Pareto and Political Theory

Joseph V. Femia

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Although Pareto is considered a 'founding father' of both sociology and mathematical economics, his contribution to political theory has been largely neglected. This new book fills this gap by offering a critical examination of Pareto's significance for political theory.

Joseph V. Femia builds a case for Pareto's importance as a thinker who reflected on the most fundamental issues of political discourse: individualism vs. holism; science vs. hermeneutics; laissez-faire vs. social engineering; and value relativism vs. moral absolutism. In all these debates, Pareto offered provocative insights. Perhaps the most original of these was his identification of 'residues', or basic instincts and sentiments, as the chief motive force in political life and as the source of all our ideas and ideologies. Armed with this theory, Pareto dismissed the Enlightenment faith in human reason. Femia, in his critical but sympathetic analysis, refutes the familiar charge that Pareto was a form of proto-fascist and instead locates him in the Machiavellian tradition of 'sceptical liberalism', which scorns metaphysical abstraction and assigns ontological primacy to the individual.

The book concludes with a fascinating comparison between Pareto's scepticism and that of recent postmodernist thought, which also debunks the 'grand narratives' of historical progress. This insightful text will be of great interest to students and scholars of Political Philosophy, Sociology and History.

Joseph V. Femia is Professor of Political Theory at the University of Liverpool. He is the author of several books, including *Machiavelli Revisited* (2004) and *Against the Masses: Varieties of Anti-Democratic Thought since the French Revolution* (2001).

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Preface and acknowledgements

This book is not intended as an intellectual biography of Pareto. Its purpose is not to trace the permutations of his life and thought but to highlight his surprisingly neglected contribution to political theory. However, the book's title does not mean that I have focused on a specific aspect of his thinking to the exclusion of all other aspects. Pareto was contemptuous of the idea that political theory could isolate itself from other disciplines. When he speculated about historical events or human motivation or social dynamics, he did so to illuminate political reality. For him, as for Machiavelli before him, reflecting on the experience of the ancient Romans, for example, was a *form* of political theory, not an activity separate from it. Although he ridiculed attempts to identify the 'just' or the 'good' society, we should resist the tendency to pigeon-hole Pareto as a 'sociologist', essentially uninterested in systematic political discourse. An underlying premise of this book is that his interdisciplinary approach should be emulated by modern political theorists, who increasingly proceed as if historical analysis, economic reality, and human psychology were somehow irrelevant to their enterprise. Nevertheless, my aim is to be critical as well as expository. I try to elucidate Pareto's views and to say how they are related to cultural trends and intellectual traditions, but I also venture some comments on the validity and consistency of those views. It is hoped that, whatever its defects, the present work will give some idea of the range and quality of Pareto's political thought, and that it will make readers want to explore Pareto for themselves.

During a decade or so of writing and lecturing about Pareto, I have benefited from the comments and critical suggestions of numerous friends and colleagues. Of these, I would like to single out Jules Townshend for special thanks, since he read part of this book in draft form and always provided encouragement, despite his own lack of sympathy for Pareto's perspective.

Production of the work was greatly facilitated by a grant from the Arts and Humanities Research Board (now Council), which enabled me to have research leave throughout the calendar year 2003. I am pleased to record my gratitude to that organisation, and to note the patience its officials demonstrated when completion of the project was delayed by illness.

Some of the material in the book has appeared previously in three of my publications: 'Pareto's Concept of Demagogic Plutocracy', *Government and Opposition*, vol. 30 (Summer 1995), reprinted by permission of Blackwell; 'Pareto and the Critique of Justice', in D. Boucher and P. Kelly (eds), *Social Justice: From Hume to Walzer*, London and New York: Routledge, 1998; and 'The Futility Thesis', in *Against the Masses: Varieties of Anti-democratic Thought since the French Revolution*, Oxford and New York: Oxford University Press, 2001, ch. 3, by permission of Oxford University Press. Acknowledgement is gratefully made to the publishers in question.

