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The Odyssey of Jon Elster

Jon Elster has made the story of *Ulysses and the Sirens* a central motif in his philosophical odyssey. In Elster's philosophy a paradigm of imperfectly rational behaviour is to bind yourself against the mast, as a precaution against the predictable weakness of your will which would otherwise leave you ensnared by the sirens. The use of literary analogies is frequent in Elster's work, whether he is *Explaining Technical Change* or *Making Sense of Marx*. Consequently it is not inappropriate to describe Elster's own intellectual wanderings as an odyssey. Unlike Joyce's *Ulysses* there is no trace in Elster of a predilection for scatological subjects, nor any danger of unreadability. But there is a similar technical and stylistic range, and a comparable breadth in intellectual debts, acquired from journeying through Western culture with several languages. Elster, like Joyce, is also crowned with the ability to make an artistic whole out of apparently disparate materials.

Elster's odyssey is tinged with some sadness, and disenchantment from loss of Marxist faith. Sadness is shown in several disappointments. The Preface to *Ulysses and the Sirens* opens with two:

Many philosophers and social scientists at some time in their lives have wanted to write fiction or poetry, only to find that they didn't have what it takes. Others have chosen philosophy or social science as a second choice when they decided that their first choice of doing mathematics really was not within their abilities. The present work is at the intersection of these two failures.¹

Devotees of Elster's forays in the social sciences are glad that he persuaded himself that he could not become a literary giant or a mathematician although we are entitled to be sceptical about his harsh judgment of his literary and mathematical talents. Elster's disenchantment comes through most clearly in his settling of accounts with Karl Marx. *Making Sense of Marx* is the work of somebody who wants to be able to believe but whose reason will not permit him to follow his untutored preferences. Elster's strength of will prevents him from enjoying the pleasure he might otherwise derive from being a Marxist. As he cannot defend

¹ *Ulysses and the Sirens*, Cambridge, Cambridge University Press, 1979, p. viii.

what he would like to believe, his readers enjoy the unintended by-product, the most devastating study of Karl Marx yet written.

ELSTER'S RANGE

Since he completed his doctorate in Paris 1971 the Norwegian scholar has written seven major books: *Leibniz et la Formation de l'Esprit Capitaliste*, 1975; *Logic and Society*, 1978; *Ulysses and the Sirens*, 1979; *Sour Grapes*, 1983; *Explaining Technical Change*, 1983; *Making Sense of Marx*, 1985; and *An Introduction to Karl Marx*, 1986. He has also edited and introduced a collection of essays on *Rational Choice* (1986), a selection entitled *Karl Marx: A Reader* (1986), and jointly edited a collection entitled *Foundations of Social Choice Theory* (1985).² He has published widely in diverse journals;³ contributed papers to various edited collections and symposia;⁴ held posts in Norway, Paris, Oxford and Chicago; edited and contributed to a series of texts entitled *Studies in Marxism and Social Theory*; and with Gudmund Hernes he edits another series entitled *Studies in Rationality and Social Change*.

By any standards Elster's output is prolific. What is more startling is that he draws from a wide range of social sciences, and from natural science and literary criticism, with fluency and rigour. The reader is constantly educated, in a way

² *Leibniz et la Formation de l'Esprit Capitaliste*, Paris, Aubier-Montaigne, 1975; *Logic and Society*, Chichester, Wiley, 1978; *Ulysses and the Sirens*, Cambridge, Cambridge University Press, 1979; *Sour Grapes*, Cambridge, Cambridge University Press, 1983; *Making Sense of Marx*, Cambridge, Cambridge University Press, 1985; *An Introduction to Karl Marx*, Cambridge, Cambridge University Press, 1986; edited *Rational Choice*, Oxford, Basil Blackwell, 1986; edited *Karl Marx, A Reader*, Cambridge, Cambridge University Press; and edited with A. Hylland, *Foundations of Social Choice Theory*, Cambridge, Cambridge University Press.

³ See inter alia 'A note on hysteresis in the social sciences', *Synthese*, 33, 1976, pp. 371-91; 'Exploring exploitation', *Journal of Peace Research*, 15, pp. 3-17; 'Review of G. A. Cohen's Karl Marx's Theory of History', *Political Studies*, 28, 1980, pp. 121-8; 'Reply to comments, in Symposium on Elster', *Inquiry* 23, 1980, pp. 213-32; 'Snobs', review of P. Bourdieu's *La Distinction*, *London Review of Books*, 3, 20, pp. 110-12; 'Negation active et negation active: essai de sociologie ivanienne', *Archives Européennes de Sociologie*, 21, pp. 329-49; 'Roemer vs. Roemer', *Politics and Society*, 11, 1982, pp. 363-74; 'Marxism, functionalism and game theory', *Theory and Society*, 11, 1982, pp. 453-82; 'Reply to comments', *Theory and Society*, 12, 1983, pp. 111-20; 'Exploitation, freedom and justice', *Nomos*, xxvi, 1983, pp. 277-304; 'The Contradictions of Modern Societies', (review of M. Olson, *The Rise and Decline of Nations*), *Government and Opposition*, Vol. 19 no. 3, 1984, pp. 304-11.

⁴ See inter alia 'Some conceptual problems in political theory', in ed. B. Barry, *Power and Political Theory*, Chichester, Wiley, pp. 245-70, and 'Sour grapes' in ed. A. Sen and B. Williams, *Utilitarianism and Beyond*, Cambridge, Cambridge University Press.

