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# ANALYTICAL MARXISM

TOM MAYER

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### The Strategic Conception of the State

The leading Analytical Marxist theorist of the state, Adam Przeworski, makes the following comment about Marxist political theory:

The central and only distinctive claim of Marxist political theory is that under capitalism all governments must respect and protect the essential claims of those who own the productive wealth of society. Capitalists are endowed with public power, power that no formal institutions can overcome. People may have political rights, they may vote, and governments may pursue popular mandates. State managers may have interests and conceptions of their own. But the effective capacity of all governments to attain whatever goals is circumscribed by the public power of capital. The nature of political forces that control the state institutions does not alter this situation, for it is structural: a characteristic of the system, not of occupants of governmental positions or the winners of elections. (Przeworski 1990, p. 65)

The work of Przeworski and his collaborators has revolved around the question of whether capitalists really do have public power that no political institutions can overcome. Almost all Marxist political thinkers, from Engels through Gramsci, have claimed they do. Przeworski is not so sure. He rejects the functionalist Marxism of Claus Offe (1985) and Nicos Poulantzas (1973, 1975), who explain the public power of capitalists by arguing that the state in a capitalist society is institutionally committed to reproducing the capitalist economic system. He

also rejects the instrumentalist interpretations of William Domhoff (1983) and Ralph Miliband (1969), who derive the political power of capitalists from direct penetration of the state by capitalist personnel, values, and/or resources.

While wrestling with such questions, Przeworski evolves what I shall call the *strategic conception of the state*. This concept attempts to avoid the twin snares of determinism (which makes political action irrelevant) and voluntarism (which renders all political results contingent) by interpreting the state as the institutional terrain upon which strategic interactions concerning the domain of political affairs take place. The state as an institution consists of all structures defining the conduct of strategic political interactions. These interactions can be conflictual, cooperative, or any combination thereof. For theoretical purposes, the participants are usually conceived as rational actors, and they may be individuals or social aggregates like parties, classes, bureaucracies, or pressure groups.

The political outcomes that are the object of strategic interaction in the state include formation of public policy, occupancy of positions within the state structure, transformation of the state institutional terrain itself, and specification of who can participate in politics. Calling the interaction process "strategic" does not mean it is fair, equal, or orderly. State-organized political interaction is typically loaded in favor of some social classes and against others. Indeed, one or more classes may be entirely excluded from the political interaction process. The strategic concept of the state does not exclude the possibility of a class-dominated state. For example, a capitalist state could be defined as one where the political interaction process systematically shields capitalist relations of production and/or gives special advantage to the capitalist class in the interplay of political strategies.

Political outcomes have well-defined utilities for the political contenders, giving strategic interaction on the terrain of the state a game-like character no matter how grave the issues under contention. Consequently the methodology most appropriate for elaborating the strategic conception of the state is *game theory*.

Przeworski's strategic conception of the state is similar to the view set forth by Jon Elster (1985, pp. 398-428). The cardinal question in the Marxist theory of the state, says Elster, concerns whether the state can be understood as an expression of class

interest. This question gained momentum from the crucial shifts in the thinking of Karl Marx induced by the revolutions of 1848. Prior to that year, Marx considered the state simply an instrument of the economically dominant class. But when the French, English, and German bourgeoisie each rejected the readily available reins of state power, Marx concluded that states—at least in capitalist societies—could be more autonomous of the dominant class than he had previously believed possible. The autonomy of the state, however, was not complete and could itself be deduced from the properties of class structure.

Elster uses the *Prisoner's Dilemma* game to explain Marx's thinking about the state. Relations between members of a class resemble the Prisoner's Dilemma situation: common class interests exist, but there is also a strong temptation to seek individual advantage by defecting from the cooperative class strategy. If many class members defect, the entire class suffers—sometimes egregiously. "The task of the state is to provide a cooperative solution for the Prisoner's Dilemma faced by members of the economically dominant class, and, as part of this task, to prevent the members of the dominated class from solving *their* dilemma" [author's italics] (Elster 1985, p. 400). According to Marx's pre-1848 instrumentalist conception, the state undertook this task because it was a tool of the dominant class. Subsequently he recognized that the state could organize the dominant class and disorganize the dominated class more efficiently by having some autonomy from the former. However, Marx held a narrow pre-strategic conception of power, says Elster, which prevented him from recognizing the full extent of state autonomy under capitalism.

The strategic conception of politics articulated by both Przeworski and Elster stands at the center of Analytical Marxist thinking about the state, but other theories have been proposed. Gerald Cohen's version of historical materialism suggests a functionalist theory in which the characteristics of the state are explained by the effects they have on the economic base of society (Cohen 1978). Erik Wright also adopts an essentially functionalist position, explaining the form of the state under various modes of production through its consequences for class relations and for maintaining the dominant pattern of exploitation (Wright 1985, pp. 122-23). A Weberian conception of the state, which is defined as monopoly of the legitimate means of

coercion plus the institutions regulating the power flowing from this monopoly, is proposed by Samuel Bowles and Herbert Gintis in their book *Democracy and Capitalism* (1986, p. 99). They combine this, somewhat incongruously, with enormous faith in the liberating potential of radical democracy.

This chapter concentrates upon the strategic conception of the state not only because it is preponderant among Analytical Marxists but even more because it embodies the distinctive features of the Analytical Marxist approach to politics. As we shall see, this approach tries to integrate class analysis with the theory of rational action in explaining the formation of public policy. The strategic conception of the state carries this program a step further by deriving a deep structure of political affairs from strategic interactions of nominally autonomous actors on a terrain of tolerated strategies, institutionalized rules, and expected payoffs called the state.

### State Autonomy

A state is considered *autonomous* if the policies it implements are not determined by forces outside the state itself. Under capitalism the two external forces most likely to determine state policy are the citizens of the state and the capitalist class. The executives of an autonomous state have objectives of their own and the institutional capacity to pursue these objectives. State autonomy does not mean that state policy is unconstrained by external forces, uninfluenced by public opinion, or independent of the wishes of the capitalist class. It does mean that the state is able to contravene public opinion and act against the desires of the dominant economic class.

Despite the impact of 1848 on the political thinking of Karl Marx, until fairly recently most Marxists regarded state autonomy in a capitalist society—although theoretically feasible—as an exceptional situation. Since the 1960s, however, Marxists of all varieties have usually considered state autonomy as the normal political condition of a capitalist society. But they are not of one mind about why the state is autonomous from the capitalist class. The specific contribution of Analytical Marxism has been to

explicate the logical foundations of various explanations and offer sympathetic criticism. We shall discuss three different theories of state autonomy: (a) capitalist class abdication, (b) capitalist class weakness, and (c) class balance (Elster 1985, pp. 411-28; Przeworski 1990, pp. 36-44).

