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Marx and the Logic of Social Theory: The Capitalist State

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ABSTRACT: This paper examines the logic of explanation in the political theory of Karl Marx, and specifically in his theory of the capitalist state. Major controversies have centered around the status of the instrumentalist and state autonomy conceptions in Marx's work, and also around the value of the functionalist logic of explanation that Marx allegedly employs. Major interpretations and criticisms of Marx's conception and logic are evaluated on the basis of a reading of the explicitly political texts written by Marx after the 1848 revolutions. I argue that only a version of state autonomy associated with Marx's general concept of alienation appears in these writings as a descriptive conception of characteristic capitalist states. I particularly argue that functionalist interpretations that posit conscious collective actors are incompatible with Marx's own analyses.

THE THEORY OF THE CAPITALIST STATE has long been one of the most influential and controversial conceptions developed by Karl Marx. It has also been the subject of an extraordinary number of major reinterpretations in the last two decades. Traditional assumptions about Marx's analysis have been questioned and new controversies have developed about its value. In fact, recent interpretations have raised many more new issues than they have resolved, and this situation has left the question of the value of Marx's ideas for future developments in social and political theory more open than ever.

Interpretations of the Theory of the Capitalist State

The 'instrumentalist' interpretation is based especially on celebrated statements in *The German Ideology* and the *Communist Manifesto* where the state is characterized as "the form in which the individuals of a ruling class assert their common interests" and "a committee for managing the common affairs of the whole bourgeoisie" (CW 5, 90; CW 6, 486).¹ Despite the extreme brevity and ambiguity of such statements, they have provided a basis for inferring a descriptive conception that allegedly characterizes all Marx's work: state action is under the direct control of capitalists and is utilized as a reliable vehicle to maximize the long-term interests of the capitalist class (see Draper, 1977, 191, 251–262; Jessop, 1982, 15–16; Miliband, 1983, 9). This conception has often been criticized as part of a simplistic "reductionist" model which cannot account for many important features of capitalist societies (Elster, 1985, 402–5, 409; Jessop, 1982, 15–16; Das, 1996, 28–31).

Most writers now agree that a second, "state autonomy" formulation also occurs in Marx's writings. However, crucial differences remain about its meaning and its importance in Marx's work. One such conception has been identified in the earliest writings by Marx and is closely associated with his initial formulation of the general concept of alienation: social institutions, which are human creations, acquire an existence separate from and out of the control of their creators, turning into hostile powers that dominate and oppress them (see Avineri, 1968, 48–51; Hunt, 1974, 63; Ollman, 1976, 212–1; Wood, 1981, 3–7). Marx thus refers to the state in 1842 as "an entity alien and ulterior to civil society" which "asserts itself over against civil society" and says that "in the bureaucracy . . . the state interest becomes a particular private aim over against other private aims" (CW 3, 48–50). This conception will be termed "alien autonomy."

However, the most influential and extensively documented state autonomy interpretation is probably the one associated with Nicos Poulantzas. Poulantzas rejects instrumentalism and consigns the conception of alien separation between state and society to Marx's "youthful problematic" (1973, 124–5, 134–6, 256–7). Based mainly on the

1 Except as noted, all statements by Marx are from Karl Marx and Friedrich Engels: *Collected Works* (1974–1998), which is abbreviated CW followed by volume and page numbers.

analyses of French politics which Marx wrote after 1848, Poulantzas claims the capitalist state characteristically "assumes a relative autonomy with regard to the bourgeoisie." This autonomy is said to "follow from" the state's "strictly political function," especially "the particular function of constituting the factor of cohesion" in a class-divided social formation. This function includes promoting political organization of the dominant classes, and political disorganization of the dominated classes (1973, 44, 287).

Poulantzas maintains that state autonomy represents a "delegation of power" by capitalists to the state: the "meaning" of Marx's analyses of France, Germany and Britain is that "the capitalist State best serves the interests of the capitalist class only when the members of this class do not participate directly in the State." Autonomy allows the state to sacrifice short-term class interests and the interests of class fractions when this is "useful" or "necessary" to realize the "political interests" of the dominant class as a whole (1966, 65-66; 1969, 73; 1973, 190-3, 285; see also Draper, 1977, 334). Moreover, this is an "objective" relation that occurs "by reason of the system itself; it is not reducible to "interpersonal" relations or to individuals' "motivations of conduct" (1969, 70-71, 73; 1973, 283, 288). Following Louis Althusser, Poulantzas argues that "agents of a social formation" act in the real world as "supports" and "bearers" ("*trager*") of an "ensemble of structures" (1969, 70; 1973, 62, 66).² As Jon Elster points out, this appears to mean that structural constraints so confine the alternatives available to individuals, that explanations in terms of individual choice possess little or no value (Elster, 1984, 113-14; 1985, 9-10). The influence of Althusser diminishes in later writings by Poulantzas, but Poulantzas continues to maintain that relative autonomy is "constitutive" of the capitalist state which "has to represent the long-term political interests of the whole bourgeoisie" (1975, 24-5; 1976, 71, 74-5; 1978, 128, 132, 135-7).

This interpretation can be called "interest autonomy." It is now commonly accepted as representing the "overall structure of Marxist theories of the state" in general (Przeworski, 1990, 83).³ This in

2 Jessop (1985, 157) criticizes this interpretation of Marx.

3 Both Cohen (1978) and Wood (1981) provide functionalist interpretations of Marx's general social theory. The importance of functionalist logic in recent Marxist theories of the state has been thoroughly documented by Elster (1982), Jessop (1982), and Das (1996), among others.

turn has generated a fundamental controversy about the value of Marx's conception for future developments in social theory.

Jon Elster: Marx, Functionalism and Rational Choice

Jon Elster ascribes a conception of state autonomy to Marx which is very similar to the one presented by Poulantzas; but in contrast to Poulantzas and many others, Elster claims that the functionalist explanatory logic employed by Marx is untenable. According to Elster, Marx conceives the capitalist class as a conscious collective actor which "as such *decided* to abstain from political power." This "abstention" is explained solely by the "objective collective benefits" of a "blurring of class lines" received by the capitalist class. Workers are rendered ineffective because they are divided between two enemies, capital and government, and their attention is deflected from conflicts with capitalists themselves. These long-term benefits exceed any short-term losses resulting from lack of direct political control, so the overall class interests of capitalists are maximized (1985, 383, 399, 411, 415, 426; see also 1982, 458; 1984, 98-99, 102).

Elster claims this "long-term functionalist" explanation is arbitrary, because manipulation of the time dimension virtually assures discovery of "functional" consequences. It is also inconsistent because positive long-term effects could only dominate short-term negative ones in the presence of a conscious intentional actor, which excludes collectivities such as social classes. The explanation offered by Marx is fallacious and "largely unsuccessful" because he fails to identify causal mechanisms ("microfoundations"), operating at the level of individual human beings, which would provide a feedback loop between explanans and explanandum (1982, 458-9; 1985, 6, 17, 27-8, 31; 1984, 34-35). Methodological individualism requires intentional explanations: collective outcomes must be explained by individual actions which in turn are explained by individual intentions, including beliefs and desires (Elster, 1983a, 70-72; 1985, 15-16).