⁵ Apart from Elster's *Making Sense of Marx* two other texts have appeared in this series so far, Adam Przeworski's, *Capitalism and Social Democracy*, Cambridge, Cambridge University Press, 1985, and John Roemer (ed.), *Analytical Marxism*, Cambridge, Cambridge University Press, 1986.

which is difficult to convey secondhand. We encounter arcane points in the 'Cambridge capital controversy' in economics; discussions of the differences between functional explanation in biology and sociology; explorations of the significance of findings in cognitive psychology for political and economic theory; criticism of the poems of Dickinson and Donne, and the novels of Stendhal; creative use of the classics of social and political philosophy and epistemology; high-quality discussions of the psychology of love and hate; and in *Explaining Technical Change* an appendix on decision-making on nuclear energy worth circulating as a staff paper to all the public-policy elites of the industrialized world. Elster is demanding reading, not because of the usual academic vices, pretension and evasion, but because few readers can be as broadly read and in control of what they have read as he is. It is not the least of ironies that Elster complains that Marx makes few concessions to his readers, expecting them to be fluent in several languages and disciplines. Elster himself assumes his readers can read English, French, German, Latin and Greek, as well as the technical languages of logic, mathematics and economics. Given his range and complexity this review concentrates on four distinctive themes in Elster's work: his philosophy of science, his discussions of irrationality, his treatment of rationality, and his Marxism.

ELSTER'S PHILOSOPHY OF SCIENCE

Elster's methodological writings are a sustained defence of the primacy of methodological individualism in social science. His defence is partly negative. The other viable modes of scientific explanation, viz. causal and functional explanation, whilst central to physics and biology respectively, are not appropriate in the social sciences. Figure 1 is Elster's summary of his methodological position. For social scientists, the interesting and controversial boxes are number 7-9. Elster believes, as box 7 indicates, that there is room for causal explanation in the analysis of human behaviour. For example, sub-intentional causality occurs in mental operations which are not governed by will or intention. He claims that it is beyond his competence to adjudicate on whether intentional explanations are reducible to causal explanations, but believes that intentional explanation is *sui generis*, and thinks that for practical purposes these modes of explanation are wholly separate. As indicated by box 8 Elster questions whether functional explanation, rigorously construed, has any place in social science. Why? Because there is no social-scientific analogue of the genetic mechanisms which underpin functional explanations in biology. Whilst there are examples of rigorous functional explanation in social science, such as the theory that firms survive because they adopt rules of thumb which (unintentionally) make them profit-maximizers,

they are not numerous, and their empirical domain is limited. Most 'functional' explanations in social science are in fact objective teleologies, or processes without subjects, and Elster thinks that this vice has been pervasive in Marxist and non-Marxist sociology to the detriment of both traditions. His long-running dialogue with Gerry Cohen⁶ establishes that Cohen's reconstruction of historical materialism as a functionalist account of the relations between productive forces and production relations, in the absence of explanatory mechanisms, is just a leap of faith devoid of convincing microfoundations. He shows that Cohen's defence of 'consequence laws',⁷ i.e. interesting correlations awaiting explanatory mechanisms, is implausible, and effectively discredits the best defence of Marx's theory of history yet put forward.

FIGURE 1
Elster's Account of Modes of Explanation & the Sciences

	Physics	Biology	Social Science				
1	Yes	4	Yes	7	Yes	Causal explanation applicable ?	
2	No	5	Yes	8	?		Functional explanation applicable ?
3	No	6	?	9	Yes		Intentional explanation applicable ?

As box 9 indicates, Elster defends intentional explanation as the hallmark of the social scientist. This defence attacks structuralism which he takes to suggest that the constraints on human actors are so strong as to make rational choice within those constraints irrelevant. In most philosophical debate structural constraints are a synonym for necessity, whilst choice is a synonym for freedom. *Ulysses and the Sirens* is a lengthy objection to this dualism. The idea that people are sometimes free to choose their constraints lies behind the legend of Ulysses and the Sirens. On the other hand *Sour Grapes* shows that the preferences behind choices are sometimes shaped by constraints, as in the fable of the fox who after

⁶J. Elster, review of G. Cohen, *Karl Marx's Theory of History*, *Political Studies*, 28, 1980, pp. 121-8; G. Cohen, 'Functional explanation: reply to Elster', *Political Studies*; J. Elster, 'Marxism, Functionalism and Game Theory', *Theory and Society*, G. Cohen, 'Reply to Elster', *Theory and Society*, 11, 1982, pp. 483-96. J. Elster: Reply to comments, *Theory and Society*, 12, pp. 111-20.

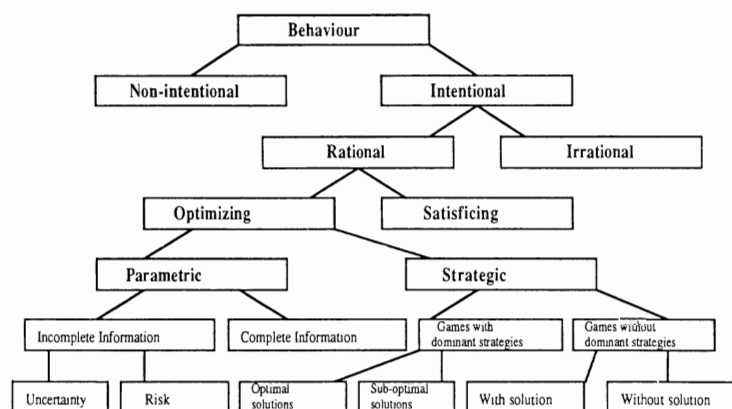
⁷G. Cohen, 'Functional explanation, consequence explanation and Marxism', *Inquiry*, 25, 1982, pp. 27-56.

realising that the grapes are unobtainable concludes that the grapes are sour. The memoirs and recollections of political activists often display this form of sour grapes. Elster is concerned to show not that human choice is unconstrained, nor that preferences are always autonomous to the actor, but that they are often so. He is well aware that actors' preferences are partly heteronomous, endogenously shaped by the social system in which they operate. 'However, the task of providing an explanation of preferences (and beliefs) is so difficult that for many purposes we must simply take them as given and proceed on that basis to explain behaviour.'⁸

Elster's conception of social science is illustrated by the tree of behaviour shown in Figure 2. Non-intentional human behaviour is the domain of physiology, biology and certain branches of psychology. Intentional explanation is the domain of the social sciences. Irrational behaviour is the territory of psychologists, whereas rational behaviour is the field of economists, psychologists and political scientists. Optimizing models of behaviour are the special concern of economists and rational choice theorists. Optimizing models sub-divide into two types: strategic theories based upon interaction between rational beings (as in game theory) and parametric behaviour in which the actor treats the world as a parameter, or a constant (as in the theory of rational decision-making).

