistical observation. We can actually *see* the process of post-disaster recovery as it unfolds through the narratives in each neighborhood.

Structuration

"Reflexive science insists, therefore, on studying the everyday world from the standpoint of its structuration, that is, by regarding it as simultaneously shaped by and shaping an external field of forces. This force field may have systemic features of its own, operating with its own principles of coordination and contradiction, and its own dynamics, as it imposes itself on multiple locales (Burawoy 1998: 15)." This is particularly important for studies looking at emergent social orders. Despite clear references to the structuration theory of Giddens and Bourdieu, Chamlee-Wright still falls a little bit short of her potential to really explore how structure and agency interacted to produce the social process we saw in New Orleans. On one hand, she shows us how social

networks and collective narratives, though part of the social structure, actually enhanced the agency of actors as well as the interplay between democratic government and actors in civil society. Within the here and now of post-Katrina New Orleans, structuration pervades her work. Beyond this, much is left out. It is no coincidence that the middle class white neighborhood had the right political connections to speed up recovery while the poor black neighborhood faced severe obstacles from the start, but we get no discussion of the larger economic forces which shape class in New Orleans or the history of race and racism in the American South.[6] It is a fine book without these things, but structuration includes not only looking at the interaction between structure and agency but also between micro and macro.

Reconstruction

While the previous three concepts within the reflexive model all rely on previous theory to enable us to explain real historical phenomena, reconstruction turns the tables. "We begin with our favorite theory but seek not confirmations but refutations that inspire us to deepen that theory (Burawoy 1998: 16)." This is where the idea of maintaining a progressive research program comes into play. "[W]e seek reconstructions that leave core postulates intact, that do as well as the preexisting theory upon which they are built, and that absorb anomalies with parsimony, offering novel angles of vision… reconstructions should lead to surprising predictions, some of which are corroborated (Burawoy 1998: 16)." In this endeavor, Chamlee-Wright is most successful. For far too long, scholars working in the Austrian research program have been hindered by the mantra that rational economic calculation is impossible in the absence of market prices. While this is no doubt true for a large scale national economy, the idea of rational coordination among a small-scale networked group of actors was assumed to be inferior to market-based arrangements or ignored altogether. Chamlee-Wright keeps the hard core assumption that the price system is the best mechanism for transferring knowledge in many instances, but puts dents in the protective belt which lead to a reformation of theories which combines Austrian assumptions with insights from cultural sociology and network analysis. In doing so, she has contributed to the rehabilitation of a stagnating research program and put it back on the road to progress.

Conclusion

The Cultural and Political Economy of Recovery is an important book for young economists of the Austrian School. Most will focus on its contributions to the study of emergent social order and the auxiliary policy implications that it has for post-disaster recovery. While these are both very important, I see the book playing a much more subtle role in acting as a blueprint for doing the kind of empirical research that many preach but few scholars practice. Just as Rizzo (1982) undertook the task of rationally reconstructing Mises' methodology to fit within Lakatos' theoretical framework, I have tried to rationally reconstruct Chamlee-Wright's (2010) theory to fit within Burawoy's methodological framework. I do not claim this is the only way for Austrian School economists to do qualitative empirical work. Rather, as economists become better acquainted with the world of qualitative research, they should discover and employ the methods that best fit their particular research question. Additionally, just as Rizzo's paper was not a critique of Mises per se, this paper should not be read as a critique of Chamlee-Wright's book. It is simply the musing of an armchair methodologist reading an economist through the lens of sociology.

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Notes

[1] See Boettke and Prychitko (2011) who measures success by publications in top economics journals and university presses. By this criterion, the Austrian research program has largely been dormant since 1985. Since 2000, empirical exceptions which meet this criterion include Coyne (2008), Powell (2008), and Leeson (2009).

[2] You wouldn't know this from reading some Austrians who still prefer to fight the ghosts of pre-1980s Marxism.

[3] For further elaboration of the reflexive model, see Giddens (1976) and Bourdieu and Wacquant (1992).

[4] Proponents of philosophical hermeneutics would argue that this is indeed the case and we should therefore give up any attempts at being scientific in the first place. Given that a small contingent of Austrian scholars flirted with this idea, it is all the more important to point out alternatives.

[5] Burawoy also covers the limits of the reflexive model. In contrast to the context effects of the positive model, the reflexive model is open to power effects (domination, silencing, objectification, and normalization). Due to space limits, these will not be explored here.

[6] Chamlee-Wright does touch on these issues elsewhere. See Chamlee-Wright and Storr (2009; 2010).

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