Elster argues for a strong disposition in favor of rational choice models to provide the microfoundations lacking in Marx's work. These models assume that individuals choose the most preferred from among a "feasible set" of mutually exclusive courses of action, based on "well behaved" preferences for outcomes associated with each alternative. Choices for uncertain outcomes occur over probability

distributions ("lotteries"). At least two specific assumptions are crucial for rational choice under these circumstances. First, the "dominance principle" asserts that if alternative *a* is better than *b* in one state and at least as good in all other states, *a* should be chosen. Second, "invariance" requires that the same choice problem should yield the same preferences, independent of how alternatives are described (Elster, 1983b, 6–9; 1985, 9, 16; Harsanyi, 1986, 86–88; TK, 1988, 168–9). Elster and others have also proposed "subintentional" causal explanations for changes in desires (preferences), beliefs and feasible sets. These include structural constraints on feasible sets, and the effects of class position and socialization on desires and beliefs. Finally, aggregate outcomes are to be explained with "supra-intentional" causal analyses of interactions of individuals. However, these outcomes may be different from and even contrary to the individuals' intentions (Elster, 1983a, 54, 77–88; 1983b, 141–166; 1984, 113; 1985, 18–27; Harsanyi, 1986, 106).

Elster claims that the influence of Marx's conception of the state has been mostly "harmful," and the obvious implication is that it should be avoided as a source of inspiration for future developments in social and political theory (1985, 35, 399). Others have mounted defenses of functionalism against the kind of criticisms leveled by Elster (examples are Cohen, 1982; Wetherly, 1992). However, the balance of this paper will reassess the interpretations that have generated these criticisms. Previous work has clearly documented the inconclusiveness of the generally brief, vague, and inconsistent comments which Marx wrote concerning the state prior to 1848 (see Hunt, 1984, 6–9; Jessop, 1982, 15, 16; Thomas, 1994, 27–8, 90–1). The present analysis will therefore concentrate on the detailed political analyses written by Marx after the 1848 revolutions.

Capitalism and Democracy

The classical expression of the political interests of the capitalist class appears in the program of the British Manchester School (the "Free Traders"), the "official representatives of modern English society." This program asserted the "subjection of society to . . . the rule of those who are directors of [capitalist] production." Its "last word" was the "bourgeois republic" where "free competition rules supreme" and "there remains the *minimum* only of government which is indis-

pensable for the administration, internally and externally, of the common class interest and business of the bourgeoisie." Its "nearest object" is parliamentary reform that would "transfer to [capitalists'] hands the legislative power necessary for such a revolution" (CW 11, 333-4; see also CW 31, 30). This is obviously an elaboration of the characteristics of the instrumentalist state, but Marx presents it only as a statement of capitalists' long-term class interests. It does not describe the functioning of any actual state institutions.

In 1843 Marx explicitly associated the system of universal suffrage and democratic rights ("political emancipation") with capitalism ("civil society"), calling it a "great step forward" (CW 3, 155, 165; CW 4, 115-7). This relationship is developed more fully in 1848: "the absolutist state became a restrictive fetter" for capitalists who "had to lay claim to a share in political power, if only to assert [their] purely material interests." Rights such as freedom of the press and freedom of association were necessary to "attain this aim"; but these rights "could be demanded from the government only under the slogan: popular rights and popular liberties" (CW 8, 158-9, 165).

These interests are embedded in the series of conflicts that Marx attributes to a capitalist society. The basic and "irreconcilable" conflict between capital and wage labor over the exploitative appropriation of surplus value is supplemented by additional conflicts as Marx drops the simplifying assumptions of his basic two-class model (Meek, 1956, 146-56). The expansion of large-scale capitalist production occurs at the expense of independent small scale producers (urban and rural) who are subject to various forms of "indirect" exploitation, including interest and taxation (CW 35, 620-23; CW 37, 791-800; CW 10, 74, 120-123; CW 11, 190). At the same time, conflicts occur within the capitalist class because the revenues of landowning and finance capitalists (along with state revenue) constitute deductions from value produced by industry. The interest of industrial capitalists in minimizing these deductions conflicts with the "mania" of finance capitalists "to get rich not by production but by pocketing the already available wealth of others" (CW 10, 51; CW 35, 221-33; CW 37, 292-9). Moreover, control over money gives finance capital "fabulous power" to "decimate the industrial capitalists periodically" and to "interfere in actual production in the most dangerous manner" (CW 37, 541). At the same time, the ground rent received by land-

owners represents a monopoly price which contributes nothing to the value of industrial production (CW 31, 326, 379; CW 37, 758).

The political program of capitalists was originally developed in the context of the British and French revolutions of 1648 and 1789 which reflected the interests of all classes against the old order (CW 8, 161). However, maturation of the characteristic class conflicts of capitalist societies had created different conditions by the time the French Constitution of 1849 was promulgated:

The most comprehensive contradiction in the Constitution consists in the fact that it gives political power to the classes whose social slavery it is intended to perpetuate: proletariat, peasants and petty bourgeoisie. And it deprives the bourgeoisie, the class whose old social power it sanctions, of the political guarantees of this power. It imposes on the political rule of the bourgeoisie democratic conditions which constantly help its enemies towards victory and endanger the very basis of bourgeois society. (Marx, 1974b, 71; see also CW 10, 79.)

The appearance of the term "contradiction" in this statement is comparable to a central usage that has been identified elsewhere in works of Marx. It specifies a fundamental conflict between structural principles that tend to be mutually undermining if they operate simultaneously in the rules of a society's institutions.⁴ The specific contradiction in the French Constitution reflected a basic contradiction underlying capitalists' classic political program: state policy was expected to maximize the long-term class interests of the minority of capitalists; but the democratic means designed to achieve that result assign political control to a majority of non-capitalists under circumstances of mutual conflict of interest. However, the term "endanger" in the above statement does not imply that it is impossible for political democracy to operate in a capitalist economy, any more than internal contradictions make the operation of a capitalist economy impossible. The implication here, as in a capitalist economy, is that long-term stable equilibrium is not achievable, so the political process is continuously threatened by instability, cyclical fluctuation and

4 This interpretation seems similar to Anthony Giddens' formulation: "the operation of one structural principle in the reproduction of a societal system presumes that of another which tends to undermine it" (Giddens, 1983, 231-33).

crisis (see Harvey, 1982, 103, *passim*; Godelier, 1972a, 69–71, 77–82, 183–6; Offe, 1984, 133). The exact consequences of the contradiction are developed in the specific analyses of coalition politics which Marx wrote after 1848.

Coalition Politics in France: 1848

Marx explains in *Class Struggles in France* (1850) that the French regime before 1848 was dominated by one faction of the capitalist class, the “finance aristocracy,” which blocked financial reforms while it enriched itself with state debt and “speculative orgies.” “The interests of the industrial bourgeoisie were bound to be continually endangered and prejudiced under this system” (CW 10, 48–50). As a result, the French revolutionary coalition of 1848 included industrialists along with workers, the petty bourgeoisie and peasants who formed a Provisional Government based on the democratic features of capitalists’ classic program. The members of this coalition were initially unaware of any contradictions: everyone shared the “illusion” that class divisions were a “mere misunderstanding” (CW 10, 56–8). However, Marx says that the coalition “could not be anything but a compromise” among groups “whose interests were mutually antagonistic” (CW 10, 53; CW 11, 109). Structural constraints limited the feasible sets of coalition participants, but these alone do not explain the failure of the revolutionary coalition.