This broad account of the philosophy of the social sciences, found in both *Ulysses and the Sirens* and *Sour Grapes*, but stated with superb clarity in Part One of *Explaining Technical Change*, is a model exposition of contemporary positivism.

FIGURE 2
Elster's Tree of Behaviour



⁸J. Elster, 'Reply to Comments', *Theory and Society*, p. 116.

All of Elster's own work is an extended commentary on the different branches of the tree of behaviour.

ELSTER ON IRRATIONAL BEHAVIOUR

Some of Elster's most stimulating writing is on irrationality. Broadly speaking he is concerned with four classes of irrationality. The first is *acting rationally on irrational assumptions about the behaviour of others*. This irrationality displays rational symptoms, given inexcusably false beliefs on the part of the agent. Elster is coy about what precisely makes a belief inexcusably false but distinguishes three forms of this version of irrationality, found commonly in politics. First, agents may treat their environment as parametric, or made up of agents less rational than they are, when in fact the environment is made up of equally rational agents. The Chinese Communists' behaviour in dealing with Chiang Kai-Shek is a good political example. They treated their class-enemy as a parameter, or as less rational than they were, with the result that in 1927 many of their cadres went to their deaths. Secondly, wishful thinking may lead agents to endorse irrational assumptions. For example, nuclear engineers wish to define the probabilities of nuclear accidents in the language of risk which can be planned for (because one can assign probabilities), when in fact uncertainty is a more rational way to characterize the prospects of nuclear accidents, but it cannot be planned for (because here one cannot assign probabilities). Thirdly, self-deception may lie behind irrational assumptions. Here the agent manages both to believe and not to believe the same ideas. He claims, without elaboration, that this problem is the crucial test that any theory of human nature has to pass. Elster believes that self-deception is possible, although as he admits, he does not provide knock-down arguments for his case. Indeed his discussion of Festinger's theory of cognitive dissonance shows that the assumption that people will selectively expose themselves to information sources that will produce consonance, and ignore information that produces dissonance, turns upon a crucial ambiguity in the meaning of 'information'. Once people are told of information which does not support their decisions or attitudes they cannot 'avoid the information' because they know of its existence. They may ignore it but that is a different matter from deceiving themselves. Elster thinks that self-deception can be regarded as self-modification but is obscure on this score. *Ulysses and the Sirens* unintentionally persuaded this reader that conscious self-deception is impossible.⁹

⁹It is curious that Elster adopts the view in *Sour Grapes* (p. 142) that self-deception is incoherent, without contrasting this judgment with his position in *Ulysses and the Sirens* (p. 172) where he promises to defend the common-sense view that people do sometimes deceive themselves.

The second class, *pursuing inherently unrealisable intentions*, leads to different forms of irrationality: the irrationality of paradoxical intentions. Elster's favourite examples focus on willing what cannot be willed, such as willing oneself to be more humorous, sincere, relaxed, passionate or cool. Such injunctions are suggested to politicians by their marketing strategists: 'Be more spontaneous!' is my favourite paradoxical injunction. The philosophical illustration is Hegel's master-slave dialectic: the worthless slave cannot give the master the recognition he craves because the master has set himself the paradoxical goal of unilateral recognition. Recognition is only worthwhile from someone you respect. You cannot compel genuine recognition from someone you despise. Elster gives his most sustained attention to a sub-set of the irrationality of paradoxical intentions: the willing of states that are essentially by-products. States which cannot be brought about intelligently, or intentionally, because the attempt to do so precludes the state which is the object of the intention, illustrate what he calls the intellectual fallacy of by-products. Elster's extended discussion of one self-defeating prescriptive political theory is especially worth attention. He argues against the theory that the main purpose and defence of democracy is its educational and useful effect on its participants, an argument advanced in different guises by J. S. Mill, Arendt and Pateman (and we might add advocates of Human Relations and workers' control). These theorists defend democracy and advocate its extension for those of its advantages which are essentially by-products. Elster argues cogently that the case for democracy should not be made in this way, and that the desirable by-products can only be obtained if they are not consciously aimed at. The argument highlights his dislike of narcissistic politics.

Thirdly, *the irrationalities of ideology as biased belief* attract his attention. He advances four negative propositions against the Marxist theory of ideology. There is no reason to suppose that beliefs: i) shaped by a social position tend to serve the interests of the person in that position; ii) shaped by social position tend to serve the interests of the ruling or dominant group; iii) shaped by interests tend to serve those interests; and, iv) which serve certain interests are to be explained by those interests. These propositions are well argued and supported by multiple historical and biographical examples, and amount to a decisive critique of the Neo-Marxist theory of hegemony as well as a range of arguments in political sociology. Elster is especially useful in generalizing the arguments of the French classicist, Paul Veyne, author of *Le pain et le cirque*. Veyne contends that the ruled adopt beliefs which benefit rulers because such beliefs make sense of their position to themselves (cognitive dissonance), and not because they are brainwashed or persuaded by an hegemonic ideology; and that the interests of the ruling class are in fact better served by the ruled classes spontaneously generating an ideology which justifies their inferior status to themselves. Subjects only believe in rulers who never need to stoop to prove their superiority! Such psychological micro-

foundations for a theory of ideology are better founded, and more plausible, than the theses propagated by structuralist Marxists.

Finally, *the unintended benefits of ideological bias* are succinctly discussed by Elster with examples from the work of Nisbett and Ross, Hirschman and Schumpeter. Phenomena like illusions and wishful thinking may often benefit agents *because* of their irrationality. For example, as self-confidence has a positive effect on motivation, so excessive self-confidence may have personally beneficial consequences for the individual. Societies may also benefit from collective wishful thinking because the simplest improvements require such an enormous effort that the full appreciation of this knowledge would inhibit progress. Heroic planning based upon wishful thinking may achieve more than sober appraisal and cost-benefit analysis might suggest. But Elster counsels against promoting such examples into general laws, and against the obsessional search for meaning or hidden hands — the professional vices of the sociologist and the economist, and the pathological preoccupation of the Marxist.