According to the *capitalist class abdication theory*, the capitalist class could control the state but finds it advantageous not to do so. Why might political abdication be advantageous to capitalists? Because money making is their overriding concern, capitalists might avoid all distractions from the pursuit of profit, including politics. Such abandonment of politics for money making is especially feasible if the state is constrained, by fiscal dependence and other considerations, against following policies hostile to capitalist interests.

Alternatively, the capitalist class may consider itself systematically unsuited to govern. The unquenchable appetite for profit vital to a successful capitalist could have disastrous results in a state manager, yielding hard times for the entire capitalist system. Capitalists may want an autonomous state able to function as a neutral party for resolving conflicts between them. Control of the state by the capitalist class could undermine the legitimacy of state policy, thereby embroiling capitalists in exhausting and avoidable struggles with other classes, particularly workers. This possibility could furnish another incentive for political abdication by the capitalist class.

The capitalist class abdication theory has two fundamental weaknesses. A plausible claim of abdication requires proof that the capitalist class really could control the state, but no compelling arguments to this effect are forthcoming. The capacity to rule is simply assumed as a consequence of capitalist social relations. There is also a problem of confidence. State policy is highly relevant to the fortunes of capitalist enterprise. How can the capitalist class acquire sufficient confidence in the good will and competence of an autonomous state to motivate collective political abdication? Occasionally the state does adopt policies that seem contrary to the wishes and interests of the capitalist class.

According to the *class weakness theory*, the state is autonomous only if the capitalist class lacks sufficient strength to govern. A contrast is sometimes drawn between the center and

periphery of the capitalist world system, with the former having a strong bourgeoisie and a dependent state, and the latter having a weak bourgeoisie and an autonomous state. Unfortunately, the available evidence does not support the class weakness theory. The state is customarily autonomous in capitalist societies regardless of whether the bourgeoisie is weak or strong. And by the same token, the polarity between the center and periphery of the capitalist world does not correspond to a division between dependent and autonomous states.

The *class balance theory* attributes state autonomy to a class equilibrium within civil society. Workers and capitalists (along with their respective allies) are so equally matched that neither can become politically dominant over the other. Efforts by either side to seize control of the state could precipitate civil war, and recognition of this possibility encourages mutual restraint. The class stalemate removes the usual constraints on government activity creating a situation of state autonomy. A balance between a strong capitalist and a strong working class encourages the emergence of a fascist state, whereas a balance between two weak classes precipitates a less strident authoritarianism.

Class balance theory may illuminate authoritarian versions of the capitalist state, but it does not provide a general explanation of state autonomy, which often exists even without anything approaching a class equilibrium.

Przeworski poses the interesting question of whether state autonomy exists under democracy. State autonomy is not inevitable under democratic conditions, he concludes, but it can happen largely because state officials are not perfect agents of the people. To illustrate this point, Przeworski develops a simple rational choice model based on the idea that state officials derive satisfaction from state activity. The model predicts that these officials, if not closely monitored, will initiate more state activity than is best for the public (Przeworski 1990, pp. 57-64).

Jon Elster gives the following example of interaction between an autonomous state and a strong capitalist class (Elster 1985, pp. 406-07). The government can select a policy from a set of alternatives, but the capitalist class can exclude any alternative that it finds particularly bad. If the government gets too outrageous, the capitalist class can remove it from office, but the capitalists must then rule directly, something they hope to avoid doing.

If the worst alternatives are excluded, reason the capitalists, it matters little which of the remaining policies the government selects. Because the government knows its tenure in office depends upon "good" behavior, capitalists probably need not trouble themselves to eliminate the worst alternatives: rational state managers will not select them anyway. And if the government does not choose the alternative most favored by the capitalists, this shields the class from political resentment without inflicting significant harm.

The government, in this hypothetical interaction, recognizes that its own power rests upon the reluctance of the capitalists to rule directly and is therefore conditional. But such reluctance still gives the government considerable decision-making leeway. Though conditional, the power of the state is very real and—depending on the circumstances—may match that of the capitalist class.

### Parties and Political Strategy

Political parties are an essential component of democratic capitalism. An effective party system, some would say, makes the difference between government constrained by popular will and rule by plebiscite. Marxist theory poses two major questions about parties under democratic capitalism: Can the electoral process accomplish a transition from capitalism to socialism? What kind of political strategy should a socialist party adopt under democratic capitalism? The most incisive work on these questions has been done by Adam Przeworski and his colleagues (Przeworski 1985a; Przeworski and Sprague 1986; Przeworski and Wallerstein 1988).

The organization of democratic politics in terms of class, points out Przeworski, is not inevitable and sometimes does not happen. The relevance of class to the political process depends upon the strategies adopted by leftist and socialist political parties because these are the organizations that can benefit from politics organized along class lines. Individual voting behavior of all descriptions results largely from the activities of political parties.

Political parties are not reducible to either class or state. They maintain relative autonomy from entities of both kinds and actually participate in the constitution of each. As indicated above, Przeworski regards class as the effect of class struggle, which, under conditions of democratic capitalism, is largely organized by political parties. Similarly, the identity of the state depends heavily upon the party structure it incorporates.

Under democratic capitalism, socialist political parties face a unique dilemma. Manual wage workers, the traditional core of the working class, never have been and never will be the numerical majority in any capitalist society. Hence manual wage workers cannot, on their own, carry a leftist party to electoral victory. Nevertheless, socialist and leftist parties in virtually all democratic capitalist societies are based upon manual wage workers. Leaders of these parties must choose between being (a) homogeneous in class composition and with a straightforward class-based ideology, but with no chance of winning elections; and (b) a broader party with a diluted class orientation and some hope of winning elections (Przeworski 1985a, p. 103).

What makes this choice particularly difficult for socialists is that becoming a mass party (rather than a class party) significantly weakens the organization's appeal to workers. By becoming a mass party and adjusting its propaganda for that purpose, the socialist party reduces the relevance of class for politics, reduces the likelihood that manual wage workers will adopt a working-class identity, and reduces the internal cohesion of the working class. Thus the gain in non-working-class voters is often counterbalanced by the loss of working-class adherents. Socialist parties, observes Przeworski, remain minority parties even after becoming parties of the mass.