The evolution of the coalition is explained by Marx on the basis of internal conflicts over short-term economic policies. The provisional government confronted a growing deficit and a general paralysis of credit. But credit rests on “confidence” in the “undisturbed . . . recognition of the existing economic class relations,” so economic programs promised to workers for participation in the 1848 revolution became “fetters which had to be struck off” (CW 10, 59, 62). Retraction of these programs and restrictions on public assembly brought “the first great battle . . . fought between the two classes that split modern society” (CW 10, 67). Decisive defeat of workers in the “June days” included shooting of prisoners, jailing and deportation without trial, and imposition of restrictions on the freedoms of press and association (CW 10, 68, 73, 77). These events stimulated capitalists throughout Europe to “league openly with the feudal monarchy,”

but the bourgeoisie was the “first victim” of this because “the June defeat prevented it from consolidating its rule” (CW 10, 70).

Coalition leaders attempted to “ingratiate the republic with the bourgeoisie” by imposing taxes on the peasants rather than capitalists; they rejected measures to alleviate debt, allowing the “sacrifice of petty-bourgeois debtors to bourgeois creditors”; and they prohibited progressive taxation, eliminating “the only means of binding the middle strata of the bourgeoisie” to the republic (CW 10, 61, 73–5, 78). The revolutionary coalition disintegrated because the support of workers, peasants and petty bourgeoisie was sacrificed to short-term economic gains for large capitalists. The election of Louis Bonaparte as President in 1848 occurred because the “petty bourgeoisie and proletariat had voted *en bloc* for Napoleon” who “was the collective name of all parties in coalition against the bourgeois republic” (CW 10, 80–81).

Industrialists reacted to the June Days by sacrificing all of the interests that had brought them into the 1848 coalition to form the “Party of Order” with landowners and financiers. Marx offers an unambiguously intentional explanation for this: “The reduction of [the manufacturer’s] profit by finance, what is that compared with the abolition of profit by the proletariat?” (CW 10, 116–7). However, Marx is clear that these results were not structurally necessitated to prevent a serious threat to the capitalist system or to the vital long-term interests of the capitalist class. The French working class was “incapable of going beyond the bourgeois republic” and its specific demands posed no threat to the capitalist order (CW 10, 56, 63, 66). Nevertheless, capitalists believed that they confronted a full-scale revolutionary threat and supported repressive measures inconsistent with the democratic program that the 1848 coalition brought with it to power.

Coalition Politics in Germany and Britain

Marx says that the political status quo in Germany had become a “restrictive fetter” on the class interests of capitalists. Despite “hostile and contradictory interests,” members of the revolutionary coalition of 1848 were still “welded together by the same interests” in face of a state power which “oppressed them [all] equally” (CW 8,

169, 263). However, a credit crisis created an immediate need for "restoration of confidence." The revolutionary regime responded by "strengthening of state power" and "suppression of every political stirring . . . in all social strata whose interests do not completely coincide with those [of capitalists]" (CW 8, 170). German capitalists thus confronted the contradiction in their classic political program: the "weapons" developed against "feudal society, such as the right of association and the freedom of the press, were . . . bound to be destroyed" when the "deluded people" displayed an inclination "to use them against the bourgeoisie" (CW 8, 165). However, repression reinforced the state power hostile to capitalists' interests, reflecting the "deluded view" of capitalists that the army, police and bureaucracy "were in the pay of the bourgeoisie, [and] were therefore at its service" (Marx, 1974a, 205; CW 8, 172). Repression also alienated the support of workers, peasants and the petty-bourgeoisie. Consequently, "the people, at the decisive moment, remained indifferent" (CW 8, 177). Intending to "economize on the costs of bourgeois rule" the revolutionary regime inadvertently "burdened the bourgeoisie with the exorbitant millions which was the cost of the restoration of feudal rule in Prussia" (CW 8, 170). According to Marx, state autonomy in Germany was the unintended result of "short-sighted, narrow-mindedness" and pursuit of the "most narrow, immediate interests" on the part of German capitalists along with distorted perceptions of threats to their vital interests (CW 8, 168-9, 175-6).

Marx claims that British capitalists could have secured political domination with the coalition they forged to repeal the Corn Laws. But they "neglected to draw the necessary political and economic conclusions." Capitalists enabled the aristocracy to sustain its "hereditary monopoly of government" because they "prefer compromise with the vanishing opponent rather than to strengthen the arising enemy" (CW 11, 335). According to Marx, capitalists first confronted the contradiction in their original program when they "enticed the industrial proletariat into an insurrectionary movement" against the Corn Laws, but withdrew support for the Charter and prosecuted Chartist leaders when demonstrations turned against capitalists themselves (CW 12, 436; CW 4, 520-3). British capitalists continued their attempts to gain political power through the 1850s with a series of electoral reforms that fell short of including workers in the electorate (CW 11, 374-5, 506-7; CW 12, 136-7, 512-3; CW 13, 664-5).

However, “delusions” of the past were no longer effective after 1850: a “real struggle” was necessary to remove the aristocracy, and this required support of workers which could only be obtained by conceding the Charter. But the “instinctive perception” of “blows” to be received from workers “fetters the action” of capitalists, who wished to “avoid” bringing workers into the political arena “at all costs” (CW 11, 526–7; CW 12, 436–7; CW 13, 664–5; CW 14, 209). Contrary to Elster’s interpretation of these passages, there was no “collective decision” to “abstain,” and the “fetters” on capitalists’ did not involve a “blurring of class lines” (see Elster, 1982, 44; 1984, 98–99; 1985, 382–3). The positive efforts by capitalists to gain political power were insufficient to dislodge the aristocracy from power, contrary to their desires, intentions, and class interests. Capitalists failed to mount effective collective action because they pursued an alternative which was outside their feasible set: obtaining power without including workers in the electorate represented a “non-adaptive preference” based on irrational “wishful thinking.”⁵

Poulantzas claims that the British aristocracy acted merely as a “clerk” for the bourgeoisie (1966, 70). However, Marx himself is clear that state autonomy was not a maximizing outcome for capitalists. At best, the Whigs would avoid all but “unavoidable and undelayable” reforms to protect the landed aristocracy (CW 11, 330–1). At the same time, the risk of a Tory government promised “nothing short of a *counter revolution* . . . of the state against society” which would strive to retain antiquated institutions by force. This would create a “crisis,” which would force capitalists to concede the Charter: “the mask [will then] be torn off which has hitherto hid the real political features of Great Britain” (CW 11, 328–9; CW 12, 81). But this is a simple statement of consequences, not an explanation for capitalists’ behavior, as Elster claims. Removal of the aristocracy could only be postponed, and postponement could only enhance the losses that capitalists would sustain from state autonomy (CW 14, 61).

Thus, despite differences in detail, Marx identifies directly comparable processes in all three countries. Reflecting the unrecognized contradiction in their classic political program, capitalists formed

5 Non-adaptive preferences represent a failure to develop “adaptive preferences” which are “the adjustment of wants to possibilities.” Wishful thinking is “the shaping of beliefs by wants, making us think that the world in fact is how we want it to be” (see Elster, 1983, 25–26).

coalitions with non-capitalists which brought forth conflicts that prevented the utilization of state policy as a maximizing instrument of class rule. Capitalists perceived these conflicts as revolutionary threats to their vital interests, retreated from important democratic features of their original program, and alienated the groups whose support was indispensable to gaining greater political control. Contrary to the interest autonomy interpretation, Marx emphasizes that capitalists failed to realize their intentions and their long-term class interests. These failures are explained intentionally, motivated primarily by short-term needs and exaggerated perceptions of threats to class interests. Admittedly, however, Marx's analyses of Germany and England are relatively brief and fragmented, and the *Class Struggles in France* is inconclusive.