ELSTER ON THE PROBLEMS OF RATIONALITY

Elster's excursions into the world of irrationality are prompted by his desire to explore the limits of intentional explanation and its most famous sub-set, rational choice explanation. He is well aware that the main challenges to rational choice theory are that it may not tell us what is demanded by rationality, and that people may not behave as rational choice theory hypothesizes.

The first problem can arise in two ways. First, rationality may be indeterminate: more than one action may be equally and maximally beneficial to the agent. Although this problem does not pose normative difficulties, it poses explanatory indeterminacy especially when the alternatives may be very different. Historians and political scientists engaged in case studies of decisions frequently face this difficulty. The second way in which the problem arises is that rational action, belief, and/or evidence may not be able to exist. When agents cannot compare, pair-wise, all options, their preference rankings are incomplete and the normative theory of rational choice cannot guide the agent's action, and the positive theory cannot explain it. Under uncertainty, and/or conditions which resemble games which have no single co-operative equilibrium, agents cannot form determinate rational beliefs. Finally, agents may not be able to establish rationally the optimal levels of evidence they require for an action to be rational, because they cannot assess the expected marginal benefits and costs of searching for information. Whilst serious, in Elster's view these difficulties are not decisive objections to rational choice theory in either its positive or normative versions. Because rational choice's domain is limited, this does not mean that it should be

rejected. Normatively, the limits of rational choice point to Weber's contention that science cannot tell us which of the warring gods to support: we must often take stands which cannot be rationally justified. Positively, the limits of rational choice point to the importance of psychological research to explain agents' choices.

The second problem poses a more radical challenge to rational choice theory. People are irrational when they can be rational. Elster's studies of irrationality classify and emphasize the everyday significance of such behaviour, so he clearly takes this challenge seriously.

However, in the domain of non-irrational behaviour Elster remains unconvinced by the alternatives to rational choice theory available to contemporary social scientists. He discusses and rejects three main alternatives to rational choice: structuralist, socialization and satisficing theories. Structuralism makes the unwarranted assumption that constraints always narrow people's 'choices' to one of the 'alternatives'. Elster is convincingly critical of this structuralism. Perhaps it is not the same structuralism advocated by French *structuralistes*, but given their notorious opacity Elster cannot be faulted for trying to extract rational kernels from their discourses.

Elster is also critical of socialization theory, and supports many of the arguments made by Barry in *Sociologists, Economists and Democracy*. However, he concedes that socialized norms may explain some behaviour better than rational choice theory, and considers that voting is a good example where this is so. Whilst the general concession might be correct I am not persuaded that voting is a good example. Elster, like Downs before him, is making the mistake of assuming that the voter's choice of whether to vote or not is a parametric decision of the form: will the benefits from voting for the candidate or party I support multiplied by the probability that my vote will make a difference exceed the costs of voting? But the rational voter's decision is a strategic decision in conditions of uncertainty. The rational voter must reason with himself or herself along the following lines: 'Will others vote? If they think parametrically they will not, but then it becomes worthwhile for me to vote. If they think strategically, as I do, then we all face an infinite regress. In that case I do not know whether it is rational to vote. Given uncertainty about the rationality of others I should risk-minimize by voting to avoid post-election regret'. While not wishing for a moment to suggest that such reasoning lies behind real voters' actions, this argument suggests that rational choice theory can, in principle, explain voting as rational. More importantly, contemporary political science has discredited the assumptions and predictions of socialization theory — when that vague body of ideas can be operationalized — and rational choice explanations of voting behaviour are becoming the conventional wisdom. But Elster's main complaint about socialization theory is that it is *ad hoc* and *ex post facto*. It fails to tell us when norms will override rationality.

Elster is also sceptical of the alternative to rational choice theory offered by Simon, *satisficing*. Unlike most economists who have so much intellectual capital investment tied up in rational choice that they wishfully (rather than wilfully) misrepresent Simon's criticisms of unbounded rationality, Elster accepts that Simon has made a major and so far unanswered assault on the realism, or even the plausibility, of the axioms of rational choice. In *Explaining Technical Change* Elster pays homage to the pioneering work of Nelson and Winter who have tried to build a theory of technical change based on Simon's model of decision-making. However he again complains of the *ad hoc* nature of satisficing theory. It does not explain why people have the aspiration or satisfaction levels which they appear to have. Consequently

[n]eoclassical economics will be dethroned if and when satisficing theory and psychology join forces to produce a simple and robust explanation of aspiration levels, or sociological theory comes up with a simple and robust theory of the relation between social norms and instrumental rationality. Until this happens, the continued dominance of neoclassical theory is ensured by the fact that one can't beat something with nothing.¹⁰

There are problems with Elster's formulations against alternatives to rational choice theory. It is not clear why we should retain rational choice theory even when its axiomatic realism is denied. Elster *seems* to be appealing to some philosophy of science which he has not defended in his writings, one in which elegance, parsimony and rigour (the 'something' referred to in the above quotation) are more important than realistic assumptions, explanation or empirical confirmation. If so, he has apparently been seduced by the sirens of the economic theory profession. Elster has not defended the philosophy of science which apparently lies behind his rejection of alternatives to rational choice theory. More generally, Elster seems unaware that in defending rational choice theory he often appears by default to be adopting a structuralist rather than intentionalist approach to the social sciences. Microeconomics and game theory are not merely capable of being formalized in mathematics. The purpose of such theories is to derive solutions, whether they be called constrained optimizations or equilibria. Their content represents a system of transformations, as in Piaget's conception of structuralism.¹¹ The 'actors', 'consumers' or 'producers' in these theories are not flesh-and-blood intentional agents. 'They' are 'vectors of preferences', or rather an array of letters, which are transformed in systems of simultaneous equations. This complaint is not irrational, humanist, or anti-mathematical. But I am suggesting that Elster does not demonstrate that rational choice theory in its neo-classical guise is in fact an intentionalist mode of explanation. Perhaps it is

¹⁰ *Rational Choice* pp. 26–7.