Last but not least, my thanks are due to Jo Summerfield and Anne Greenwood for typing the manuscript with such speed and efficiency.

J.V. Femia
2005

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1 Introduction and preview

Along with Weber and Durkheim, Pareto is generally considered one of the three 'great' political sociologists who challenged the Marxist theory of society. His analysis of the cyclical fluctuation of elites is justly famous, as is his emphasis on the 'non-rational' in human behaviour and practice. And yet, compared with the other 'greats', he receives surprisingly little attention from the scholarly community. While he did have his hour of glory in America on the eve of the Second World War, when his writings were enthusiastically explored by sociologists like Homans and Parsons, he has effectively been 'put in quarantine', like a man suffering from a communicable disease.[1] According to one commentator, who describes Pareto as an 'undisturbed theoretical corpse', the word 'quarantine' is too weak an image to convey the reality of the situation.[2] Living as we do in an age when even obscure and minor figures in the intellectual landscape generate a vast scholarly literature, how can we explain this relative neglect? Why, in particular, are his ideas almost totally ignored by people who describe themselves as political theorists or political philosophers?

Part of the answer lies in the demands Pareto makes on his readers. Before venturing into social and political analysis, he was a pioneering mathematical economist, who contributed to the study of general economic equilibrium and welfare-economic optimality. Because he saw economics as an integral part of his larger social theory, some may feel that they cannot do justice to his thought unless they can first master the complexities of neo-classical analysis, with its forbidding quantitative apparatus. This perceived obstacle is perhaps compounded by his refusal to be 'user-friendly' in any shape or form. An almost solipsistic disregard for his readers is especially evident in his main work, *Trattato di sociologia generale*, which induces exasperation in all but the most heroic of those who plough through it. Even Pareto's admirers describe this work as 'monstrous' – disorganised, unnecessarily long, full of

pedantic distinctions, and continually interrupted by digressions, and by digressions within digressions.[3] The English translation (which excluded many repetitions) has a total of 2,033 pages and some 1,845 footnotes, many of them several thousand words in length. As if self-indulgence were a virtue, Pareto constantly allowed himself to be diverted into garrulous and irrelevant discussions, displays of arcane erudition, and diatribes against those who excited his animosity.

But the narrative eccentricities of other thinkers – Hegel springs to mind – do not prevent them from acquiring an army of exegetes. A fuller explanation of Pareto's 'quarantine' requires us to consider the social psychology of intellectuals. Few writers managed to antagonise their potential public quite as much as he. Optimistic moralising, of a kind favoured by idealistic intellectuals, was his principal target, and he was relentless in exposing the double standards and faulty logic of its purveyors. This has made Pareto '*persona non grata* among the right-thinking'.[4] Socialism, peace, equality, social justice – every term in the lexicon of 'Progress' was subjected to his destructive sarcasm. In so far as he offered a vision of the future, it was one of competitive markets, class division, and inevitable elite rule – hardly the stuff of reveries. 'In the eyes of those who dream about the future society', writes Julian Freund, 'Pareto cannot but look like a spoil-sport'.[5] He was, in Parsons's phrase, a 'knocker' rather than a 'booster'.[6] In haughty and aggressive tones, he heaped ridicule not only on popular 'illusions' but on those who subscribed to them as well. While he professed to disdain moral preaching, he had the unpleasant scoffing habit of the moralist (in the classical sense of the term) who dispassionately lays bare human weakness. To 'worshippers of the Goddess Reason',[7] Pareto was a slanderer of mankind, a master of despair. His relaxed and even welcoming attitude towards Mussolini's takeover confirmed (and confirms) to many that fascism was the 'logical fulfilment'[8] of his cynical way of thinking. Of course, slanderers of mankind whose ideas are embraced by fascists need not be disqualified from enjoying effusive academic interest. Witness the Nietzsche industry, but he was precociously 'postmodern' in his attack on science and technology; Pareto, by contrast, was a sort of positivist who wanted to apply to the study of society 'the methods that have proved so useful in other sciences'[9] – an ambition guaranteed to make him seem 'old hat' at a time when the arbiters of academic fashion are busy deconstructing every cognitive norm.