To investigate these ideas further, Przeworski and Sprague develop a simple model of strategic action and apply it to Western European leftist parties in post-World War II elections. Of particular interest is the tradeoff between losing working-class votes and gaining votes from other classes when a leftist party shifts from a class to a mass base. When a social democratic party faces competition from other parties that appeal to workers on a particularistic basis—Communist, religious, or ethnic parties—then the tradeoff for becoming a mass party is quite

severe (i.e., the ratio of votes lost to votes gained is relatively high). On the other hand, if labor unions are strong, then the tradeoff is more favorable because unions keep class politically salient even when the leftist party opts for a mass base.

Przeworski and Sprague find a definite tradeoff between the political recruitment of manual wage workers and salaried employees. Manual workers in post-World War II Europe simply do not consider salaried employees to be working class. When left-wing parties abrade the salary-wage distinction, then class becomes less important as a basis for voting and manual workers become less likely to vote socialist.

The overall strength of a socialist party, conclude Przeworski and Sprague, depends mainly upon its strength among workers. Among other things, socialist leaders are more willing to use nonclass political strategies when their parties receive strong support from manual workers. But most leftist parties could have won more votes by using somewhat different electoral strategies than they actually did. For example, the Przeworski-Sprague model indicates that the French Socialist Party would have improved its electoral performance by adopting a more working-class orientation. On the other hand, Swedish Social Democrats erred by excessive concern with the working class.

Their study of electoral socialism makes Przeworski and Sprague rather pessimistic about using elections to accomplish radical change:

Regardless of their strategies, left-wing political parties were unlikely to win an overwhelming majority of votes. Their prospects were limited by the fact that they compete in societies in which there exist real conflicts of interests and values. Whether parties deliberately restrict their appeal to specific groups or attempt to conquer the entire electorate, their opportunities are limited by the heterogeneity of developed capitalist societies. In a heterogeneous society, no party can win the support of everyone without losing the support of someone, because some other party will put in the wedge. Thus no political party can win elections overwhelmingly in a way that could be taken as a clear mandate. Elections are just not a vehicle for radical transformations. They are inherently conservative precisely because they are representative, representative of interests and values in a heterogeneous society. (Przeworski and Sprague 1986, p. 183)

But is it really true that elections are inherently conservative? In the situations studied by Przeworski and Sprague, most people did not want radical change. Elections quite properly registered this reality by repeatedly denying left-wing political parties an overwhelming majority of votes. This does not demonstrate the inherent conservatism of elections. Establishing that requires examining situations in which the majority really does want radical change, and showing that the electoral process itself prevents them from getting it. The rapid reunification of Germany and what John Feffer calls "East Germany's sprint to the market" (Feffer 1992, p. 85) are certainly radical transformations, and they were mandated by electoral processes.

### Class Conflict and the State

If capitalism is characterized by deep and structurally irreconcilable class conflict, and if the capitalist class constitutes a small minority of the population, then why does the state in a democratic capitalist society consistently act to reproduce capitalist social relations? Functionalist versions of Marxism explain this as a consequence of the functional relationship between the economic base and the political superstructure of society. But if functional relations integrating various social institutions are so prevalent, how can class conflict be a fundamental component of capitalism?

The consistently procapitalist policies of the state, thinks Przeworski, result from a basic compromise between workers and capitalists. The state acts to reproduce capitalist social relations because this is the choice of both workers and capitalists in democratic capitalist societies. Why do workers and their political representatives choose capitalism? Not from false consciousness, or leadership treachery, or the abolition of class conflict. The choice of capitalism and the compromise with the capitalist class express the real material interests of the working class under democratic capitalism (Przeworski 1985a, pp. 171-203).

Socialism, assumes Przeworski without argument, is better for the working class than capitalism. But this does not mean that workers hoping to improve their material welfare should struggle

for socialism. Any realistic transition from capitalism to socialism involves massive economic and social dislocations with severe negative consequences for the welfare of workers. Hence economically rational workers, even if they desire the socialist outcome, will shy away from the onerous transition:

Between the capitalist path and the socialist one there is a valley which must be traversed if workers move at any time toward socialism. If such conditions indeed exist and if workers are interested in a continual improvement of their material welfare, then this descent will not be undertaken or, if it is undertaken, will not be completed by workers under democratic conditions. (Przeworski 1985a, pp. 176-77)

With socialism out of the picture—at least in terms of practical politics—the class struggle continues but takes place entirely within the framework of capitalist institutions. The economic class struggle under capitalism concerns the use made of capitalist profits. The capitalist class controls investment and decides how to divide its income between consumption and investment. The working class cannot make investments, but through trade union activities and political organizing it can determine what share of profits becomes higher wages and what share becomes capitalist income.

The volume of investment governs the future growth of the capitalist economy, and thus both capitalists and workers want investment to happen. This consideration prevents the working class from seizing all profits. If they did so, the immediate income of workers would increase dramatically, but the capitalist economy would soon plunge disastrously, with workers suffering severe material deprivations. What share of profits should the working class take? This depends upon the strategic interaction between workers and capitalists. If the working class takes too large a share of profits, then capitalists will find little benefit in entrepreneurial activity and will consume their income rather than investing it. On the other hand, if workers take too small a share of profits, they will lose the benefits of economic growth.

A parallel strategic dilemma afflicts the capitalist class. If they invest too high a share of their income, the economic product will grow rapidly, but capitalists will miss out on consumption—which Przeworski sees as the ultimate goal of both workers and

capitalists. If they invest too little of their income, economic growth will be extremely slow and capitalist consumption will expand little. Moreover, the working class—whose material interests suffer from capitalist investment lethargy—will soon retaliate by appropriating a larger share of profits.

Przeworski and Wallerstein (1982) construct a game theory model to study the strategic interaction between workers and capitalists, and particularly the possibilities of class compromise that emerge from the process. Important elements of this model are the respective rates at which capitalists and workers discount the future. If a class discounts the future at a high rate, it focuses on short-term costs and benefits and largely ignores the long-term situation. If a class discounts the future at a low rate, then appraisals of long-term outcomes are important in its calculations.

The future discount rates are not understood as psychological properties of the workers and capitalists. Rather they reflect the degree of uncertainty that class members have about the future, and this depends largely on the existence of social institutions able to defend class interests and protect any class compromise reached. Foremost among these institutions is the state; but the state has different relations with different classes, which is one reason why classes discount the future at different rates.

The working class must decide how much profits to appropriate for higher wages and how much to leave as capitalist income. The optimal working-class decision depends on both the rate at which capitalists invest and the rate at which workers discount the future. If the growth of output exceeds the rate at which workers discount the future, then the working class should adopt a strategy of class compromise allowing capitalists to retain as income a large share of profits. This strategy hitches the material welfare of the working class to long-term growth of the economy, not to redistribution of capitalist income. But if lagging capitalist investment causes the growth of output to fall below the workers' future discount rate, then the working class should struggle militantly against appropriation of profits by the capitalist class.

