

From Pareto economics, to Pareto politics, to fascism:

A Rochambeau model of elite circulation

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Introduction: the reemergence of elite theory

The World Development Report (WDR) is the World Bank's annual report on the state of the world economy and crucial economic development topics. However, the 2017 version was atypical because the WDR (World Bank 2017) focused on politics, not the economy. The report, "*Governance and the Law*," is symptomatic, not only because of its defection from economics but also for the type of political theory it utilizes.

The WDR straying from economics is not too regrettable because the economic theory that characterized this document was mainstream neoclassicism, and the type of economic policy advice was the associated neoliberal set of recipes labelled the "Washington Consensus." This change in topic could be interpreted as the result of the growing recognition that mainstream economic theory and neoliberal economic policies have not delivered what they promised; in contrast, they induced increased income stagnation and growing inequality.

The realization of the failure of neoliberalism may even have reached the IMF, that is, the central stronghold of global economic orthodoxy. However, it does not seem as if the increasing doubts about and abandonment of the neoclassical–neoliberal paradigm will find a prospective resolution and replacement any time soon. The present uncertainty about the ruling economic model and policy paradigm reflects an uncertainty about the current global geopolitical evolution, a process of hegemonic transition that may take years or decades to settle. Meanwhile, and characteristically, massive state interventionism (particularly in monetary policy) coexists with orthodox laissez-faire and radical "market reforms" (particularly in labor and social affairs).

From Paretian economics to Paretian politics

The type of political theory found in the WDR 2017 is regrettable and symptomatic of the deeply disturbing changes in the overall ideological and political climate. The sociopolitical theory that is the basis for the report's analyses and conclusions was "elite theory," that is, not abstract political theory or democratic theory, but "elite theory."

The WDR refers to the three, great canonical "elite theorists": Vilfredo Pareto (1848–1923), Gaetano Mosca (1858–1941), and Robert Michels (1876–1936). Common to these authors, and for elite theorists in general, is the belief — which they take as an objective and unchangeable sociopolitical and historical fact — that a small minority of elites rules all societies and social organizations.

In the advanced lingo of the WDR, "the distribution of elites maps onto the national structure of bargaining power and the formulation and implementation of laws governing the exercise of power." (World Bank 2017, p. 22). The study "reveals that the identity of the influential actors within a ruling elite coalition that decides policy at the national level differs greatly over space, time, and issue area." (Ibid.)

The idea that all societies are governed by elites and can only be governed by elites (i.e., that democracy is simply impossible) is one the central tenets of fascist ideology. At the basis of elite theory is a profound pessimism about the capacity of ordinary people ("the masses") to understand their own interests and to collectively act in consequence. As we will show, it is not a too bold hypothesis to propound that elite theory emerged as a counterideology at a time and place of intense social struggle by the masses for democratic and social reforms; that is, Italy at the turn of the 20th century. Pareto accepted a senatorship offered to him by Mussolini in 1922, after declining the same appointment from Italy's postwar government. Michels was awarded a chair at Perugia by Mussolini in 1928. Mosca did not support fascism, but still considered a proletariat dictatorship to be a far greater danger and remained a fervent critic of democracy. We will explore their ideas in the following sections.

To get an introductory idea of social pessimism, consider this quote from Thomas Malthus (1766–1834). Similar to Pareto, Malthus was an economist of aristocratic gloom and a clear contributor to the reputation of our science as a distressing, "dismal science."

I would by no means suppose that the mass of mankind has reached its term of improvement, but the principal argument of this essay [*On the Principle of Population*] tends to place in a strong point of view the improbability that the lower classes of people in any country should ever be sufficiently free from want and labour to obtain any high degree of intellectual improvement. (Malthus 1798, p. 68)

Along with social pessimism, *biological* pessimism became a dominating ideological and theoretical force at the turn of the 20th century. After the introduction by Charles Darwin (1809–1882) and others of the (in the present, largely secularized world) rather obvious notion of biological evolution over the ages, the evolutionary idea became a scientifically consecrated belief that, in its variants and interpretations, tainted the overall intellectual

landscape of the time and profoundly influenced social and political ideologies and theories. A particular variant of Darwinian evolution is Social Darwinism.