It is a premise of this study that Pareto's very unfashionableness is a compelling reason for taking a fresh look at his ideas, some of which have barely received any exegetical scrutiny. The key to grasping

the significance of his contribution, I submit, is to recognise his Machiavellian roots. Like his Florentine predecessor, he was a realist who saw force and conflict at the heart of politics. Both thinkers bemoaned the tendency of political philosophers to conceive men not as they are in reality but as one imagines them to be. Both thinkers wanted to consider human passions not as virtues or vices but as properties of human nature, in the same way as heat is considered to be a property of bodies. Both refused to order the world into exclusive moral categories. Both understood that man was a myth-maker, a deviously instrumental creature who mystifies his actions by spinning webs of self-justification – intricate complexes of laws, symbols, values, and concepts. And both insisted, against the tenor of the times, that humanitarianism and liberality could be positively damaging, since they undermine the confident, belligerent spirit that preserves social cohesion.

All these Machiavellian traits may be taken to justify the picture of Pareto as a proto-fascist foe of all things enlightened. But one must bear in mind that Machiavelli's subversion of conventional pieties was, from a historical perspective, essentially progressive and liberating. Pareto too embodies the Machiavellian paradox. On the one hand, his analysis gives licence to the darker forces in man's psyche by debunking the political ideals that give men hope or at least soften the realities of power; on the other, the very process of demystification poses a threat to the status quo by depriving it of the myths or symbolic structures that help to preserve order. Like Marx, he viewed the scientific method as an instrument of mental purification, employed to expose the falsehoods and abstractions that keep us in thrall. As we shall see in Chapter 2, Pareto wanted political theory to free itself from metaphysics, from the tendency to 'transform subjective facts [beliefs] into objective realities'.[10] It will be my contention that his desire to apply the lessons of the physical–mathematical sciences to the analysis of social conduct was much sounder than his 'hermeneutical' or 'postmodern' critics would have us believe. Chapter 3 will explore his attempt to construct a science of politics and society on the basis of individual psychology. Two main propositions form the bedrock of his theory: (1) that both behaviour and belief stem from personal, psychological complexes; and (2) that social equilibrium is a function of the distribution and interplay of these psychic states ('residues', or 'sentiments', in his parlance). Whereas Marx and other progressives saw 'man' as rational and perfectible, Pareto viewed him as essentially a creature of emotions or instincts. Most of our actions, the argument runs, are 'non-logical' in that the objective results are not well related

to the subjective intent. The moral condition of mankind is to misperceive the nature of reality. Logical reason counts for little in the grand scheme of things.

Although Pareto, as an advocate of scientific transparency, set out to destroy our illusions, he accepted that his endeavours would only reach an elite audience. This did not worry him. Indeed, he expressed anxiety that wide readership of his work might produce harm in the form of mass cynicism or even unrest.[11] His purpose, as he described it, was 'strictly scientific' – devoid of 'any intention of offering remedies and precepts, any ambition, even, to promote the happiness and welfare of mankind in general or of any part of mankind'.[12] Certainly, the conclusions of his science of society were disturbingly radical. Not only did he expose our cherished beliefs as psychological rationalisations ('derivations') and wishful thinking, he also depicted society as an inherently manipulative and exploitative system, sustained by varying combinations of deception and violence. There are faint echoes of Marxism in this analysis, but Marx, needless to say, thought that human consciousness could be cleansed of its illusions, and that the historical conflict between rulers and ruled would eventually deliver progressive results. In contrast, Pareto was a pessimist who held that the human condition could never be cured of its ills and that history moved in perpetually recurring circles. Critics of Pareto tend to attack him on political grounds, or else to confront him with their own theoretical prejudices, which are invariably the opposite of his own. He categorically rejected the reified standpoint of contemporary social theory which purported to explain social/political institutions by assuming their organic function in a structural totality. To him, this was a metaphysical notion, an example of the 'mystical' thinking he had resolved to combat – though he never denied that psychological phenomena had some grounding in social 'collectivities'. Pareto's determination to excavate the psychological origins of political processes, to discover 'the logic of non-logic',[13] was – I shall argue – a valuable contribution to political theory, whose chronic neglect of human psychology borders on the perverse. Those who systematically reflect on politics persist in the fiction that they can change social conditions by 'proving' or 'disproving' this or that idea, or by devising some rational scheme – as if what Pareto labelled 'derivations' functioned as the sole determinants of human behaviour.