¹¹ J. Piaget, *Structuralism*, Routledge & Kegan Paul, 1971.

a superior, rigorous, and elegant structuralism? Whether or not this argument is true or false, Elster does not present his readers with an extended argument rebutting such objections.

ELSTER'S MARXISM

When Elster went to the ENA in Paris in 1968 he was a Marxist who felt no affinity with then fashionable Althusserian ideas. Convinced that methodological and political individualism were distinct he studied Marx under Raymond Aron. He did not publish his thesis because he thought its methodology would bring no Marxist readership, whilst non-Marxists would find his residual Marxism unpalatable. But in the course of the late 1970s and early 1980s Elster worked closely with a range of colleagues, notably G. Cohen and J. Roemer, to produce a Marxism compatible with his methodological predilections. *Making Sense of Marx* is the product of this labour.

There was a time when politically experienced or competently educated people could easily identify a Marxist. The necessary and sufficient conditions for legitimately using the label Marxist were obvious to all except secret policemen, Joseph McCarthy and disreputable journalists. A Marxist necessarily believed in the doctrines of historical materialism, the labour theory of value, the primacy of class struggle in historical conflicts, and that the working class would be the architects of a new socialist order more productive and liberating than capitalism. Unless somebody like Stalin enforced orthodoxy, certain exotic ideas were not mandatory Marxist beliefs: such as the dogmas of dialectical materialism, the belief that all mental activity forms an ideological superstructure causally explained by the economic basis of society, and the theory that in the course of capitalism's development profits must fall as a result of the inexorable rise in the organic composition of capital. But Elster thinks that *all* these tenets, rightly associated with Karl Marx and Marxism, are wrong-headed and indefensible.

Having asked the question 'What is living and what is dead in the philosophy of Marx?'¹² Elster argues that the following ideas are dead if not yet buried: 1) scientific socialism; 2) dialectical materialism; 3) teleology and functionalism; 4) Marxist economics; and 5) the theory of productive forces and relations of production (i.e. the core of historical materialism). But despite being suffused with wishful thinking, functionalism and arbitrariness, he believes that some of Marx's theories still await the official coroner's verdict. The following ideas are capable of being rescued, repaired and reconstructed from the mess in which Marx and later Marxists have left them: 1) a version of the dialectical method;

¹² *Introduction to Karl Marx*, pp. 186–200.

2) a restricted theory of alienation; 3) moral insights from the theory of exploitation; 4) a theory of technical change under capitalism; 5) parts of Marx's theory of class and politics; and 6) a stripped-down version of the theory of ideology.

But this apparently balanced verdict in *Introduction to Karl Marx* fails to remove the impression created by *Making Sense of Marx* that Elster has ruthlessly destroyed the plausibility of almost any non-trivial argument that Marx and Engels ever made. The tone and content of Elster's writing on Marx put the skills of Berlin, Popper and Kolakowski in the shade. The title *Making Sense of Marx* suggests that there is a lot of nonsense in Marx. To make sense of him requires that he be subjected to 'the light of intervening history, and . . . the tools of non-Marxist social science and philosophy. It is hoped that Marxist thought will thereby be freed from the increasingly discredited methods and presuppositions which are still widely regarded as essential to it, and that what is true and important in Marxism will be firmly established'.¹³ For Elster modern social science and philosophy are methodological individualism. But *pace* Elster, these methodological canons rule out most of Marx's writings as senseless.

Making Sense of Marx documents Marx's methodological blunders in a way which can only leave the sympathetic but unprejudiced of Marx's admirers concurring with Elster's corrosive judgments. Marx's theory of the state is couched in a 'half-conspiratorial, half-functional language that invites lazy, frictionless thought';¹⁴ Marx's theory of history, like Hegel's, is halfway 'between a fully religious and a fully secular'¹⁵ vision; and as for Marx's philosophy 'little more needs to be said than that Marx had no coherent materialist view, and that had he had one, it would have borne no interesting relation to historical materialism'.¹⁶ His theories of man's relations with nature 'are either rambling and incoherent, or inherently trivial'.¹⁷ To push the dagger through, Elster adds that a 'few interesting observations can nevertheless be extracted from his writings', much as a weary teacher is kind to an enthusiastic but incompetent undergraduate. Needless to say the 'few interesting observations' consist of Elster's own (genuinely) interesting, and psychologically informed elaborations. The labour theory of value 'is useless at best, harmful and misleading at its not infrequent worst'.¹⁸ To explain Marx's invalid theory of the falling rate of profit, 'this multiply confused argument, we might invoke wishful thinking, an uncertain grasp of mathematics . . .'¹⁹ and so on, but at least it passes muster as a

¹³ The quotation is from the inside cover of *Making Sense of Marx*.

¹⁴ *Making Sense of Marx*, p. 399.

¹⁵ *ibid.*, p. 109.

¹⁶ *ibid.*, p. 55.

¹⁷ *ibid.*, p. 55.

¹⁸ *ibid.*, p. 120.

¹⁹ *ibid.*, p. 160.

refutable theory unlike 'the various other theories of capitalist crises scattered around in his writings. They tend to be trivial, or obscure'.²⁰ As for the Marxist theory of ideology it 'has had its full share of obscurantist and pretentious expositions. In addition to the usual pervasiveness of ill-founded functional explanations . . . the practitioners in this area have engaged in frictionless speculations that have brought it into deserved ill-repute'.²¹ Indeed any writer with a modicum of ingenuity can invent analogies between a set of mental attitudes and a socio-economic structure. Later Marxist doctrines have provided many instances, worthy of a prominent place in the chambers of horrors of science. These criticisms are supported by textual exegesis, documentation, and argument which is usually scrupulously fair to Marx before his invariable methodological execution.²²

What is left of Marx after this methodological offensive? And what is left which is both 'true and important' that the series *Marxism and Social Theory* is dedicated to deliver? When we look at Elster's list of Marx's ideas that he thinks are still alive and kicking these questions become insistent for any reader, Marxist or non-Marxist.