Darwin explained the evolution of the species through changes in individual characteristics and natural selection of the types that best adapted to a changing environment. Social Darwinism applied these ideas to the evolution of human societies and groups. Human societies and groups evolved, according to this theory, as the result of competition: a “struggle for existence” in which “the fittest” survive. Social Darwinism becomes rather lethal as a theory when the groups in the struggle are interpreted as distinctly ethnic or national groups. In the struggle for existence of nations and “races,” the “fittest,” (i.e., the higher-evolved nations and “races”) outcompete (displace/subjugate/exterminate) the less-evolved nations and “races.”¹ In the hierarchy of races and nations, normally, the group of the (usually white) author ranks on the top of the list — nations and races become darker on the way down to the bottom.²

In his autobiography, Darwin reveals that Malthus’s views on population inspired his idea of biological evolution:

In October 1838, that is, fifteen months after I had begun my systematic inquiry, I happened to read for amusement Malthus on *Population*, and being well prepared to appreciate the struggle for existence which everywhere goes on from long-continued observation of the habits of animals and plants, it at once struck me that under these circumstances favourable variations would tend to be preserved, and unfavourable ones to be destroyed. The results of this would be the formation of a new species. Here, then I had at last got a theory by which to work. (Darwin 2007 [1876], p. 68)

Thus, it was from economics — from Malthus — that the idea of competition for scarce resources, the “struggle for existence,” came to inspire Darwin’s evolutionary theory. When this idea was later re-exported by Social Darwinism from the natural world back to the social world, it was with the added reputation and undisputable validity of a Law of Nature.

As Friedrich Engels insightfully wrote,

The whole Darwinists teaching of the struggle for existence is simply a transference from society to living nature of Hobbes’s doctrine of *bellum omnium contra omnes* [“the war of all against all”] and of the bourgeois-economic doctrine of competition together with Malthus’s theory of population. When this conjurer’s trick has been performed ... the same theories are transferred back again from organic nature into history and it is now claimed that their validity as eternal laws of human society has been proved. The puerility of this procedure is so obvious that not a word need be said about it. But if I wanted to go into the matter more thoroughly I should do so by depicting them in the first place as bad *economists* and only in the second place as bad naturalists and philosophers. (Engels 1875 [2000])

¹ The quotation marks for “race” are because, as Wikipedia tells us, “... since the second half of the 20th century, the association of race with the ideologies and theories of scientific racism has led to the use of the word *race* itself becoming problematic.” Throughout the rest of this document, we will use the word without quotation marks, as it is presented in the literature we refer to.

² This hierarchy largely reflects the order of economic and military power of the time. Darwinian fitness or reproductive success do not seem to be positively correlated with economic or military power. If the strictly biological survival fitness of nations or races were considered (i.e., according to the demographic data on population), the list’s order would radically change. The statistical frequency distribution of the human species according to (darkness or paleness of) color most probably follows a Gaussian normal distribution. (Regarding reproductive success, notably, the global biomass of humans (350 million tons) is lower than that of cattle (520) or earthworms (>3800), according to Wikipedia.)

It is difficult to conceive today the virulence with which these “scientific” ideas on evolution spread like an epidemic across nations and social classes in the Western world — even parts of the Left and some Marxists were infected, as we will show below. Presented as definitive scientific truth, Social Darwinism became the dominant ideology of the turn of the 20th century. It is probably not a coincidence that the decades around the turn of the century were at the same time an epoch of explosive colonial and imperial expansion by Western powers. As a theory of biological and racial determinism, Social Darwinism provided a “scientific” seal of approval to colonialism and the subjugation of “inferior races.”³ As a theory of the “struggle for existence,” Social Darwinism provided also an explanation and a justification of the struggle among colonialist and imperialist nations in the Hobbesian competition for supremacy and dominance.⁴

The causality may have also worked the other way around, through the exacerbation of existing xenophobic mentalities and ideologies. Nationalism and racialism emerged with force during the second half of the 19th century, as a response and as a reaction to the process of “de-embedding” — a useful Polanyi (1944) concept — and unraveling of social relations. At the base of the process was the overall marketization and commodification wave initiated by that age’s “globalization.” Social Darwinian theories may only have provided a “scientific” dress to already existing ideas and prejudices. In synthesis, the general proliferation of nationalist and racist ideologies and theories may be understood as a cumulative process, where prevailing ideas and prejudices were used as inputs of “scientific,” theoretical explanations, which contributed to the additional consolidation and diffusion of existing prejudiced ideologies, and so on.