The capitalist class must decide whether to invest or disinvest, and this will depend on the share of profits appropriated by the working class and on the capitalists' own future discount rate. If the maximum possible growth of profits exceeds the capitalists'

future discount rate, then capitalists should make positive investments. However, if this condition is not satisfied, then the optimal capitalist strategy is to disinvest.

What is the predicted outcome of the strategic interaction between workers and capitalists? The standard way of analyzing noncooperative games involves finding the *Nash equilibria*, and typically the worker-capitalist game has only one: workers struggle militantly against capitalist appropriation of profits and capitalists disinvest. This outcome signifies unmitigated class conflict, but Nash equilibrium approach is not the only way of analyzing the worker-capitalist game.

An alternative approach, called the *Stackelberg solution*, requires specifying one participant as the dominant or leading player. The dominant player assumes her opponent will make the optimal response to whatever strategy the leader chooses. Using this best-response assumption, the dominant player then selects her optimal strategy, and the resulting strategy combination (leader: optimal strategy assuming best response, follower: best response to leader's strategy) is the Stackelberg solution corresponding to that particular dominant player. A second Stackelberg solution results if the other player is specified as dominant. The Stackelberg approach generates interesting possibilities of class compromise and an important role for the state.

Przeworski and Wallerstein consider four cases, each defined by the amounts of uncertainty (rate of discounting the future) characterizing workers and capitalists respectively:

	<i>Workers' Uncertainty</i>	<i>Capitalists' Uncertainty</i>
Case 1:	high	high
Case 2:	high	low
Case 3:	low	high
Case 4:	low	low

They discuss these four cases using elaborate symbolism and graphs, but it is possible to convey the same general ideas with simple two-by-two noncooperative games. In each of these games, workers must choose between strategies of militance (high profit appropriation) and nonmilitance (low profit appropriation), whereas capitalists must choose between strategies of investing and disinvesting.

Uncertainty represents doubt felt by class members about whether they can actually secure the potential benefits arising from a compromise between classes. Hence the respective uncertainty levels of workers and capitalists influence how they assess the outcomes of various strategy combinations.

Consider Case 1: both workers and capitalists feel uncertain about whether any class compromise would hold, and hence discount the future strongly. An example of this might be the political situation in France during 1936 when elections put the "Popular Front" coalition of the left into office. The strategic interaction between workers and capitalists under these circumstances is modeled by the game depicted in Figure 6.1.

This is a classic Prisoner's Dilemma. Militancy is a dominant strategy for workers, and disinvestment is a dominant strategy for capitalists. Together they result in the Pareto inferior Outcome D, which is also the only Nash equilibrium of the game, as well as both Stackelberg solutions (worker dominant and capitalist dominant). With so much mutual distrust and so much uncertainty about the future, no class compromise between workers and capitalists is possible.

If Outcome A (workers compromise, capitalist invest) is Pareto optimal, why doesn't the state impose this solution upon the contending classes? According to Przeworski's theory, the state cannot create a class compromise if the material basis for it does not exist. The foundation of state action in democratic capitalist societies is class compromise or at least the possibility of it. Moreover, the condition of the state is reflected in the uncertainty felt by both workers and capitalists. If a government had the capacity to broker a class compromise, then either workers or capitalists (or both) might not discount the future so strongly.

Consider Case 2: workers have high uncertainty about the future, but capitalists are confident they could secure the benefits of class compromise. Such class consciousness would arise with low unionization, weakly institutionalized labor relations, and little working-class influence on the state. A situation of this sort currently exists in the United States. Figure 6.2 presents a simple game that models strategic interaction between workers and capitalists under the conditions of Case 2.

Although Figure 6.2 resembles Figure 6.1, this game is not a Prisoner's Dilemma. Disinvesting is not a dominant strategy for



		Capitalists	
		Invest	Disinvest
Workers	Compromising	A 2, 2	B 4, 1
	Militant	C 1, 4	D 3, 3

**Figure 6.1** Strategic Interaction Between Workers With High Uncertainty and Capitalists With High Uncertainty (Case 1)

NOTE: The first number in each box indicates the value of the outcome for workers, and the second number indicates its value for capitalists. 1 indicates the most preferred outcome, 2 indicates the second most preferred outcome, and so forth. The letter in the upper right-hand corner of each box is for purposes of identification.

capitalists because their evaluations of Outcomes A and B have switched, and this change creates an opportunity for class compromise. Outcome D is still the only Nash equilibrium, and it is also the capitalists' dominant Stackelberg solution. However, Outcome A (workers compromise, capitalists invest) is now the workers' dominant Stackelberg solution, and this outcome represents class compromise. The workers, under Outcome A, come off relatively worse than the capitalists and live with a constant temptation to become militant. However, the militancy impulse is held in check by recognition that it would be met by capitalist disinvestment, to the disadvantage of all. Such awareness is precisely what is imputed to the Stackelberg leader. If a class compromise is to happen under these conditions, it is the working class that must shoulder its costs.

Consider Case 3: workers confident about the future and capitalists uncertain. This is exactly the reverse of the previous situation. It could happen if trade union organization were strong and centralized, labor relations were highly institutional-

		Capitalists	
		Invest	Disinvest
Workers	Compromising	A 2, 1	B 4, 2
	Militant	C 1, 4	D 3, 3

**Figure 6.2** Strategic Interaction Between Workers With High Uncertainty and Capitalists With High Uncertainty (Case 2)

NOTE: The first number in each box indicates the value of the outcome for workers, and the second number indicates its value for capitalists. 1 indicates the most preferred outcome, 2 indicates the second most preferred outcome, and so forth. The letter in the upper right-hand corner of each box is for purposes of identification.

ized, and the effective political parties represented the working class. Such conditions existed in the heyday of Weimar Germany, within Italy during much of the 1970s, and at various—but not recent—intervals of post-World War II English history. The matrix of a game representing strategic interaction in Case 3 appears in Figure 6.3.

Now the shoe is on the other foot. Outcome A—the class compromise outcome—is the capitalists' dominant Stackelberg solution and is relatively more advantageous for workers than for capitalists. If a class compromise, orchestrated by the state, happens in Case 3, the capitalist class will bear the costs of achieving it. Outcome A is not a Nash equilibrium, and the capitalist class languishes under the constant temptation to disinvest, a temptation curbed only by fear of provoking working-class militancy.