The component of the dialectical method which Elster thinks retains methodological value is the obverse of Adam Smith's invisible hand, the negative unintended consequences of action, the self-defeating rationality of the prisoner's dilemma, or more crudely, 'the invisible punch'. But, in *Logic and Society* Elster borrows Sartre's term *counterfinality* to describe the negative consequences for the individual of the unco-ordinated actions of others, and uses the term *sub-optimality* to describe the production of sub-optimal outcomes by rational actors, and regards the one-off prisoner's dilemma game as the exemplar of sub-optimality. The reason this point is significant is that Elster regards Marx as ignorant about the importance of strategic actors producing sub-optimal outcomes, i.e. the component of the 'dialectical method' which Elster regards most highly. Most obviously Marx was incapable of appreciating that if his theories had any merits the bourgeoisie was capable of understanding them and developing strategies which would make them self-defeating political prophecies. So it is misleading to suggest that Elster, or anyone else, derives from Marx the important com-

²⁰ *ibid.*, p 161.

²¹ *ibid.*, p 460.

²² There are exceptions. Elster on occasion twists Marx's writings. For instance, he cites a passage where Marx discusses the antagonism between English and Irish workers and comments critically that 'Ruling classes can exploit prejudices but they cannot create them' — *Making Sense of Marx*, pp. 21–2. Elster's comment is generally true, but is not a valid criticism of the passage from Marx he has just cited. Marx explicitly refers to the conflict between the English and Irish workers as being 'artificially kept alive and intensified' by the ruling class. Marx agrees with Elster that the ruling class in this case had not created, but rather had taken advantage of existing intra-class antagonisms.

ponent of the so-called 'dialectical method', game theory. It is contestable, and at odds with Elster's evidence, to suggest as he does that Marx's analysis of the structure of unintended consequences of action was clearer than that of Mandeville, Smith or Hegel. Given Elster's critique of Marx's theories of social development and crises, it is especially strange to contend that the idea of the unintended consequences of action was turned by Marx from a 'a general *Weltanschauung* into a precision tool for the study of social change'.²³ Rational choice theorists' 'dialectics', are alive and well, and winning Nobel prizes, but they are not part of Marx's legacy, especially not according to Elster's own account of Marx's method.

Elster suggests that Marx's theory of alienation and its corollary, Marx's ideal of the good life, self-realisation, are vibrant. But, as he is aware, the core value behind the theory of alienation is Aristotle's ideal of human flourishing. True, and importantly, Marx thought that all humans, not just Greek aristocrats and slave-owners, should be given the opportunity to develop their creative powers in a post-exploitative society. But the fact remains that the idea is not distinctly Marxist. Elster rightly contends that Marxism's central ethical value, *contra* received wisdom, is not 'equality', however construed. Rather it is freedom: freedom from constraining modes of production and freedom to achieve one's latent capacities to the full. Whilst appealing to him, Elster is conscious of this Aristotelian ideal's absurdity when taken as an absolute ethical guide. Some people's essences (Hitler's for example) should not be allowed to unfold, and on the other hand, people should not be forced to be free lest, as Elster warns, pre-communist individuals become regarded as so many sheep for the slaughter. And the idea that all can be equally satisfied in their project of self-realisation comes up against the harsh reality that, for most of us, self-realisation comes from the recognition of others. If we all recognised one another as fully realised variants of Leonardo da Vinci the pleasure from being so artistic and scientific would be considerably diminished. The grim truth seems to be that 'self-realisation' is in part a positional good. In short, on the evidence of Elster's writings, his own ethics are both more realistic and complex than Marx's, and his ideals are not distinctly Marxist.

Elster contends that Marx's theories of exploitation and of distributive justice still breathe, which is an extraordinary claim given his own analysis of the defects of Marx's positive and normative theory of exploitation. Marx's positive theory of exploitation, the labour theory of value, is discredited as an explanatory theory of price formation in perfect competition. Elster suggests in *Introduction to Karl Marx* that Marx's normative theory of exploitation gives a robust guide to some things that are ethically wrong, 'physical coercion, as in slavery and feudalism;

²³ *Introduction to Karl Marx*, p. 39.

economic coercion, as when employers interfere with alternative employment opportunities for workers; or economic necessity, as when people, by no fault of their own, are forced to sell their labour power'.²⁴ Several objections can be made to this suggestion. The labour theory of value was not, and is not, needed as a robust guide to the wrongs of slavery and feudalism. Furthermore, workers, as well as capitalists, often interfere with other workers' employment opportunities. More importantly, 'economic necessity', whilst it is grim, is not a person, and cannot be held to account for exploitation without violating Elster's own methodological canons, unless we should decode 'economic necessity' as the consequences of a class monopoly of the means of production.

Elster is full of praise for the economist Roemer who²⁵ incorporates the labour theory of value as a special case, but holds that exploitation is a general phenomenon, which (*contra* Marx) can occur in exchange as well as in production relations. Roemer's original theory of exploitation and injustice is highly technical in presentation, and is not reliant on the labour theory of value, but depends at root upon a simple counterfactual idea. If workers can withdraw from society with their per capita share of means of production and resources, and will be better off by so doing, whilst capitalists will be worse off, then we can conclude that workers are exploited. Roemer does not consistently carry through his idea because he still says that if workers will be worse off by withdrawing from society then they are experiencing 'historically necessary' exploitation. Being exploited by 'History' as opposed to capitalists, seems to be in flagrant contradiction to the principles of methodological individualism! Although Roemer and Elster come close to Joan Robinson's dictum that 'sometimes being exploited is better than not being exploited at all' they fail to carry through its more obvious ethical consequences. Large numbers of workers in contemporary capitalist economies would appreciate some Marxian exploitation in the labour market rather than none. Finally, Elster is surely too generous when he suggests that Marx provided useful first approximations for a theory of distributive justice. Even leaving aside Marx's perverse refusal to acknowledge that he had any principles of justice, the slogans of the early socialists which he repeated were first of all not his own, and secondly, as Elster shows, very difficult to apply coherently. Elster's decision to give Marx the benefit of the doubt on his normative theory of exploitation is one of the many examples of the more generous tone of *Introduction to Karl Marx* which is difficult to reconcile with the intellectual massacre of Marx in *Making Sense of Marx*.