Social pessimism seems to be back in the spirit of the time. For the masses, governments are often seen as irreparably in the hands of disaffected, powerless, corrupt elites, attending in the first place — or even only — to their own interests. Cynical elites despise the masses, whom they see as an ignorant, craving, and gullible — but potentially threatening — mob. In this regard, the elevation of elite theorists of the past to the global economic policy pantheon of the World Bank is a clear indicator of dangerous ideological shifts at the global level.

Vilfredo Pareto is the principal author of elite theory and the father of elite circulation theory. His theory of elite circulation is a mechanical construct, in which elites exchange their own “degenerate” members for “superior” members of the nonelites when in equilibrium — upheaval and revolution occur when the equilibrium is disturbed. Degenerate elites shrink from the use of force required to restore equilibrium; superior members of the underclass have the vigor required. In Pareto’s words,

[Elites] decay not in numbers only. They decay also in quality, in the sense that they lose their vigour, [...] which enabled them to win their power and hold it. The governing class is restored not only in numbers,

³ “If it was necessary to illustrate the commonplace normality of these racist theories, we can note how in 1919 the Allied Powers rejected the proposal of the Japanese delegation at the Paris Peace Conference that sought to include in the League of Nations charter a declaration proclaiming racial equality.” (Pichot 2009, p. 302)

⁴ The Berlin Conference of 1884–85 was called to bring some order to the “Scramble for Africa.” In 1870, only 10 percent of Africa was under European control; by 1914, it was almost 90 percent of the continent (Wikipedia). The intellectual ascendancy and influence of Social Darwinism shows a similar time pattern. The period is also witness to the irresistible rise of neoclassical, “perfect competition,” economics.

but—and that is the more important thing—in quality, by families rising from the lower classes and bringing with them the vigour [...] necessary for keeping themselves in power. It is also restored by the loss of its more degenerate members. If one of those movements comes to an end, or worse still, if they both come to an end, the governing class crashes to ruin and often sweeps the whole of a nation along with it. Potent cause of disturbance in the equilibrium is the accumulation of superior elements in the lower classes and, conversely, of inferior elements in the higher classes. If human aristocracies were like thoroughbreds among animals, which reproduce themselves over long periods of time with approximately the same traits, the history of the human race would be something altogether different from the history we know. In virtue of class-circulation, the governing elite is always in a state of slow and continuous transformation. It flows on like a river, never being today what it was yesterday. From time to time sudden and violent disturbances occur. There is a flood—the river overflows its banks. Afterwards, the new governing elite again resumes its slow transformation. The flood has subsided, the river is again flowing normally in its wonted bed. Revolutions come about through accumulations in the higher strata of society—either because of a slowing-down in class-circulation, or from other causes—of decadent elements [...] shrinking from the use of force; while meantime in the lower strata of society elements of superior quality are coming to the fore, [...] suitable for exercising the functions of government and willing enough to use force. In general, in revolutions the members of the lower strata are captained by leaders from the higher strata, because the latter possess the intellectual qualities required for outlining a tactic, while lacking the combative[ness ...] supplied by the individuals from the lower strata. (Pareto 1935 [1916] Vol. III, §§ 2054-59)

As said, this is a rather simplistic theory. In spite of its cynic “realism,” and lateral use of biological explanation, this theory does not qualify as science.⁵ However, one can see the appeal that such ideas might have had among antidemocratic conservatives and liberals, alarmed by the increasingly successful militancy of the working-class movement and the extension of democratic rights reflected in the constant enlargement of the franchise.

Pareto’s simplistic theory is less sophisticated and has less explanatory power (if any) than the political theories embedded in classical political economy. The value and distribution theories of the classical economists were, at the same time, political theories explaining the distribution of power among the social classes: capitalists, rentiers, landowners, and workers. The general determination of values in the economy was, at the same time, the determination of the rates of profit, interest, land rent, and wages (i.e., the incomes of the main classes in a capitalist society). Many aspects of the political confrontations of the time (e.g., the conflict around free trade and the Corn Laws in the United Kingdom) were explained by the interaction and conflict among these classes and their respective interests. Pareto’s reluctance to use these types of theories may be explained by their Marxian leanings. Additionally, Pareto being basically a microeconomist, these theories were beyond the permissible for the atomistic “methodological individualism” of microeconomics.