Forms of the Capitalist State

The *Eighteenth Brumaire of Louis Bonaparte* has justifiably been regarded as the prime source for any "mature" theory of the state that Marx might have produced. That work describes the only actual regime in all of the writings by Marx which is assigned the full complement of characteristics of an instrument of class rule. The French "parliamentary republic" of 1849, controlled by the Party of Order, represented "the unrestricted despotism of one class over other classes . . . the sole form of state in which [capitalists'] general class interest subjected . . . both the claims of their particular factions and all the remaining classes of society" (CW 11, 111, 126, 129, 140, 165). The opposition "social democratic party" encompassed all non-capitalist classes and put forth a non-revolutionary program which did not threaten the vital long-term interests of capitalists: "democratic republican institutions are demanded as means of softening [class antagonism], transforming it into harmony" instead of "superseding" it (CW 11, 129-130).

At the same time, Marx depicts the French "executive power" as an "appalling parasitic body" which "enmeshes the body of French society like a net and chokes all its pores." It "controls, regulates, supervises and regiments civil society." Its "supernaturalist sway of real society . . . took the place of the medieval supernaturalist heaven with its saints." "Before the executive power [the nation] renounces all will of its own and submits to the superior command of an alien will, to authority" (CW 11, 139, 185; CW 22, 484, 534). The unmistakable

resemblance between this analysis of executive power and Marx's first conception of alien state power has been noticed before (see Avineri, 1968, 49–50; Hunt, 1984, 52–53; Thomas, 1994, 94–6).

Development and Disintegration of the Instrument of Class Rule

In a passage reminiscent of the British Manchester program, Marx stresses that it was vital for the class interests of capitalists to sustain legislative control over the executive power; to “simplify the state administration . . . and let civil society and public opinion create their own organs independent of the power of government” (CW 11, 139). Instead, the Party of Order formed a series of alliances with Bonaparte and forces in the executive designed to suppress perceived threats to its immediate political control. Perpetuation of a state of siege and threats of military action against the Constituent Assembly “stigmatized the parliamentary regime” and encouraged the army to “save society” by “proclaiming the supremacy of its own regime” (CW 11, 118, 123). Believing Bonaparte to be “their dupe,” the Party of Order repressed a nonviolent demonstration protesting the President’s unconstitutional actions, and thereby branded any resistance to such actions as an “anarchistic attempt to overthrow society” (CW 10, 108; CW 11, 121, 123, 132, 135). An emboldened Bonaparte proceeded to dismiss the parliamentary ministry, creating “a decisive turning-point” by permanently undermining legislative control over the executive (CW 11, 139). Finally, by-elections in 1850 produced electoral victories for the social democrats, and the Party of Order responded by abolishing universal suffrage (CW 11, 144–5).

The actions of the Party of Order were intended to enhance its immediate power in the name of “confidence,” “credit” and “order” (CW 11, 121). The actual result was “to annihilate the vital conditions of all parliamentary power, and therefore likewise, of its own, and to render irresistible the executive power hostile to it” (CW 11, 139). However, the Party did not recognize these long-term consequences. Instead, it “celebrated” its apparent victory “with invective against the republic and the Constitution, execration of all revolutions” including its own, and “legislation muzzling the press, [and] destroying the right of association” (CW 11, 137).

Elster quotes a partial explanation which Marx offers for the seemingly paradoxical actions of capitalists: the Republic “makes their

political rule complete," but it "undermines its social foundation" because "they must confront the subjugated classes . . . without the concealment afforded by the crown" (CW 11, 129). Marx actually offers this as an explanation for capitalists' preference for monarchical restoration. However, this was a non-adaptive preference based on wishful thinking after 1848: restoration was impossible because each capitalist faction refused to accept the other's preferred monarch (CW 11, 127-8). Elster claims that the "collective benefits" of restoration were transferred to Bonaparte in Marx's explanation, creating the functionalist, "blurring of class lines" explanation for the Second Empire (1985, 386-7). However, Elster's interpretation is directly contrary to the account by Marx himself. Efforts at restoration undermined the republic, but enhancement of the position of Bonaparte was unintended and unwanted: "every time the coalitioned royalists come into conflict with [Bonaparte]" and "believe their parliamentary omnipotence endangered by the executive power . . . they come forward as *republicans* and not as royalists" (Elster, 1985, 387; CW 11, 129, original italics).

Elster also quotes one of the most important statements of the actual explanation which Marx offers for the Second Empire. According to Marx, "the invariable word 'socialism'" was employed extensively by the Party to condemn freedoms of press and association, personal freedom and "bourgeois liberalism" generally (CW 11, 141; CW 10, 125). This was more than just partisan strategy:

The bourgeoisie had true insight into the fact that all the weapons which it had forged against feudalism turned their points against itself . . . all the so-called civil freedoms and organs of progress attacked and menaced its *class rule* . . . and had therefore become "*socialistic*". . . . What the bourgeoisie did not grasp, however, was the logical conclusion that its own parliamentary regime, that its political rule in general, was now bound to meet with condemnation as being *socialistic*. As long as the rule of the bourgeois class had not been organized completely . . . the antagonism of the other classes, likewise could not appear in its pure form. . . . If in every stirring of life in society it saw "tranquillity" imperiled, how could it want to maintain . . . a *regime of unrest*, its own regime. . . . The parliamentary regime leaves everything to the decision of majorities, why should the great majority outside parliament not want to decide? . . . Thus by now stigmatizing as "*socialistic*" what it had previously extolled as "*liberal*," the bourgeoisie confesses that its own interests dictate that it should be delivered from the danger of its *own rule*; in

order to restore tranquillity . . . its bourgeois parliament must . . . be laid to rest; . . . in order to save its purse, it must forfeit the crown, and the sword that is to safeguard it must at the same time be hung over its own head as a sword of Damocles. (CW 11, 141–143, original italics.)

Elster claims that this “clearly” explains Bonaparte’s rule in terms of collective benefits for capitalists. But without evidence of “actual deliberation” by a “united bourgeoisie” it is “more plausible” to interpret it as a functional than an intentional explanation (1985, 388–9). Elster ignores the explicit assertion by Marx that the loss of political power was “a logical conclusion” which the “bourgeoisie did not grasp”: this was a long-term consequence that was not intended or recognized, but was implied by choices capitalists had made to meet their immediate needs. The full statement thus makes clear that terms like “confesses” are to be interpreted metaphorically. Marx intends to ridicule the inability of capitalists to realize their long-term class interests, but not to identify a deliberate collective decision to “abstain” or to designate Bonaparte’s rule as a maximizing outcome. In fact, the major import of the statement is to provide elaboration of the consequences of the basic contradiction that Marx had identified earlier. Capitalists had gained undisputed political control on the basis of their classic political program; adherence to that program remained critical if capitalists were to maintain control against the autonomous executive power. However, realization of the program had generated expectations of political participation by all classes, whose openly expressed demands were perceived as threats to “tranquillity” which “menaced” the vital interests of capitalists. French capitalists experienced some belated and partial recognition of the contradiction in their program, but most of them failed to recognize that they could not simply repudiate the democratic features of this program as “socialism,” without jeopardizing their political control and thus their long-term class interests. Any uncertainty about the exact meaning of Marx’s statement would seem to be resolved by the analysis which follows it.