Elster suggests that Marx's theory of technical change is the sole living component of Marx's economic theory. Elster endorses Paul Samuelson's tough-

²⁴ *ibid.*, p. 196.

²⁵ J. Roemer, *A General Theory of Exploitation and Class*, Cambridge, Mass., Harvard University Press.

minded judgment on Marx the economist (a 'minor post-Ricardian') but qualifies his agreement with Samuelson as extending only to *Capital Volumes II and III*.²⁶ He considers that *Capital I*, for all its faults, was Marx's masterpiece. *Capital II* he rightly describes as one of the most boring books ever written although he unfairly fails to stress that it was unfinished and prepared by Engels from Marx's notes. But *Capital I* retains its relevance because of its insights on the capitalist labour process, especially its searing portrait of the relations between technology, profits, power, property and class at the point of production, the capitalist enterprise. Elster makes his case. These passages in *Capital* make sense and also still make socialist converts out of students and intellectuals. Marx's class-grounded theory of technical change retains power and explanatory utility. But in *Explaining Technical Change* Elster regards Marx's theory of technical change as wrong on most details, its historical materialist foundations unsustainable, and its corollary, the theory of the falling rate of profit, erroneous on several counts. More strangely still, the reader of *Explaining Technical Change* will discover that Marx is not its intellectual hero. Elster's admiration is far more evident for Schumpeter's dynamic theory of technical change in capitalism, and for Nelson and Winter's evolutionary models of technical change. By contrast Elster's appreciation of Marx's work on technical change is cooler and more critical.

Elster is on safe ground when he contends that Marx's theories of class-consciousness, class struggle and politics still live, although his suggestion that they are 'vibrantly alive' in contemporary industrialized liberal democracies is contestable. But Elster is a heretical Marxist. He argues that collective action based upon non-class cleavages, throughout the history of various modes of production, has often been more significant than class-action. He does not doubt the existence of classes, either objectively or subjectively, but he questions their centrality, or primacy, in collective action. He also scathingly, but accurately, rejects Marxists' attempts to reduce non-class antagonisms to class-based conflicts. The only plausible Marxist defence of the primacy of class struggle that Elster recognises is that the referent of 'primacy' is confined to epochal transformations (i.e. transformations of the mode of production). He suggests that it remains to be shown that cultural conflicts could not shape the struggles that lead to a change in the mode of production. Does it really 'remain to be shown'? The collapse of the Roman Empire (and slave mode of production) at the hands of barbarians, and the revolution which transformed the Vietnamese mode of production in this century are good, if imperfect, examples, of the centrality of cultural conflicts in what Marxists describe as epochal transformations. Class was present, but scarcely primary, in these transformations. Furthermore, Elster, and his colleague

²⁶ *Making Sense of Marx*, pp. 513-4.

Roemer,²⁷ appear to be concluding that *domination* is a more important way of understanding what the worker experiences at the hands of the capitalist than *exploitation*.²⁸

Elster holds in low esteem Marx's theory of the state and politics, both in capitalist and post-capitalist societies. But one of the most original merits of Elster's exegesis of Marx is to bring out clearly Marx's abdicationist or abstentionist theory of nineteenth-century bourgeois politics in Britain, France and Germany. Elster reads Marx as arguing that the bourgeoisie bound themselves against seizing power from the aristocracy because the separation of economic and political conflicts presented the working-class movement with a struggle on two fronts. The model of *Ulysses and the Sirens* is here applied to class actors. Elster creatively shows how many of Marx's arguments about relationships between organized classes and the state can be re-modelled with the tools of game theory. But classical Marxist theories of the state are not saved by Elster's methodological repairs. The class-compromise model of the liberal democratic state, lucidly presented by another of Elster's colleagues, Przeworski,²⁹ predicts that the stabilization of capitalism is in the rational interests of the working class, because the costs of the transition to socialism are so high, and the putative benefits of complete socialism so unpromising. It is a very watered-down Marxism which demonstrates the coherence, rationality and optimality of labourist or social-democratic political strategies.

Elster rebuts the theory that the state, as an agency of co-ordination and law-enforcement, will wither away under socialism. It won't, and it shouldn't. The political structure of 'actually existing socialism' also receives short shrift in passing asides, notably in Elster's sympathetic review of Alexander Zinoviev,³⁰ but most readers will be frustrated with his failure to discuss state socialism at any length. Nonetheless he writes on occasions about Soviet developments in a style similar to Schapiro or Wittfogel: Marx 'did not consider the possibility that communism might occur prematurely, and like the Asiatic mode of production become a dead end of history'.³¹ This remark is unfair to Marx who thought that 'all the old filth' (class, state and exploitation) would return if communism were attempted without the full development of the productive forces.

Marx's teleological belief that at the end of human pre-history scarcity would

²⁷ John Roemer, 'Should Marxists be interested in exploitation?' in J. Roemer (ed.) *op. cit.*

²⁸ If they continue in this vein Analytical Marxists are well on the road to becoming neo-Weberians, much like the Althusserian sociologists pilloried by F. Parkin, *Marxism and Class Theory: A Bourgeois Critique*, Oxford University Press, 1979.

²⁹ A. Przeworski, *Capitalism and Social Democracy*, 1985.