Pareto's attempt to expose the fatuousness of conventional moral and political philosophy is the subject of Chapter 4. Philosphers, he said, were rather like art historians, always trying to objectify the subjective and the evaluational.[14] Even those, like Bentham, who rejected

metaphysics nevertheless engaged in a fruitless quest for scientific 'truths' about how we should live. For Pareto, words like 'justice', 'morality', and 'goodness' could never be given a descriptive content, since they 'designate nothing more than indistinct and incoherent sentiments'.[15] While he had no time for *cognitive* relativism, Pareto was an *ethical* relativist, who thought that 'ought' statements lay beyond the reach of reason. His penetrating analysis of the fallacious reasoning and arbitrary assumptions that underpin widely accepted notions such as 'natural rights' or the 'categorical imperative' is an area of his thought that is almost wholly ignored in the secondary literature, despite its continuing relevance. One of the contributions of the present study, I hope, will be to give these arguments the attention they deserve.

Chapter 5 will examine Pareto's critique of liberal democracy, or – as he called it – 'demagogic plutocracy', a form of governance that he saw as fraudulent in its claim to represent the popular will, and self-destructive in its economic profligacy and effete liberalism. The critique represents a particular application of themes and concepts drawn from his general science of society: equilibrium and disequilibrium, the triumph of sentiment over reason, the circulation of elites. The critique is also informed by his economic theories: his opposition to restrictions on the free movement of capital, as well as to the proliferation of petty regulations and government subventions. The ferocity of his attack, combined with his deep pessimism about mankind's capacity for self-determination, has caused some commentators to see him as an ideologist of fascism. Notwithstanding the reverence he inspired in Mussolini, who made him a Senator of the Kingdom of Italy, Chapter 5 will highlight the *differences* between Pareto and the Fascist dictator. The widespread assumption that Pareto was, at the very least, an apologist for fascism may explain why his brilliant dissection of the liberal state has attracted so little in the way of discussion.[16] Again, it is my hope that the present study will raise awareness of his innovative ideas, including his division of society into 'speculators' and 'rentiers'. In Chapter 6, my concluding chapter, I shall locate Pareto in a tradition I refer to as 'sceptical liberalism' – a tradition which shares the pessimism of the fascists but insists on the ethical primacy of the individual. His main objection to the liberal state was that it had lost sight of this primacy in its efforts to impose a 'religion' of Progress. Pareto's attitude to all religions (secular or traditional) was one of doubt verging on disbelief. In the course of making some final judgements about his contribution to political theory, I shall favourably compare the type of scepticism defended by

Pareto with the much more fashionable variant favoured by the post-modernists – a collection of thinkers whose nihilistic contempt for empirical and logical rules would have repelled him.