The Genesis of State Autonomy

Marx says that the Party of Order should have “allowed the class struggle a little elbow room to keep the executive power dependent

on itself." Instead, Bonaparte initiated acts "aimed at usurpation" against the Party which was "paralysed" by "fear of again evoking revolutionary unrest and . . . appearing as the instigator of unrest in the eyes of its own class" (CW 11, 153, 155, 162). The Party was therefore outmaneuvered by Bonaparte and left "without the ministry, without the army . . . without public opinion . . . *sans* everything" (CW 11, 153, 155, 159, 162).

In addition, the "heterogeneous elements" which made up the Party of Order degenerated "into the struggle for the supremacy of landed property or of money" in the form of divisive and futile maneuvers for dynastic restoration. Internal conflicts cost the Party its parliamentary majority, Marx says, "out of sheer egoism which makes the ordinary bourgeois always inclined to sacrifice the general interest of his class for this or that private interest" (CW 11, 159-160, 164-5).

Finally, "most fateful and decisive" were conflicts between Party leaders and supporters. The struggle against Bonaparte by Party leaders was condemned as a "disturbance of order" by financiers, who thought it threatened the value of government securities, and by industrialists who mistakenly blamed it for economic stagnation. This "proved that the struggle to maintain its own class interests . . . troubled and upset it, as a disturbance of private business" (CW 11, 170-172). But capitalists lacked any coherent plan to achieve the "order" they demanded: most preferred to postpone any decision on the status of the Republic, and they *disagreed* about whether Bonaparte should retire or remain (CW 11, 172).

In a penultimate statement that summarizes these developments, Marx concludes that the Party of Order "declared the political rule of the bourgeoisie to be incompatible with the safety and existence of the bourgeoisie," "invited Bonaparte to suppress and annihilate its . . . politicians," and "declared unequivocally that it longed to get rid of its own political rule in order to get rid of the troubles and dangers of ruling" (CW 11, 172-173). But it is evident again that terms like "declared" and "invited" are used metaphorically to refer to unintended consequences of actions, and not literally to conscious collective decisions. The language is clearly intended to ridicule the inability of capitalists to achieve effective collective choice or action rather than to proclaim the opposite. Far from picturing the capitalist class as a maximizing collective actor, Marx portrays it as a fractious and ineffective coalition which "sacrificed its general class in-

terests . . . to the narrowest and most sordid private interests, and demanded a similar sacrifice from its representatives" (CW 11, 173). In the end, "the incapable lot has to make room for any lucky pretender" (CW 22, 462).

Overall, the explanation for the Second Empire contained in the *Eighteenth Brumaire* is the opposite of a "collective decision" to "abstain" or "delegate power." Acting on the short-term interests of intra-class individuals and factions and on mistaken perceptions of threats to their vital interests, capitalists pursued a series of strategies inconsistent with their original program which unintentionally crippled their capacity to exert control over the events that affected their long-term collective interests, and undermined their ability to engage in any rational collective choice or action. The genesis of the Second Empire corresponded to the political disorganization of capitalists and non-capitalists alike. Capitalists intended to promote the disorganization of non-capitalists; they unintentionally promoted the disorganization of themselves; and Bonaparte actively promoted the disorganization of both.

The Consequences of State Autonomy

Retrospective characterizations of the Second Empire written by Marx repeatedly employ the non-maximizing language of alien autonomy: a "state parasite" which was "separate from and independent of society," it "appeared no longer as a means of class domination . . . Humbling under its sway even the interests of the ruling classes . . . apparently the final victory of this governmental power over society . . . [it was] as humiliating to [capitalist] classes as to the working classes which they kept fettered by it" (CW 22, 330, 485–6, 550). Nevertheless, Elster, Poulantzas and others have claimed that statements like these are consistent with the interest autonomy interpretation (Poulantzas, 1973, 134–7, 280–1; Draper, 1977, 334). Poulantzas maintains that the "relatively autonomous" Empire simply "takes charge of the bourgeoisie's political interests" and "does not take even one step away from the political interests of the bourgeoisie" (1973, 283–4, 285–6). Elster argues that the "class essence" of the Empire is revealed by use of terms like "appeared" in the statements by Marx along with assertions that it was "the last degraded and the only possible form of class rule" (Elster, 1985, 387, 418; CW 22, 485, 536).

Marx himself writes that "Bonaparte feels it to be his mission to safeguard 'bourgeois order'," but he also says that Bonaparte claimed to "rest on the peasantry" and "save the working class" (CW 11, 194; CW 22, 330). This was a "contradictory task" which

explains the contradictions of his government, the blind to-ing and fro-ing which seeks now to win, now to humiliate first one class and then the other and arrays all of them uniformly against him. . . . Bonaparte would like to appear as the patriarchal benefactor of all classes. But he cannot give to one without taking from another. (CW 11, 194-5.)

Altogether, the statements by Marx affirm the independence of the state from effective control by any class; but the ability of this state to operate independently of *constraints* imposed by class interests was only an "appearance." Bonaparte could temporarily suppress overt political activity, but not the sources of conflicts among classes. Hence the interests of one class could only be realized at the expense of another, and Bonaparte's intention of maximizing the interests of all classes was unobtainable. Consequently, the predicted results of Bonaparte's efforts are failure to realize the long-term interests of any class, including capitalists, eventual alienation of the support of all classes, and ultimate reemergence of intensified class conflict.

Poulantzas repeatedly quotes Engels' reference to the Second Empire as the "religion of the bourgeoisie" (Poulantzas, 1973, 258, 260, 281). Marx himself acknowledges that the suppression of overt class conflicts brought Bonaparte acclamation "throughout the world as the 'savior of order'" (CW 22, 536). However, he argues that economic prosperity at the beginning of the Empire was due to world market conditions alone. The Empire itself was a "great incubus" which retarded economic growth with "immense" public debt created by the repression, public works and foreign adventures which Bonaparte employed to sustain himself (CW 15, 453; CW 17, 330-33; CW 19, 82-4; CW 22, 330). By the late 1850s, chronic commercial crisis, growing state debt, failure of Bonaparte's programs and the deteriorating condition of workers and small producers had generated disaffection among all classes: France was "resolved to get rid of [the Empire] on the first occasion" (CW 15, 453-6, 478, 481; CW 16, 271-73; CW 17, 333). In response, Bonaparte became increasingly dependent on the army, which represented "the *State* in antago-

nism to the *society*" (CW 15, 465). Periodic foreign adventures and wars launched by Bonaparte to satisfy the "appetite of the army" and to "dispel civil disaffection" are pictured by Marx as cyclical and spiraling recurrences which "must gradually become more and more dangerous" (CW 16, 164, 443). By the time Bonaparte attacked Bismarck in 1870, the French nation had been burdened with crushing debt and France's defeat "fearfully swelled the liabilities, and mercilessly ravaged the resources of the nation" (CW 22, 319).

In 1870 Marx maintains that the gulf between capitalists and workers widened during the course of the Empire, while economic deterioration and disaffection among the peasants increased, and economic ruin eventually drove the petty bourgeoisie to ally with workers in the Paris Commune (CW 22, 336, 338, 536). Brutal suppression of the Paris Commune further exacerbated the divisions in French society (CW 22, 348–55). Hence, "order" and "tranquility" were only a temporary result of "temporarily demoralized" classes. Ultimately, the Empire generated more severe conflicts and disorder than the ones that brought about its inception. Contrary to Poulantzas and Elster, Marx does not conceive the Second Empire as an effective means of maintaining social cohesion, or otherwise maximizing the class interests of capitalists in the long term.