³⁰ 'Negation active et negation active: essai de sociologie ivanienne', *Archives Européennes de Sociologie*, 21, pp. 329-49.

³¹ *Making Sense of Marx*, p. 309.

be abolished contributed to the disastrous failure of Marxists to develop any practical economic theory, which in turn contributed to the fiascos of command planning. Elster indicates a passing sympathy for market socialism, but falls well short of prescriptive political economy. For the sake of democratic socialism let us hope Elster will turn his talent from the post mortem on Marx's ideas to empirically informed and cautious prescriptive political theory. But he has some catching up to do. As my colleague Alan Beattie puts it, *Making Sense of Marx* ends its criticism of Marx's theory of politics where Hobbes began.³²

Elster's criticisms of Marx's theory of ideology have already been cited. Yet Elster claims that although the theory is 'not particularly well and alive . . . I believe it can and should be resurrected'.³³ But all that remains of historical materialist accounts of ideology from Elster's masterly resumé is the idea that agents tend to generalize locally valid views into invalid global statements. This theory suggests that preference formation is not random with respect to the social location of the individual. This idea, indispensable to the preservation of major research fields in political science such as electoral studies, is true, but what is distinctively Marxist about it? Moreover, if a theory of ideology can be constructed with microfoundations in cognitive psychology, it will represent social scientific progress, but in what sense will it be the resurrection or restoration of a Marxist theory? After all, to use one of Elster's sharp phrases, 'ideas should be judged by their descendants, not by their ancestors'.

Elster writes in the concluding paragraph of *Making Sense of Marx* that 'It is not possible today, morally or intellectually, to be a Marxist in the traditional sense'.³⁴ *Making Sense of Marx* will persuade any rational person who thinks otherwise of the value of that summary verdict. But Elster goes on 'speaking now for myself only, I believe it is still possible to be a Marxist in a rather different sense of the term. I find that most of the views that I hold to be true and important, I can trace back to Marx. This includes methodology, substantive theories and, above all values'. No reader who has accompanied Elster to his conclusion can possibly be fooled by the author's final paragraph. Elster's methodological debts are to analytical philosophy, neo-classical economics, methodological individualism, and cognitive psychology. The substantive theories of Karl Marx which he accepts in an extremely modified form are revisionist on a grand scale. 'Above all values' seems more acceptable. Elster is inspired by Marx's core aesthetic value, the self-development of the human being. But the original idea is Aristotelian, and Elster is ruthlessly critical of Marx's writings which expound this value. Moreover, Elster shares none of Marx's more disreputable

³² Personal correspondence.

³³ *Introduction to Karl Marx*, p. 199.

³⁴ *Making Sense of Marx*, p. 531.

Victorian prejudices, his racism and his sexism. He regards socialist revolutions in the West as impossible and/or undesirable, socialist revolutions in the East and South as doomed to fail, the prospect of a world socialist revolution as a fantasy, and communism as an incoherent utopia.

Sentimentalism triumphs in the last sentences of Elster's odyssey through Marxism. To use some of his own favoured terms, it is only wishful thinking, inconsistency, and exaggeration which make Elster a Marxist. A man who writes that 'Surely the goal of any serious form of socialism is to create a society which *on balance* is a marked improvement on capitalism, not one which is better in many respects and worse in none'³⁵ is a hard-headed social democrat (with a small 's' and a small 'd') engaged in the worthwhile task of saving socialism from Marxism. What is psychologically interesting about Elster's Marxism is not its substance, but the fact that he is reluctant to throw away the Marxist label. Yet Elster's Marxist studies, like his other works, are worth reading to see the gifted deployment of philosophical themes and arguments. In Hegel's *Phenomenology of Mind* the argument is made that Spirit in its Odyssey constantly confronts its own past. Perhaps Elster needs to keep his Marxism alive so that his struggle against his past can affirm his own identity. Whether that speculation is true or not, his search to make Marxism defensible, whilst not vindicating Marx, or Marxism, has produced a first-rate philosopher.*

³⁵ 'Socialism', review of John Dunn's *The Politics of Socialism*, *London Review of Books*, 15 Nov-6 Dec, 1984.

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Reviews

Peter Marsh: Selling the Rope?

Gordon B. Smith: *The Politics of East-West Trade*, Boulder, Colorado, Westview Press and Bowker Publishers, Epping, UK, 265 pp., 1984, £38.50.
William V. Wallace and Roger A. Clarke: *Comecon Trade and the West*, London, Frances Pinter, 1986, £18.50.

Lenin's oft-quoted comment, on the willingness of the capitalist states to furnish the Soviet Union with the economic means to enable it ultimately to destroy them, forms a fitting keynote for Gordon Smith's comprehensive collection of papers on the politics of East-West trade. For, undoubtedly, despite the relatively small role that East-West trade plays in the world economic system, its political and strategic significance has traditionally been of great concern to Western governments anxious to ensure that trade does not strengthen the Soviet system and thus increase its threat.

However, as the contributors to the volume under review show, the Western consensus on the political, economic and strategic implications of East-West trade has been crumbling for some time. Not only is there a divergence of viewpoint between governments and companies, with the latter anxious to exploit commercial advantages without too much thought about their political and strategic consequences, there is also a major difference in the attitudes of Western governments to East-West trade. Quite clearly, particularly since the late 1970s, American views on the implications of East-West trade and technology transfer have diverged from those of Western Europe and Japan despite the supposed consensus embodied in the long-established NATO COCOM machinery. The situation has been reached, graphically depicted by the contributors to this volume, where in the words of Gordon Smith, 'there is a tendency of East-West crises to become West-West crises' (p. 21).

Anyone familiar with the shifts in American foreign policy over the last decade and the general decline of East-West relations from a situation of detente to what some international relations theorists like to call a 'new cold war', can testify to the breakdown of the Western consensus across a wide spectrum of issues in East-West relations, including trade. The planned linkage of some Western European States to the Soviet natural gas pipeline confirmed a clear difference of perception between America and its Western allies.