We come finally to Case 4, in which both workers and capitalists feel they have the capacity to get the benefits of class compromise. Conditions propitious for such consciousness are

		Capitalists	
		Invest	Disinvest
Workers	Compromising	A 2, 2	B 4, 1
	Militant	C 2, 4	D 3, 3

**Figure 6.3** Strategic Interaction Between Workers With Low Uncertainty and Capitalists With High Uncertainty (Case 3)

NOTE: The first number in each box indicates the value of the outcome for workers, and the second number indicates its value for capitalists. 1 indicates the most preferred outcome, 2 indicates the second most preferred outcome, and so forth. The letter in the upper right-hand corner of each box is for purposes of identification.

effective economic organization by both workers and capitalists, highly institutionalized labor relations, and a strong position within the international market. Sweden between the mid-1930s and mid-1960s meets these desiderata. The structure of strategic interaction, given bilateral confidence about the future, is represented in Figure 6.4.

The prospects for class compromise seem bright. The class compromise outcome (Outcome A) is a Nash equilibrium and is also both types of Stackelberg solution. Outcome D (unmitigated class struggle) is also a Nash equilibrium, but it is Pareto inferior. If bilateral confidence prevails, a government should have scant difficulty implementing compromise between workers and capitalists and reproducing capitalist social relations on that basis.

The class compromise state is Przeworski's way of acknowledging state autonomy without cutting the state entirely loose from its class moorings. The principal weakness of the models outlined above emerges from the substitution of Stackelberg solutions for Nash equilibria. If a class compromise is not a Nash

		Capitalists	
		Invest	Disinvest
Workers	Compromising	A 1, 1	B 4, 2
	Militant	C 2, 4	D 3, 3

**Figure 6.4** Strategic Interaction Between Workers With Low Uncertainty and Capitalists With Low Uncertainty (Case 4)

NOTE: The first number in each box indicates the value of the outcome for workers, and the second number indicates its value for capitalists. 1 indicates the most preferred outcome, 2 indicates the second most preferred outcome, and so forth. The letter in the upper right-hand corner of each box is for purposes of identification.

equilibrium, it is not self-enforcing: at least one class, whatever its level of political maturity, routinely encounters enticements to defect from the compromise. If the state plays an essential role in preventing such defections, then it surely operates in a more class-biased way than Przeworski wishes to acknowledge.

### Structural Dependence of the State

In 1973 the mathematical economist Kelvin Lancaster published an article entitled "The Dynamic Inefficiency of Capitalism" analyzing capitalism as a dynamic conflict between workers and owners of capital. Lancaster's differential game model of capitalism was inspired by both Marx and Keynes. From Marx he got the idea that workers and capitalists can be regarded as homogeneous classes with common interests that each pursues collectively. From Keynes he got the notion that savings decisions and

investment decisions are often separated and that this separation can disturb the process of capitalist accumulation. Lancaster's original contribution was to locate savings decisions with the working class and investment decisions with the capitalist class, and to analyze capitalism as an interaction process in which each class used those decisions under its control to advance its collective interests.

If each class acted rationally, Lancaster concluded, the capitalist accumulation process would have two phases. During the first phase, the working class would save as much as possible and the capitalist class would invest all its income. During the second phase, the working class would save as little as possible and the capitalist class would invest nothing. Although this so-called "bang-bang" solution expressed rational interaction between the classes, it was inefficient from the perspective of the capitalist system as a whole. The first phase of the accumulation process, during which savings and investment occurred, did not continue long enough. Had it continued longer, the welfare of both workers and capitalists would have increased. The essential reason for the inefficiency lies in the separation of the savings and investment decisions. Because capitalists receive only a fraction of the income increments generated by their investments, they value these investments less than does society as a whole.

Lancaster's model of class interaction under capitalism has been highly influential. Among other things, it has had a formative effect upon the analyses of class conflict and the state discussed in the previous section. More recently Przeworski and Wallerstein (1988) have adapted this model to examine the Marxist theory of structural dependence, which was mentioned in the quotation near the start of this chapter.

Structural dependence theory asserts that any government of a capitalist society, even a radical or socialist government, must respect the essential interests of the capitalist class. For if the government interferes with the capacity to make profits, then capitalists will automatically reduce their investment rate, economic growth will fall, and all classes will suffer. This relationship between profit making and investment derives from the basic structure of the capitalist economic system and requires neither political organization of the capitalist class nor any particular form of capitalist class consciousness.

Przeworski and Wallerstein simplify the Lancaster model by assuming that the wage share of national income (controlled by the working class) and the rate of investment (controlled by the capitalist class) remain constant over the entire time period considered. They also assume that workers and capitalists discount the future at the same rate, and, for purposes of solving the model, they treat the working class as the Stackelberg leader within the interaction process. After considering strategic relations between workers and capitalists without government intervention, they introduce a state and analyze what happens under various forms of taxation.

In the absence of a state, the rate of investment optimal for capitalists is inversely related to the share of wages in national income: the higher the wage share, the lower the optimal rate of investment. This severely limits the capacity of workers to redistribute national income. Rational workers can only hope to obtain a fixed share of national income even though the working class controls wages. This result confirms structural dependence theory: in the absence of a state the working class must respect capitalist profits.

What happens when a state sympathetic to the working class enters the picture? Suppose the state imposes an income tax on all capitalist income and transfers the proceeds to the working class. This policy changes nothing. The workers' and the capitalists' shares of national income remain exactly the same. A government cannot change the income distribution between workers and capitalists by means of a tax upon capitalist income. This result also confirms structural dependence theory: a state armed with an income tax policy must also respect capitalist profits.

But things change dramatically if, instead of taxing all of capitalist income, the state only taxes that part of profit earnings used for capitalist consumption (i.e., no tax upon investment funds). Przeworski and Wallerstein obtain the remarkable result that the rate of investment is completely unaffected by the tax on capitalist consumption. This tax policy seems to give the state a means for escaping structural dependence on capital. A government can increase the workers' share of national income by taxing capitalist income and transferring these revenues to the working class. By coordinating wage demands with taxation policy, the state can achieve virtually any income distribution

desired—including driving capitalist consumption to near zero—without reducing the rate of investment.

From these results, Przeworski and Wallerstein conclude that the state in a capitalist society is not structurally dependent upon capital in any static sense. A government sympathetic to the working class is not powerless in the face of capital. There exist policies by which it can redistribute income without wrecking the capitalist economy. Przeworski and Wallerstein do say that structural dependence may exist in a dynamic sense (as a result of capitalist anticipations about changes in state policy), but the thrust of their argument is entirely in the opposite direction. This refutation of structural dependence theory vindicates the claim of social democrats and Keynesian liberals that a pro-worker government can manage a capitalist economy to give workers as much as they would get under socialism. Hence socialism becomes ethically unnecessary and politically unlikely in democratic capitalist societies.