While the foregoing discussion may suggest otherwise, my assessment of Pareto will balance praise with criticism. As is the case with all major thinkers, he often pushed insights to the point of exaggeration. Many commentators have also complained about his intellectual dishonesty or – to put it more charitably – inconsistency. He claimed to speak in the name of scientific neutrality, while simultaneously deriding everything and everyone that displeased him. Almost as infuriating was his refusal to integrate his work with that of previous, or contemporary, theorists. In spite of the prominent role he assigned to psychology, he had no notion of Freud at all. Of Max Weber, there is no trace in any of his writings. (We know he despised all things German.) Likewise Durkheim, another contemporary, is neither quoted nor discussed. As for Comte and Spencer, they are occasionally mentioned but only to be dismissed as mere metaphysicians. Only Marx – his apparent polar opposite, some of whose views are nevertheless eerily similar to his own – is honoured with extensive consideration and genuine respect. Such cavalier disregard for the normal canons of scholarship is bound to raise questions about Pareto's intellectual seriousness. The *naïveté* of some of his ideas (e.g. his rigid understanding of scientific objectivity) may be attributed to a lack of appropriate reading. But this failing can perhaps be explained by the eccentricity of his career path when compared with that of most other social or political thinkers.

Vilfredo Federico Damaso Pareto was born in Paris in 1848, a year of popular uprisings throughout Europe. While his mother was French, his father was a Ligurian *marchese* (marquis) who had fled to France in 1835, following the example of Mazzini and other Italian nationalists. During the mid-1850s the Pareto family returned to Italy, where the *marchese* enjoyed a successful career in the Piedmontese civil service. Vilfredo, after leaving school, studied classics and then engineering at the Polytechnic Institute of Turin. It was here that he acquired his proficiency in mathematics – the foundation for his achievements as an economist. His graduation thesis, *The Fundamental Principles of Equilibrium in Solid Bodies* – an essay in mechanical equilibrium – provided him with the basic model he would later use in his study of economics and society. After graduating at the top of his class in 1870, he took his first job as a director of the Rome Railway Company. Four years later he became the managing director of an iron and steel concern, the Società Ferriere d'Italia, a firm which extracted and processed

iron and allied products, and which had its headquarters in Florence. There Pareto dabbled in radical politics, expressing extreme views in support of democracy,[17] republicanism, free trade, and disarmament. After the Cavourist liberal government fell from power in 1876, a *consorteria* of 'left-wing' parties led Italy towards protectionism and state intervention at home and military adventurism abroad. While far from hostile to the demands of the workers, Pareto was quick to identify the vested political interests that lay behind the regulations, tariffs, and nationalisations imposed by the new regime. He denounced the Italian parliamentary system as a sham, a fig leaf for the naked power of the nobility and the wealthy. His sympathies were with the radical democratic movement and the liberals, who, he believed, would restore democracy, promote free trade, and challenge the system of legalised bribery masquerading as 'responsive' government. As a business executive forced to negotiate deals with influential deputies and government departments, Pareto came to see the Italian ruling class as a great nexus of influence and pressure, a conspiracy of public officials and plutocrats, concealing itself behind a facade of rigged elections and phoney democratic rhetoric. In 1882, he stood as an opposition candidate for a parliamentary constituency in Pistoia (near Florence) but without success. In 1889, after the death of his parents, and the acquisition of a substantial inheritance, he resigned his directorship, married a penniless Russian girl from Venice, Alessandrina Bakunin, and retreated to a villa in the Tuscan hills. With lots of time on his hands, he launched a personal crusade against the government, writing scores of polemical newspaper articles and delivering public lectures in a working man's institute. Given his reputation as a troublemaker, he became a marked man, occasionally harassed by the police and even by hired thugs.

Through his political activities, Pareto became acquainted with other free-trading publicists and economists, including Maffeo Pantaleoni, Italy's leading neo-classical economist, who introduced Pareto to the new, mathematically expressed equilibrium system developed by Leon Walras, the Professor of Political Economy at Lausanne University. Walras was one of the pioneers of the 'marginal' revolution of the 1870s. Whereas classical analysis concentrated on questions of capital accumulation and growth, neo-classical analysis was concerned with the optimal allocation of given resources, and attempted to explain the determination of prices and quantities in terms of the rewards and costs of extending economic activity by small incremental amounts. Neo-classical economics reflected the belief that market forces, like the mechanical forces acting on a pendulum, would naturally lead to an