The Status of Alien Autonomy

The "class equilibrium" interpretation claims that the autonomy of the Second Empire was an "exception" to the instrumentalist norm representing a "temporary stalemate" between workers and capitalists preceding permanent transition from capitalism (Hunt 1974, 129; Draper 1977, 410–11; Elster 1985, 425). Poulantzas convincingly rejects this interpretation, and refers to the explicit statement by Marx that "the defeat of June 1848 had put [French workers] out of the fight for years" (Poulantzas, 1973, 166, 260; CW 11, 146). In addition, the summary statements by Marx in 1870 picture the instrumentalist republic, *not* the autonomous Empire, as an "interreign" and "a spasmodic exceptional state of things" (CW 22, 535, 550).

However, the most important evidence on this issue is the basic similarity in the way Marx characterizes politics in all three major European societies. German capitalists suppressed the conflicts of 1848, but at the cost of "driving the Government back . . . even be-

hind 1807" (CW 16, 159–60). The landed nobility and the "omnipotent, all-intermeddling parasite" bureaucracy gained greater control; "extinct" forms of economic organization were reintroduced; and "the boldest dreams of the King . . . had all become fulfilled" (CW 16, 80, 160). Despite German unification and industrial advances after 1850, Marx repeatedly depicts this "fool's paradise" in terms comparable to those he applies to the "alien will" of the Second Empire (see CW 8, 265–6; CW 17, 369; CW 22, 5–6; CW 24, 96; CW 41, 95–96).

The autonomous state in Britain may be a less destructive force than in France or Germany, but it also never appears as a maximizer of capitalists' class interests. The characterizations of parliamentary politics written by Marx in the later 1850s emphasize instability, ineffectiveness, and paralysis (CW 13, 642–3; CW 14, 31, 54, 60). The debacle of the Crimean war is attributed to "British gentlemen of good extraction" paralyzed by a bureaucratic maze: "Perish a thousand armies sooner than infringe upon her Majesty's regulations!" (CW 14, 128–9). The administration of India is described as government by "the permanent and irresponsible bureaucracy" which "paralyses its administration and perpetuates its abuses as the vital condition of their own perpetuation" (CW 12, 182). Capitalists may have perceived benefits from disenfranchisement of workers to compensate for these conditions. But Marx claims this was not even a viable long-term strategy, let alone a maximizing one (CW 11, 328–9; CW 13, 665; CW 14, 61).

Marx emphasizes that actual capitalist states display a motley array of specific characteristics reflecting differing levels of development and particular historical traditions (CW 24, 94–5; CW 37, 778). However, the common features he identifies in all of them are those of alien autonomy, not instrumentalism or interest autonomy. The claim by Poulantzas, Elster and others that autonomy is the "characteristic" form of capitalist states is an accurate reflection of Marx's conception; but the further claim that these states maximize capitalist' long-term class interests is not accurate. In all cases, state managers, whose interests do not coincide with those of any social class, possess the capacity to act contrary to the interests of all social classes. Capitalists may receive short-term benefits from these states, and they may have the capacity to thwart progressive changes favoring non-capitalists. But none of this can be taken to imply that capitalist states maximize the long-term collective in-

terests of the capitalist class.⁶ In fact, the main effect of the constraints imposed by class interests is to inhibit state action from maximizing the long-term collective interests of any group, including state managers themselves. Overall, the result is general instability, cyclical fluctuation, and crisis proneness. Marx's analyses of the capitalist state and the capitalist economy are therefore directly comparable: the absence of effective control prevents either one from reaching stable equilibrium and allows both to spin out of control, generating crises which are as destructive to the interests of capitalists as they are to those of other classes. As a result, the capitalist state does not generally operate as an effective force of long-term cohesion, but emerges primarily as an agent that tends to enhance alienation and destabilization in the long-term, ultimately constituting a force promoting revolutionary change.

The Structure of Political Explanation

Marx presents capitalists' long-term class interests in the intentional form of explicit political programs produced by specific groups such as the English "Free Traders." However, these interests are never realized by any of the characteristic states Marx identifies. The allegation that Marx is guilty of fallacious functional reasoning is therefore based on a mis-specification of his explanandum: Marx actually attempts to explain the failure of capitalists to realize their interests, not the opposite.

The structural contradiction in capitalists' classic program entailed structural constraints that removed the instrumentalist state from the feasible set of choices available to capitalists. But this left capitalists with real choices between two significantly different kinds of alternatives. First, coalitions with non-capitalist groups based on democratic principles offered capitalists a large objective probability of significant gains from increased state control compared with the status quo. There was also a probability of losses from effective revolutionary action by non-capitalist classes, but this probability was very small in the mid-19th century.⁷ A second class of alternatives

6 Marx says that "civil war of half a century" was required to obtain state action to realize class interests of capitalists in Britain, even in the relatively clear-cut and simple case of limiting the hours of work (CW 35, 300).

7 Marx argued in 1850 that as much as fifty years would be required before an effective revolution would be possible (CW 10, 626).

involved violations of democratic principles to suppress overt class conflicts. This thwarted coalitions with non-capitalist groups and reinforced the power of autonomous state authorities. It therefore precluded gains from increased state control and increased the probability of losses from uncontrolled state action contrary to capitalists' interests. Moreover, the class conflicts themselves "cannot be conjured out of existence": the "best form of state" is not one in which conflicts are "artificially, and therefore only seemingly kept down [but] reach a stage of open struggle in the course of which they are resolved" (CW 7, 149). Efforts at suppression would promote violent rather than peaceful change, ultimately enhancing the losses for capitalists (CW 22, 602; CW 23, 255). The overall implication, therefore, is that coalitions with non-capitalists under democratic conditions were dominant (in the sense of expected utility) among the alternatives in capitalists' feasible set.

The rejection by capitalists of their dominant alternative was based on demands for "confidence," "tranquility," and "order," which were perceived to determine the immediate availability of capital and the short-term revenue and profitability of individual enterprises. The alien state autonomy that resulted from capitalists' choices therefore represents a sacrifice of long-term class interests to short-term interests of individuals and subgroups within the capitalist class.

Mechanisms underlying capitalists' choices are spelled out in the later economic writings by Marx. Prime examples are the explanations Marx offers for "overproduction crises" and "over-exploitation": the long-term collective interest of capitalists in maintaining a healthy work force with enough aggregate income to consume the goods that are produced is undermined by the actions of individual capitalists operating under competitive pressure to maximize production and minimize labor costs in the short term. These explanations identify a prisoner's dilemma as a mechanism built into a capitalist economy (Elster, 1985, 189; Wolfson, 1986). The consequence is that "the individual capitalist perpetually rebels against the overall interest of the capitalist class." However, "this does not depend on the good or ill will of the individual capitalist"; it reflects "free competition . . . in the shape of coercive laws having power over every individual capitalist" (CW 28, 346; CW 30, 185; CW 35, 276). In the political sphere, this mechanism produces demands to respond to narrower rather than broader group interests, and to short rather than long-term

needs when choices must be made between alternative public policies and political programs.