In his recent book *Democracy and the Market*, Przeworski reaffirms his critique of structural dependence theory:

The controversial question is whether this dependence is so binding on all democratically elected governments that the democratic process can have no effect on the policies followed by governments. My view is that all governments are to some degree dependent on capital but that this dependence is not so binding as to make democracy a sham. There is room for the democratic process to affect the outcomes. (Przeworski 1991b, p. 14n.)

Nor does he think structural dependence will stay the hand of dictatorial governments in capitalist societies:

Contrary to Marx, the last constraint [structural dependence of the state on capital] may turn out to be insufficient to protect the bourgeoisie from the state. In fact, several military regimes in Latin America did enormous damage to some sectors of the bourgeoisie: Martínez de Hoz destroyed one-half of Argentine firms, and the Brazilian military built a state sector that competed with private firms. (Przeworski 1991b, p. 68n.)

Przeworski appears to be jousting with a straw man. Structural dependence theory does not claim that democracy is a sham or

that structural dependence will always protect the bourgeoisie against the ravages of a military regime. The claims of the theory are much more modest. Any policy that limits profit making without transforming the institutional structure of capitalist production, asserts the theory, will generate severe economic consequences rendering it extremely difficult to continue the policy.

The theoretical argument against structural dependence is not nearly as overpowering as Przeworski and Wallerstein claim. Their model allows capitalists only extremely limited ways of responding to state policy: they cannot react in intelligent ways to severe attacks upon profit making. By theoretical fiat, capitalists are rendered short-sighted and essentially passive about state policy, to which they adjust rather than maneuver to change. By treating the working class and/or the proworker state as Stackelberg leader, Przeworski and Wallerstein deprive capitalists of even that limited strategic initiative available within their model.

Also weakening the argument against structural dependence is the tension between the limited sovereignty of the nation-state and the international mobility of capital. The nation-state cannot hope to control economic policy all over the capitalist world. This reality gives capitalists an obvious and powerful rejoinder to heavy taxation or other state policies unfavorable to profit making.

The Lancaster-Przeworski-Wallerstein formulation is a supply-side model that—notwithstanding Lancaster's salute to Keynes—neglects effective demand. It misrepresents class relations because it neglects another form of structural dependence: dependence of the capitalist class on working-class consumption. As the model now stands, the capitalist class would happily cut working-class consumption to zero, taking all national income as profit.

Mayer and Mott modify the Lancaster-Przeworski-Wallerstein formulation by making economic growth depend upon effective demand (Mayer and Mott 1990). This alters what had been a monotonically declining relationship between wages and investment. Now manipulating income distribution through taxation becomes extremely complicated if not impossible. And if the capitalist class is permitted a more active role—for example, treated as Stackelberg leader or allowed to maximize something other than short-term capitalist consumption—then structural dependence of the state reappears with a vengeance.

## Democracy

Virtually all Analytical Marxists place a high value upon democracy, not only as a means for the attainment of social and economic objectives but even more as an end in its own right. Several have criticized classical Marxism for its instrumental attitude toward democracy and theoretical indifference to human rights. Marxism, write Samuel Bowles and Herbert Gintis, lacks a firm dedication to democracy: "Classical Marxism is theoretically anti-democratic in the same sense that any political philosophy that fails to conceptualize the threat of state authoritarianism, and the centrality of privacy and individual liberty to human emancipation, provides a haven for despots and fanatics" (1986, p. 20).

The overriding theoretical question concerns the relationship between capitalism and democracy. Modern liberalism maintains that a capitalist economy is necessary for stable democracy because capitalism makes productive property an effective base of individual power, thereby limiting the domain of state authority. Most Analytical Marxists think otherwise. They see an inherent tension between capitalism and democracy because wealth is a form of domination and the capitalist economic system is profoundly undemocratic. Capitalist democracy involves an unstable balance between democratic and authoritarian forces, with the former represented by the growth of individual rights and the latter by the expansion of capital.

How can the citizen rights of a democratic polity be reconciled with the property rights of a capitalist economy? Why aren't citizen rights used to eliminate property rights or, vice versa, property rights to abolish citizen rights? Bowles and Gintis (1986, pp. 41-47) identify four ways in which citizen rights and property rights have been reconciled during the history of capitalism. The first reconciliation—named the *Lockean accommodation* by Bowles and Gintis—involved disenfranchising the working class because it might challenge the dominance of property. This arrangement gradually eroded because the capital-owning classes sought to ally themselves with the propertyless masses against the bastions of aristocratic privilege.

The second reconciliation between citizen rights and property rights, stimulated by the American Revolution and called

the *Jeffersonian accommodation*, became important mainly within the United States, with its abundance of land. The Jeffersonian accommodation gave, or proposed to give, all citizens—that is a subset of white men—some productive property. Citizen rights and property rights would be reconciled by making everyone who really counted a property holder. The Jeffersonian accommodation was entirely unfeasible in most regions of emerging capitalism, and even within the United States the immense concentration of property induced by capitalist development soon undermined any possibility of carrying it out (Bowles and Gintis 1986, pp. 47-51).

The idea behind the third or *Madisonian accommodation* was divide and conquer: social fragmentation of all potential challengers to property. Numerous cross-cutting cleavages, it was argued, would prevent the masses from achieving enough unity to endanger the property-owning classes. Eventually, however, the growth of the working class and of working-class organizations invalidated the premises of the Madisonian accommodation (Bowles and Gintis 1986, pp. 51-55).

The most recent effort to reconcile the prerogatives of citizenship and property, the *Keynesian accommodation*, used mediation by the state to achieve an alliance between democracy and capitalism. By combining limited social welfare with prudent macroeconomic management, state policy could satisfy the interests of both labor and capital. In the United States and elsewhere, the state mediated a compromise by which capital accepted labor unions, guaranteed minimum living standards, and provided relatively full employment, while labor conceded capitalist control over production and investment and acknowledged profitability as the basic guide to resource allocation.

The Keynesian accommodation deradicalized the labor movement and weakened right-wing capital. It did not, however, abolish the basic contradiction between economic privilege and democratic rights. Eventually the Keynesian accommodation sabotaged itself by fostering a profit squeeze crisis, which was also brought on by the revival of international economic competition during the 1970s and 1980s (Bowles and Gintis 1986, pp. 55-62).