Elite theory has not progressed considerably since Pareto. Theorists have not been bold enough in their elitist conviction to risk their academic privileges and become one of “the

⁵ Robert Michels, another intellectual patron of the WDR 2017, also saw a clear biological difference between the elites and the “lower classes.” “[Michels] pointed to the ‘tragic biological condition which [the proletariat] finds itself in,’ and that any comparison between the ‘lower’ and ‘upper’ classes of society would reveal the biological superiority of the later. The lower classes suffered from many ‘physical anomalies’ and, without doubt, were to be considered ‘anthropologically inferior.’” (Michels 1966 [1911], pp. 45-46; as quoted in Gasman 1998, p. 219)

masses” for holding (after World War II and until recently) untenable and unacceptable opinions.

In effect, elite theory has stagnated. According to one political scientist and scholar of elite theory,

... [E]fforts to produce [a general theory of elites] have not been conspicuously successful. Linking elites causally to major regularities in politics remains elusive; there is no accepted typology of elites and no accepted specification of the circumstances and ways in which one elite replaces another; political interactions between elites and nonelite populations are captured only piecemeal. (Higley 2009, p. 162)

Hence, it seems that, until today, elite theory has lacked a typology of elites, something that was already present in the classical political economists’ economic theories. An explanation of why and how elite groups confront each other, which was one of the central points of classical political economy, is also lacking.

The main purpose of this paper is to provide such a theory of elite circulation. However, not being the author a social pessimist, or a Social Darwinist, the elite circulation model proposed cannot be anything other than ironic.⁶ Instead, it is a model that a social pessimist or Darwinist could have thought about. The model depicts a society in long-term stagnation, in which three different types of elites (or castes, or classes) confront and replace one another. It could depict the three-caste system of the “Hindu equilibrium,” the feudal “three-estate” system, or the situation of modern class societies, which are locked in “secular stagnation” and unable to successfully promote a progressive transformation through the incorporation of nonelites excluded from effective political representation and power.

In our model, elite circulation is constructed as a simple Rochambeau game, which provides the rules of elite replacement. Simplistic and ironic as it is, such a model may have some heuristic value and illuminate some of the grievous problems of present-day societies. *Castigat ridendo mores, as it were.*⁷

In the text that follows, we will first present additional details about the most influential elite theory, that of Pareto — a well-known name for economists. Pareto’s economics and Pareto’s politics jointly form a coherent body of theory: both are antidemocratic — they show that the existing, undemocratic state of the economy and society is the only, and best, possible option.

To prepare the terrain for the elite circulation model, we introduce three historical cases of three-caste systems: the Indian caste system, which lasted for many centuries; the also long-lived European feudal three-estate organization of class rule; and the ruling class system of capitalism, which has shown an admirable degree of “Darwinian fitness.”

⁶ The present author’s antipessimistic value orientation may be described by what potentially is the motto of a political party (the Loser Party): “When everything seems to be lost, there is still something to lose.” A kind of Groucho-Marxist approach.

⁷ “One corrects customs by laughing at them,” that is, the best way to change things is to point out their absurdity and laugh at them.

The paper then describes the three elite-class model and its Rochambeau succession rules and discusses some possible interpretations and applications. The last section before the Concluding remarks speculates about the possibilities of democratization and pathways out of the elite system.

Pareto and social pessimism

Social pessimism, Social Darwinism and elite theory, formed a complex of ideas that acquired immense influence and popularity at the turn of the 20th century. Thanks to the theories of Social Darwinism, the universal economic competition of individuals in the market — the economic Hobbesian “war of all against all” that was pronounced as the optimal state of the economy by Pareto and other economists — received the dignified status of a Law of Nature. For Social Darwinism, the assumed biological laws of evolution and natural selection — “survival of the fittest” — could be applied to human society without modifications. For the (at the time) enormously popular Social Darwinian author Herbert Spencer (1820-1903), this assumption would mean that the State should not in any way interfere with market competition and the workings of the capitalist economy.⁸ Protecting the poor and disadvantaged, for instance, would interfere with natural selection and promote the proliferation of “unfit” individuals.