However, this standard rational choice mechanism does not fully explain capitalists' choices. Rejection by capitalists of their dominant alternative involved reversal of preferences for democratic features of their classic program based on the perception that their vital interests were "attacked and menaced" by the most severe manifestations of class conflict. However, Marx repeatedly stresses that capitalists consistently distorted and exaggerated the magnitude of the threats posed by conflicts with non-capitalists. This implies that the political preferences of capitalists were not stable or otherwise "well formed," and indicates that their choices cannot be explained on rational grounds. Attention therefore shifts to subintentional causality, and especially to feedback mechanisms operating between social states and the political beliefs and desires that underlay capitalists' actions (Elster 1983a, 84-88; 1985, 18-22).

Some of the most important processes described by Marx seem to be more consistent with central conceptions from prospect theory in cognitive psychology than with models of rational choice. Prospect theory maintains that the carriers of value in risky choices are not final assets but gains and losses that are "framed" from a neutral reference point. This reference point is commonly the status quo, but the initial "framing" of outcomes is strongly affected by an "availability heuristic" which is particularly sensitive to "dramatic and sensational" events. Events perceived to have "signal value" for outcomes with "catastrophic potential" are especially apt to produce drastic overestimation and overweighting of unlikely outcomes (SFL, 1980, 183-4; TK, 1988, 172-5).

Once a "frame" is established, the value functions employed to assess prospects are strongly loss averse: losses loom much larger than gains of equal magnitude. Loss aversion is especially pronounced for mixed prospects (which include both positive and negative outcomes), where risk aversion leads to rejection of gains unless they exceed at least twice the magnitude of losses of equal probability (TK, 1988, 173-84; KV, 1991, 147-150). The "endowment effect" is an especially important manifestation of loss aversion. There is now a great deal of evidence that people display extraordinary resistance to giving up anything they consider a possession, entitlement or endowment. Specifically, the value assigned to something that a person

defines as an endowment is much greater than the value assigned to the same thing under all other circumstances (Knetsch, 1989, 1279, 1282; KKT, 1991, 194–197). Oliver Wendell Holmes has been quoted to summarize this evidence: “A thing which you enjoyed and used as your own for a long time, whether property or opinion, takes root in your being and cannot be torn away without your resenting the act and trying to defend yourself, however you came by it” (KKT, 1991, 204). Marx himself seems to have identified the process that underlies this mechanism: when “the existing order and its fundamental relations assume a regulated and orderly form . . . it entrenches itself as custom and tradition and is finally sanctioned as an explicit law” (CW 37, 779–80). As with other mechanisms of prospect theory, the resulting choices violate invariance, dominance and other axioms of rational choice.

Applied to Marx’s political explanations, these conceptions suggest that capitalists initially framed and evaluated coalitions with non-capitalists under democratic conditions on the basis of expected gains from enhanced political control as pictured in their classic political program. The “red scare” atmosphere generated by “signal” events like the June days apparently produced drastic change in the “availability” of losses from conflicts with non-capitalists, bringing about enduring changes in the framing of capitalists’ political choices. Coalitions with non-capitalists under democratic conditions were transformed into mixed prospects: the perceived probability of gains from enhanced state control was diminished and countered by drastic overestimation and overweighting of the probability of catastrophic losses from political activities by non-capitalists. The reversals of preference and rejection of dominant alternatives on the part of capitalists then appear to be explained by the consequences of loss aversion, including the endowment effect and extreme risk aversion for mixed prospects.⁸

These processes can be considered a manifestation of an important but relatively neglected aspect of Marx’s analysis of ideology. Much of the recent work on Marxian ideology, especially the work influenced by Gramsci, has emphasized effects on the consciousness of non-capitalists (Carnoy, 1984, 64–77; Jessop, 1985, 194–203). A

8 The anti-Corn Law disturbances in Britain constitute events comparable to the French June Days. Marx documents similar red scare reactions to the Paris Commune (CW 4, 520–3; CW 22, 354, 600–1; CW 23, 223–7).

prime example is the account by Poulantzas, who argues that the dominant ideology "aims at the maintenance (the cohesion)" of the social structure, and conditions the dominated classes to accept class domination (1973, 209, 221). Another example is the interpretation of Althusser, which Norman Geras calls a Leninist caricature: "the political leaders use their knowledge to manipulate the consciousness of the masses" (Geras, 1972, 302).

Geras argues persuasively that the conceptions associated with fetishism and the mystification of capital should not be regarded as purely imaginary beliefs. Instead, these are reflections of the objective, historically specific social reality which capitalist economies present as surface appearances (Geras, 1972, 286, 291, 292). In the words of Maurice Godelier: "It is not the subject who deceives himself, but reality which deceives him" (Godelier, 1972b, 337). An apparent implication of this account is that capitalists should be subject to the cognitive deceptions of fetishism and mystification as much as people outside the capitalist class. This seems to be the only plausible interpretation of many statements by Marx: capitalists, "imprisoned in competition," are accustomed to operating with and "feel completely at home in these estranged and irrational forms of capital" (CW 37, 765, 817). "Even the best" classical economists were subject to illusions, while "vulgar economics" provides only a "dogmatic translation of everyday conceptions of the actual agents of production" (CW 37, 817; see also CW 32, 399, 406).

To be more exact, the phenomenal forms of capitalist relations disguise exploitation and thus the basis of class conflict from capitalists no less than from workers. The wage form conceals the source of profits in surplus labor, and the "alienated forms" of interest and ground rent make capital and land appear as direct sources of value. Hence the antithetical relation between capital and labor is "completely obliterated" (CW 32, 489; CW 35, 539–40; CW 37, 378–81, 813, 816). "Capital thus becomes a very mystic being since all of labor's social productive forces appear to be due to capital" (CW 37, 814–7). In addition, beginning with Say and Ricardo, the "obvious phenomena" of overproduction crises were "reasoned out of existence" with "apologetic phrases" which amounted to "the desire to convince oneself of the non-existence of contradictions." This denial expresses the notions of practicing capitalists, who "cannot comprehend" the "relative character" of capitalism. It serves to demonstrate "the eter-

nal character of the capitalist mode of production," and provide a "perpetual justification of [capitalists'] sources of income" (CW 32, 124-5, 128-30, 148-49, 157-58; CW 34, 390, 405; CW 37, 240-3, 249, 817).

Accordingly, the French Party of Order "naturally" proclaimed "its class rule and the conditions of class rule as the necessary conditions" for all material production (CW 10, 96). The disguising of exploitation and contradictions, the denial of the actual sources of class conflict and crises, mean that overt manifestations of class conflict are not only perceived as threats to the profits, incomes and positions of capitalists; they also represent threats to all production, civilization, morality and ordered society in general. Manifestations of class conflict which challenge the belief that "class conflicts are a mere misunderstanding" cannot reflect legitimate interest and needs, but only represent "the realm of anarchy" (CW 10, 57, 79). Thus the Party of Order dubbed their opponents the "party of Anarchy" and proclaimed that "if society does not annihilate Socialism, Socialism will annihilate society" (CW 10, 125, 129). Similarly, the Paris Commune appeared to the "bourgeois mind" as "great conspiracy against civilization," and repression of the Commune was proclaimed to be "the victory of order, justice and civilization" (CW 22, 348, 350, 492).

All these are illusions, but they are real beliefs rooted in "economic relations as seen in the surface" and "as such they in fact determine the actions of individual capitalists" (CW 32, 486; CW 37, 206-7). These beliefs provide a coherent account, in Marx's own terms, for the greatly exaggerated reactions on the part of capitalists, which accompanied their distorted perceptions of losses from political activities by non-capitalists. These are the exact phenomena involved in loss-aversion and endowment effects. Ideological illusions may promote the class interests of capitalists by retarding the awareness of non-capitalists. But they also deceive capitalists themselves into making choices which ultimately undermine their own long-term class interests and promote the destabilization of capitalism.