Like several other Analytical Marxists, Bowles and Gintis interpret democracy very broadly: it is a characteristic of all social relations, not of the state exclusively. They deny any inherent

opposition between democratic practices and economic efficiency. Without democratic organization of the workplace, economic security conflicts with willingness to work: under hierarchical management, the economically secure resist working. But worker-owned and democratically controlled firms can avoid this conflict. Without the structural opposition between workers and management, they have lower surveillance costs and can actually achieve greater efficiency than traditional hierarchically organized capitalist firms.

To accommodate this broad interpretation of democracy, Bowles and Gintis propose a synthesis of the Jeffersonian and Marxian social visions, which they call *postliberal democracy*. This stresses workplace democracy and community empowerment rather than expansion of the state. Four important elements of postliberal democracy are (a) democratic accountability of major economic actors, whoever these actors may be; (b) secure access to economic livelihood; (c) development of a truly democratic culture; and (d) a range of democratic institutions standing between the individual and the state (Bowles and Gintis 1986, pp. 204-05). In certain respects, postliberal democracy resembles the classical Marxist concept of socialism, but it takes liberty and popular sovereignty as the ultimate objectives of social organization. Whether an economy operates through markets or through planning is not of fundamental theoretical or moral significance and should be decided on pragmatic grounds.

Fearing democratic institutions will become ineffectual or unstable if they attempt too much, Adam Przeworski gives a more circumspect account of what democracy means (Przeworski 1991b). The essence of democracy is pervasive uncertainty about the outcome of the political process and determination of political results by "the people," or rather by competition between organized forces promoting popular interests and values. Uncertainty about outcomes arises because democracy is a system of decentralized strategic action in which available knowledge is local rather than global. The crucial step in the formation of democracy is the transfer of power from a group of people to a set of rules.

Przeworski recognizes the vulnerability of democratic institutions and tries to identify the conditions making them stable. The stability of democracy depends upon the loyalty of the losers

in democratic competition. What makes these losers comply with outcomes unfavorable to themselves rather than subverting the democratic process?

Several time-honored explanations of compliance by losers are explicitly rejected by Przeworski. Democratic compliance could not result from adherence to a prior social contract. Contracts are by nature enforced from outside, and nothing stands above the will of the parties establishing the democratic system. Nor can the concept of legitimacy explain compliance with democratic decisions. Legitimacy pertains to individual values, and democracy is threatened not by isolated individuals but only by organized political forces. Normative commitments to democracy certainly exist and probably influence political action, but Przeworski thinks they are unnecessary for explaining the stability of democratic institutions.

Stable democracy is a self-enforcing system: an equilibrium of contending political forces. The abstract conceptual foundation for this view comes from recent developments in game theory showing that cooperation can be enforced even in the absence of central authority. More specifically, if games involving choices between cooperation and noncooperation (e.g. Chicken, Prisoner's Dilemma) are played repeatedly and if the outcome of each game is observed, then cooperative behavior can be enforced as an equilibrium, provided the players are sufficiently patient. The mathematical results implying the existence of cooperative solutions to interactive situations are known as folk theorems for repeated games (Fudenberg and Tirole 1991, pp. 150-97).

Democracy is a self-enforcing system when losers in the democratic competition find it advantageous to accept their defeat and try again in the future and disadvantageous to overthrow or undermine democratic institutions. This happens because the cost of losing is not overwhelming (effectiveness prevails), and losers think they have a reasonable chance of winning in the future (fairness exists). If either of these conditions do not hold—if the costs of losing are prohibitive (lack of effectiveness), or if chances of winning in the future seem very small (lack of fairness)—then democratic institutions are endangered. The greater the effectiveness of a democratic system, the less fairness is required to preserve its existence, and vice versa (Przeworski 1991b, pp. 26-34).

But there remains a certain tension between what Przeworski calls fairness and effectiveness. Fairness requires protecting all major interests, but effectiveness may demand harming some of these interests to make the democratic system work reasonably well. In particular, any significant economic transformation entails damage to some important political interests. Enough tension between fairness and effectiveness can destabilize a democratic system; thus it would seem that a democratic system is not well suited for making economic revolutions: "A stable democracy requires that governments be strong enough to govern effectively but weak enough not to be able to govern against important interests" (Przeworski 1991b, p. 37).

Uncertainty is central to Przeworski's understanding of democracy, but he also acknowledges that uncertainty exists under dictatorship. Democratic uncertainty and dictatorial uncertainty are, however, quite different. The uncertainty characteristic of democracy derives from the decentralized nature of the system. Citizens of a democracy are very clear about the political possibilities but uncertain regarding the outcome of the democratic decision process. By contrast, the uncertainty of dictatorship stems from ignorance about the wishes of the dictator, and means a more fundamental confusion about what possibilities exist.

Przeworski draws a very sharp contrast between democracy and dictatorship, making it hard to see how he would characterize intermediate political systems such as limited franchise democracy or oligarchic rule. The interaction between factions in an oligarchy might have some of the characteristics Przeworski attributes to democracy. Conversely, the relationship between those without franchise and the state in a limited democracy resembles dictatorship.

Przeworski's earlier work pioneered sophisticated ways of combining class analysis with theories of the state, but class relations are strangely absent in his recent thinking about democracy. Although the democratic state must not govern against important interests, it has no explicit class identity and is not specially constrained by class relations. In contrast to Bowles and Gintis, Przeworski finds no strong antagonism between citizen rights and property rights. The perils confronting democracy are problems of institutional organization, not problems

emanating from class struggle. Far from being a contradictory system, democratic capitalism may be the only viable form of democracy in the modern world.

### Political Aspects of Full Employment

An early application of what amounts to a strategic conception of the state is Michał Kalecki's analysis of government policy toward full employment. Published during World War II, Kalecki's assessment still provides relevant insights about the strategic relationship between government leaders and the capitalist class, and about differences between how democratic and fascist states function within a capitalist economic context (Kalecki [1943] 1971, pp. 138-45).

Kalecki asks why capitalist states do not routinely adopt policies insuring full employment:

The assumption that a Government will maintain full employment in a capitalist economy if it only knows how to do it is fallacious. In this connection the misgivings of big business about maintenance of full employment by Government spending are of paramount importance. This attitude was shown clearly in the great depression of the thirties, when big business opposed consistently experiments for increasing employment by Government spending in all countries, except Nazi Germany. This attitude is not easy to explain. Clearly higher output and employment benefits not only workers, but businessmen as well, because their profits rise. (Kalecki [1943] 1971, p. 138)

Kalecki gives three general reasons why business leaders tend to oppose full employment accomplished through government spending: (a) intrinsic dislike of government interference with employment, (b) dislike of public investment and government-subsidized consumption, and (c) opposition to political changes resulting from full employment.