Like Spencerian Social Darwinism, Pareto’s economic theory of the optimum has the same laissez faire message of “no interference with the workings of the market” — Pareto-sanctioned changes in welfare distribution are changes by unanimity; that means that redistribution is barred. For obvious reasons, these ideas became extremely functional and influential elements of the general ideology of the elites and continue to be central pieces of mainstream economic ideology today.⁹

The Haeckelian type of Social Darwinism, by contrast, emphasizes the natural selection of *nations* and *races*, not the selection of individuals within species, in particular. For Haeckel (1834-1919) and other racial evolutionists, races and nations, with their distinct particularities and abilities, were factually different species expressing a hierarchical evolutionary process.¹⁰ These adherents of “polygenism” maintained that there is an evolutionary hierarchy of races and nations, which formed through the ages as a result of the natural laws of the struggle for existence. For them, the inequality among races was the result of an objective Law of Nature. At the summit of the evolutionary ladder were the

⁸ “He was the apostle of laissez-faire individualism, determined to argue that social progress would follow inevitably once archaic restrictions upon individual freedom were abolished.” (Bowler 1990, p. 169).

⁹ On Pareto economics, see the recent RWER article by Gary Flomenhoft (2017).

¹⁰ “While Darwin accepted the possibility of superior and inferior intelligence between the human races, he did not believe, as Haeckel did, that each distinctive human race also represented a separate species.” (Gasman 1998, p. 15, note 38, referring to Bowler 1990, p. 189). The following quote shows Darwin’s views about racial differences: “The races differ also in constitution, in acclimatisation, and in liability to certain diseases. Their mental characteristics are likewise very distinct; chiefly as it would appear in their emotional, but partly in their intellectual faculties.” (from Charles Darwin, *The Descent of Man* (1871), quoted in Gould 1996, p. 416-417) Darwin might also have believed in the existence of natural selection among races, as indicated by the following quotation: “At some future period, not very distant as measured by centuries, the civilized races of man will almost certainly exterminate and replace throughout the world the savage races.” (Ibid., p. 417). According to Gould (ibid.), “[t]he common (and false) impression of Darwin’s egalitarianism arises largely from selective quotation.”

Germans — although this was sometimes modified by non-German Social Darwinists, replacing the “German” with their own ethnicity.¹¹ As a matter of some urgency, Social Darwinists contended, “... racially white Europe could preserve its biological prowess and maintain its privileged position in the world by embracing the same scientifically enlightened eugenic programs that were being proposed by the Germans, given especially the exponential growth in population of the Oriental world, a geometrically escalating threat that posed a mortal danger to the ultimate survival of European civilization.” (Gasman 1998, pp. 30-31)

This biological and hierarchical conception of the human world, derived from what was thought to be a scientific view of nature — the struggle for existence — led to an antidemocratic and elitist view of human political organization. The leading political role of social elites was a natural consequence of biologically determined human inequality, in which better-fitted elements tend to prevail. The view of nature as essentially “aristocratic” (i.e., unequal and hierarchical) implied the same necessary, inevitable inequality and elitism when applied to the social and political world. The origin of the elitist social thought of Pareto and other proto-fascist authors can be traced to the biological–determinist theories of the racially oriented Social Darwinists.¹² A famous sentence of Pareto’s reflects this cynic, “dog-eat-dog” view of the natural and social world:

The cat catches the mouse and eats it; but it does not pretend to be doing for the good of the mouse. It does not proclaim that all animals are equal, nor lift its eyes hypocritically to heaven in worship of the Father of us all. (Pareto 1935 [1916], §1050)

Among Pareto’s main sources of inspiration were two—at the time—highly reputed, radical Social Darwinists and theoreticians of the struggle for existence of nations and races, namely, Ludwig Gumplowicz (1838-1909) and Gustav Ratzenhofer (1842-1904).¹³ Pareto saw human history as an uninterrupted struggle among nations and races, a permanent battle in which the powerful subjugate the weaker:

There is not perhaps on this globe a single foot of ground which has not been conquered by the sword at some time or other, and where the people occupying it have not maintained themselves on it by force. If

¹¹ It is not difficult to see the potentially lethal effects of such ideas. If the Other is not a human being like us but belongs to a distinct, inferior species, we might have the “right” to kill and exterminate them, as we do with other inferior species. And in that we should even have the support of standard morals.

¹² According to a reputed student of the history of fascism, the idea of biological determinism, as it was formulated at the end of the 19th century, was the actual starting point for the development of racist ideology (see Sternhell 1986, pp. 34-38). For Stephen Jay Gould, “the need for analysis [of biological determinism] is timeless because the errors of biological determinism are so deep and insidious, and because the argument appeals to the worst manifestations of our common nature.” (Gould 1996, p. 26) According to biologist R. Lewontin (1991, pp. 36-37) “[t]he nonsense propagated by ideologues of biological determinism that the lower classes are biologically inferior to the upper classes, that all the good things in European culture come from the Nordic groups, is precisely nonsense. It is meant to legitimate the structures of inequality in our society...” Tragically, it seems to still be a generally accepted kind of nonsense among scientists: “Except for a brief interruption around the time of the Second World War, when the crimes of Nazism made claims of innate inferiority extremely unpopular, biological determinism has been the mainstream commitment of biologists.” (Ibid., p. 26) The parallel mainstream commitment of economists has been orthodox economics.