The most important implication of this interpretation for the present analysis is that Marx is not guilty of "methodological collectivism" or fallacious functional reasoning, as Elster claims. It would therefore be a great mistake to ignore Marx's analyses because they allegedly posit conscious collective actors and are incompatible with microfoundations. However, it does not follow from this

that Marx is a methodological individualist. Wright, Levine and Sober have argued convincingly that belief in the importance of microfoundations does not require commitment to methodological individualism. Methodological individualism is commonly conceived as requiring a linear causal hierarchy: all social phenomena must be reduced to the behavior of individuals; individual intentions represent "rock bottom" explanatory referents; and all macro explanations should be replaced by micro explanations (Elster, 1985, 5; Mayer, 1989, 422, 426; WLS, 1992, 111, 116, 120-6; Warren, 1988, 452, 458). In contrast, the provision of microfoundations is compatible with a recursive model of explanation: "social structures explain social structures via the ways they determine the properties and actions of individuals which in turn determine social structural outcomes" (WLS, 1992, 121; Mayer, 1989, 422).

The political explanations provided by Marx follow the recursive model, not the linear causal hierarchy of methodological individualism. The mechanisms that operate at the individual level depend very much on the structural positions occupied by individuals, and thus on the structures themselves. Prisoner's dilemma payoffs are built into the position of capitalists. And irrational loss aversive reactions to proposals for social change are especially likely to be activated for those who occupy dominant class positions in society: according to Marx, every dominant class is inclined to "present [its ideas] as the only rational, universally valid ones" (CW 5, 60). The aggregate consequences of these mechanisms can be regarded as an important force inhibiting effective collective action for people in dominant economic positions, and thus a source of vulnerability for the corresponding social structures.

Marx and Marxist Political Theory

By no means all major recent contributors to Marxist state theory have followed the interest autonomy interpretation or the functionalist reasoning associated with it. Paul Thomas, emphasizing the relationship between statements by Marx written in 1843 and those in the *Eighteenth Brumaire*, has discounted the "ruling class" conception and stressed the centrality of "alien politics" in later political writings by Marx (1994, 87-109). However, Thomas is less clear, explicit and emphatic than Theda Skocpol concerning the existence of separate

interests of state managers which are in conflict with all major groups in society. But Skocpol denies that any conception of state autonomy can be found in "classical Marxism" (1979, 26-7).

Klaus Offe has criticized "hyper functionalist constructionists," and developed an analysis that extends the one by Marx himself concerning the contradiction in capitalists' classic program. Democratization and the need for popular legitimacy have accelerated state provision of welfare institutions, which provide essential conditions not supplied by the private capitalist economy. However, the results are "contradictory": state institutions with a "life of their own" threaten to paralyze or subvert private economic control (1984, 48, 264). The "intrinsic ungovernability" of capitalist societies was made temporarily "liveable" by the "Keynesian accord" and the creation of mass parties (1984, 83-4). But the development of "immunizing counter-tendencies" (neutralizing the efficacy of rights without formally abolishing them), and the demise of the Keynesian accord, have generated "unmediated opposition between individual and the state, the most extreme form of political alienation" (1984, 170; 1996, 14). Increasing popular distrust and cynicism have accompanied the general resurfacing of characteristic "ungovernability crises" (1984, 83-4, 168, 203). Thomas interprets these kinds of developments as a manifestation of the "ever-present possibility of a recrudescence of alien politics" (1984, 184).

Interest autonomy functionalism gained much of its plausibility from the assumption that the Keynesian accord and the postwar mass party system were permanent stabilizing features of modern capitalist societies. According to the present interpretation, evidence of the demise of these conditions should not be taken as a refutation of Marx's political analysis, but the opposite.

If Poulantzas, Elster and others have been mistaken in attributing an interest autonomy conception to Marx, the alien autonomy interpretation defended in the present analysis implies that the critique of instrumentalism by Poulantzas represents a major step forward for Marxist theory. Poulantzas has argued that instrumentalism is central to reformist social democracy which pictures the state as a neutral site where socialism can be brought "to the popular masses from above" by replacing a few top leaders with an enlightened left elite (1978, 129, 255). It was also central to Lenin's notion that all political institutions and freedoms of representative democracy are

instruments of the bourgeoisie and must be destroyed in favor of direct democracy of the soviets. Stalinist statism evolved from this by replacing the soviets with a parallel state copied from the instrumentalist model (1978, 252, 255).

In contrast, Poulantzas conceives the state as a "strategic field" which must be transformed to provide "extension and deepening of political freedoms" combined with the development of direct democracy and self-management bodies outside the state (1978, 256, 260–261). He also explicitly endorses Luxemburg's critique of Lenin: socialism requires general elections, unrestricted freedom of press and assembly and a free struggle of opinion (1978, 138, 153, 253).

Poulantzas' position is surely consistent with the famous stricture by Marx that the "working class cannot simply lay hold on the ready-made state machinery and wield it for their own purpose" (CW 22, 328). But this is not because the "very structure" of the capitalist state mandates maximization of the class interests of capitalists, as Poulantzas claims (1976, 74–5; 1978, 127–8, 74–5). Instead it is the result of alien autonomy: the absence of effective control by each and every class in society is built into the structure of the capitalist state. This position emerges very clearly in the analyses Marx wrote concerning the Paris Commune, the "political form . . . to work out the economical emancipation of labor" (CW 22, 334). The Commune was the "antithesis" and "direct opposite" of the Empire (CW 22, 330, 536). But the antithetical features of the Empire that Marx emphasizes in 1871 are exactly those of alien state power. The Empire represented only the "last development" of the "state parasite" in France, a "deadening incubus," "entailing the social body like a boa constrictor," which exerted "supernaturalist sway over real society" (CW 22, 48–45, 534–5).

The central characteristic which made the Commune the antithesis of Empire was that its institutions embodied specific mechanisms to insure that state policy could not escape democratic control of the society itself. Representative institutions were not abolished but transformed into a "working political body" consisting of representatives chosen by universal suffrage, "responsible and revocable at short terms." The "merely repressive organs" were "amputated," but the "legitimate functions" would continue, no longer part of an "authority usurping preeminence over society," but "restored to the responsible agents of society." As a result, the Commune represented

"the reabsorption of the state power by society, as its own living forces instead of as forces controlling and subduing it" (CW 22, 331, 484-5, 487, 537). All this has been summarized very well by the phrase "dis-alienation of the state" (Thomas, 1994, 192).

The "defect" of the capitalist state, as Norberto Bobbio puts it, "is not that it is a representative one, but that it is not representative enough" (Bobbio, 1987, 83). Thus, the parliamentary republic in France was a "republican form of class despotism" precisely because it imposed restrictions on freedom of press and association, repressed nonviolent dissent, failed to "let civil society and public opinion create their own organs independent of the power of government," and ultimately abolished universal suffrage itself (CW 11, 134-5, 137, 139, 144-5).

If the present interpretation is accurate, the conclusion of Poulantzas is entirely faithful to Marx: "socialism will be democratic or it will not be at all" (1978, 265). The same applies to Bobbio's conclusion: "while political emancipation is not a sufficient condition of human emancipation, it is nevertheless a necessary one" and "the latter can only come about via the former" (Bobbio, 1987, 84).

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