Under a *laissez-faire* capitalist system, government relies upon business confidence to maintain decent levels of employment. Hence the state must avoid doing things that might undermine business confidence: that is, the state is dependent upon capital.

But when the government learns how to increase employment through its own spending, state dependence upon capital declines, and political leaders need not accept the policies favored by big business. Business leaders oppose government intervention in the economy partly because it reduces their leverage upon the state.

The capitalist class opposes public investment because it might compete with private investment, and opposes subsidized consumption because it might subvert the work incentive. Full employment may boost profits but is hardly an unmixed blessing for captains of industry: it weakens labor discipline and renders the working class more aggressive.

The arguments above pertain to a democratic capitalist state. Many things change under fascism. Business opposition to full employment is vastly reduced because the absence of democracy allows stronger and more stable capitalist control over government economic policy. Under fascism, the working class can be disciplined through political pressure; unemployment is no longer necessary for this purpose. Soon, however, the economic objectives of the fascist state shift from achieving full employment to securing armaments. The upshot is decreased consumption by the masses and ultimately war.

How do business leaders propose dealing with an economic slump within a democratic polity? In the absence of a firm alliance with the government, the capitalist class favors combating the slump by stimulating private investment through tactics like lowering the interest rate or reducing the income tax. Kalecki believes that stimulating private investment in these ways will rarely prevent mass unemployment. These processes create what Kalecki calls a "political business cycle."

During an economic slump, the government of a democracy, encountering stiff pressure from workers suffering from or threatened with job loss, tries to increase employment through public investments financed by borrowing. This policy, if pursued aggressively, will be successful and will initiate an economic upswing. Soon, however, the capitalist class and its rentier allies will feel severely threatened by the prevailing combination of government economic intervention, deficit financing, and rising prices. The capitalists and rentiers successfully lobby the government to revert to an orthodox policy of cutting the budget

deficit. This eventually leads to a renewed slump, and then a renewal of deficit-financed government spending. This business cycle is specifically political because its main dynamics flow from class-generated political pressures upon the state.

One may question whether the economic dynamics of capitalism are as straightforward as Kalecki suggests, but his analysis does identify a recurring political interaction between the classes of a democratic capitalist society. Although originally conceived to explain what happened during the Great Depression of the 1930s—an event that now seems like ancient history—the relevance of Kalecki's model to capitalist politics during the final decade of this century is evident.

### Conclusion

Analytical Marxism has no political line. The politics of its practitioners vary, if not all over the map, at least enough to make impossible any coherent party platform. Nowhere is this political diversity more evident than in discussions about the state, which show far less mutual consistency than Analytical Marxist work on exploitation or class. One cannot even say whether Analytical Marxism vindicates or refutes the structural dependence of the state upon capital, sometimes called the central claim of Marxist political theory.

The diversity of Analytical Marxist political analysis may reveal the limitations of the strategic conception of the state. Although this conception provides theoretical flexibility, circumvents the twin pitfalls of voluntarism and determinism, and facilitates the use of game theory for modeling political action, it gives very little guidance about how theories of the state should be formulated. The strategic conception is uncomfortably reminiscent of a blank slate upon which almost any theory of the state can be inscribed. It offers far less direction to political theorists working within the Marxist tradition than did the functionalist notions of classical historical materialism.

On the other hand, the heterogeneity of Analytical Marxist theorizing about the state may be an unwitting reflection of a skepticism about state power induced by the sordid history and



recent collapse of Communist regimes. Most contemporary Marxist thinkers are dubious about or outrightly hostile to the idea that state power can remake society, the central proposition of the Leninist theory of revolution. Historical experience, viewed from the last decade of the 20th century, seems to indicate that total reliance upon state power is a horrendously costly and ultimately ineffective approach to social change. The state cannot be everything, but denying it any role in transforming society would also fly in the face of historical evidence and common sense. What should that role be? Is a democratic state a potential catalyst of revolution, a guardian of the status quo, a contradiction in terms, or none of the above?

If Analytical Marxism is anything more than a theoretical flash in the pan, it cannot neglect these questions and others like them. Answers to questions about the role of the state in transforming society, or at least enlightenment about such issues, are what serious students of society expect from a Marxist theory. I expect to see much Analytical Marxist writing about the state in the next few years; and political relevance is not the only reason why.

A guiding theme of Analytical Marxism has been connecting class analysis with theories of strategic rationality. Political affairs, the domain par excellence of strategic rationality, must be central to such an endeavor. In politics one confronts not an impersonal objectified market, not a sequence of actions dictated by technological rationality, not the emotionally overburdened confrontations of family life, not the routinization commanded by bureaucratic authority, but rather a cunning interplay between calculating agents for highly valued and tolerably well-defined political stakes.

Chapter 5 discussed the idea that classes are formed by class struggle. The strategic conception of the state, on the other hand, makes politics a central domain of class struggle and thus an important source of class formation. Following this logic, the state should be a place where the primordial elements of class get converted from "might be" to "is" or "is not." Here lies a possible nexus between class, state, and rationality. If efforts to connect class analysis with strategic rationality make any sense at all, they should help us understand the structure of states and the dynamics of political action.

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## REVOLUTION

### Analytical Marxism and the Theory of Revolution

Revolution is a hazardous enterprise both for revolutionaries and for a revolutionized society. The penalties for unsuccessful revolutionary action are severe, and the prospects of changing society for the better—if reckoned optimistically—are extremely slim. Whatever benefits an accomplished revolution may have do not belong exclusively to those who shoulder the risks; in fact, activists are prone to be victimized by the astonishing vicissitudes of revolutionary power. In view of these realities, how do revolutionary movements happen? Why would any rational person undertake such an unrewarding activity?

Social theory has responded to these questions in two different ways. One response acknowledges the importance of individual volition but denies that rationality has much to do with revolutionary action. The second response minimizes the importance of volition and relies upon a comprehensive structuralism to explain revolution. This structuralist approach characterizes Jeffrey Paige's pathbreaking work on agrarian revolution in the underdeveloped world (Paige 1975) and is carried even further in Theda Skocpol's comparative study of the French, Russian and Chinese revolutions (Skocpol 1979). Social revolutions, Skocpol argues, only make sense from a structuralist and nonvoluntarist perspective that is attentive to institutionally determined relations between groups. Revolutionary outcomes are perpetually different from those intended by any participants, and this is taken as clinching evidence against voluntarism of any sort.