¹³ It may be interesting to mention the telling title of one of Gumplowicz major works, *Der Rassenkampf* [The race struggle] (Gumplowicz 1893 [1883]). For Robert Michels, “only the strongest societies survive, and ‘every people strives to dominate foreign groups.’ In history, he argued, the ‘need for national expansion underlies all logic and ethics,’ it was only ‘weak and unfree peoples’ who felt a need to proclaim the ideals of ‘justice,’ and ‘fantasize’ about the benefits of ‘international brotherly love.’” (Michels 1914, p. 77, quoted in Gasman 1998, pp. 216-217). As George Steiner points out in the Preface to Lyttelton (1973), referring to the world vision of fascist ideology: “Although this vision is often lunatic and nakedly barbaric, it can provide acute, tragic insights into the myths and taboos that underlie democracy.”

the Negroes were stronger than the European, Europe would be partitioned by the Negroes and not Africa by the Europeans ... [A]s long as the Europeans are stronger than the Chinese, they will impose their will on them; but if the Chinese should become stronger than the Europeans, then the role would be reversed, and it is highly probable that humanitarian sentiments could never be opposed with any effectiveness to an army. (Pareto 1926 [1902], p. 136; in Lyttelton 1973, p. 80)

War, according to Pareto, is the way that natural selection may manifest among humans; attempts to avoid it might be pernicious from an evolutionary point of view:

There are some people at the present time who think that from now on the human race can dispense with war as a form of selection. They could be right, but equally they could be wrong. What is certain is that they provide no solid proof of their belief — we cannot consider as proofs declarations against the evil entailed by war and the sufferings it inflicts on human beings. (Pareto 1926 [1902], p. 159; quoted in Gasman 1998, p. 210)

In a radically Social Darwinist tone that clearly resonates with the current, increasingly popular discourse of crypto-fascist and racist groups in Europe, Pareto wrote in 1902:

[F]or contemporary European societies, conquest by foreign eugenic [racial] groups has been of no significance since the last great barbarian invasions, and it no longer exists as a factor in the European social organism. But there is nothing to indicate that it cannot appear again in the future. If European societies were to model themselves on the ideal dear to the humanitarians, if they should go so far as to inhibit selection, to favor systematically the weak, the vicious, the idle, the ill adapted — the “small and humble” as they are termed by our philanthropists — at the expense of the strong, the energetic who constitute the elite, then a new conquest by new “barbarians” would by no means be impossible. (Pareto 1926 [1902], p. 132; quoted in Gasman 1998, p. 209)

An ideology of disillusion and despair

For a candid mind to first make contact with the history of fascism and fascist ideology is a tormenting experience. It is disgusting to realize, at least for a person with firm human values, that several of the main inspirers and theoreticians of fascism were liberals, socialists, and Marxists turned into cynical antihumanists. Mussolini had been a prominent member of the Marxist left wing of Italy’s Socialist Party, and one of the first victims of the devastating, collective war hysteria that infected Europe on the eve of World War I. Mussolini, like many socialists and socialist parties at the time, ardently supported participation in the war, thus abandoning the most important tenet of socialism: internationalism.¹⁴

This mass conversion to nationalism and militarism had been preceded, since the final decades of the nineteenth century, by the ascendancy of racialist Social Darwinism, and its “scientific” consecration of the struggle for existence and survival of the fittest among nations and races. Successful nations and races are those which can subjugate, colonize, and exploit other nations and races. Unsuccessful ones become colonized, exploited, and may even disappear. Such a theory is obviously a recipe for war — among the conquerors, the conquered, and the competing conquerors.

¹⁴ With time, Mussolini became an almost lyrical apologist of war: “War alone brings up to their highest tension all human energies and puts the stamp of nobility upon the peoples who have the courage to meet it. All other trials are substitutes, which never really put a man in front of himself in the alternative of life and death.” (Mussolini 1973 [1932], p. 47)

In the case of the Marxists and many other left-wing socialists, the defection from Marxism and the conversion to proto-fascist ideology originated from several types of disenchanting realizations. First, the disappointment caused by the frustration of the hopes of a general capitalist breakdown and social revolution implicit in the economic–deterministic interpretations of Marx’s theories. Second, the growing ascendancy of Social Darwinism, which was believed to be a new scientific paradigm: a modern theory based in the discoveries of evolutionary science and armed with the instruments of biological determinism should replace, or at least complete, Marxism. Marxian Scientific Socialism should not reject the advances of modern science; on the contrary. Finally, the frustration with the proletariat. The unexpected resilience of capitalism was also because of a lack of proletarian anticapitalist enthusiasm and militancy. There must be something “wrong” with the masses who willingly accept capitalist oppression and exploitation. Former Marxists turned fascists like Robert Michels increasingly found the explanation in evolutionary biology, and in the “anthropological inferiority” of the working class (see note 5).

Georges Sorel (1847-1922) is, perhaps, the most well-known of the Marxist authors who became early fascist-like ideologues. His trajectory is characteristic of the whole generation of converts to proto-fascism and fascism *tout court*. Initially an admirer of Marx’s historical materialism, Sorel progressively abandoned traditional Marxism, which he thought should incorporate the latest scientific developments, in particular the great discoveries in the biological evolutionary sciences. For Sorel, it was proven necessary to “prune” socialism of its outdated ideas, that is, to rid it of its “utopian socialist” attachment to the assumptions of “equality” and to its old-fashioned “idealistic view of the world,” and incorporate the vital implications of the teachings of evolutionary science.¹⁵ Sorel came to approve of “scientific racism” (Vacher de Lapouge 1896), but thought (prophetically, in fact) that the eugenic programs proposed by “scientific racism” were ahead of their time. On the collective psychology of the masses, he came to think that “[t]he man of the crowd thinks in the manner of savages and children; he cannot abide subtle distinctions of language and differentiating verbs; the abstract notion of time is [also] little developed.”¹⁶

With all these hard “facts” unearthed by science, including the vastly differing national and racial psychologies, and the innate limitations of the proletariat revealed, a new, “realistic” view of socialism was imposed. The new socialism should discount Marxism as obsolete, reject cosmopolitanism, and celebrate inequality and hierarchy.¹⁷ Biological elites emerging from selection within the working class should form revolutionary syndicates, which would be elite groups that would constitute — as a result of the evolutionary social struggle — the nucleus of a new professional elite and ruling class. Many of these theses and ideas were incorporated in the ideology and the reality of fascism and national socialism.

From Marxism and Social Darwinism, Sorel concocted a type of revolutionary pessimism.¹⁸ Continuing to argue within the context of Marxism, he quoted from *The Communist*

¹⁵ See Gasman 1998, p. 312.

¹⁶ *Ibid.*, pp. 316-317. This kind of contemptuous conception of the supposed qualities of common people is, according to Ofstad (1989), a central characteristic trait of fascist and Nazi thought.

¹⁷ Tellingly, the name of the unofficial organ of the fascist regime was *Gerarchia*, founded by Mussolini in 1922.

¹⁸ Curzio Malaparte (1898-1957), considered to be the fascist intellectual *par excellence*, wrote: “All revolutions spring from an heroic and pessimistic conception of life; they are the political fruit of a natural tendency towards desperation...the political result of a natural desperation.” (Malaparte 1961, quoted in Lyttelton 1973, p. 228)

Manifesto (Chapter I) as an alleged approval of his circulation-of-elites view of the world: “All previous historical movements were movements of minorities, or in the interest of minorities.”

In this idea, Marx and Engels had preceded Pareto and the other elite theorists. However, what Marx and Engels saw as the reality of class societies since prehistory, Sorel and the protofascists — infected with the intellectual epidemic of Social Darwinism — projected into the future, as the necessary corollary of an inexorable Law of Nature. According to this Law, it was not possible to count on the mass of ordinary people, described by Pareto as “...the incompetent, those lacking energy, character and intelligence: in short, that section of society which remains when the elites are subtracted.”¹⁹

Quoting out of context the *Manifesto*’s sentence on history as the story of class domination, what Sorel and other disillusioned elite theorists had done was to obliterate the message of the next sentence of the *Manifesto*, the one following the aforementioned quote. That latter sentence contained a message that would inspire democratic and proletarian majorities for many decades: “The proletarian movement is the self-conscious, independent movement of the immense majority, in the interest of the immense majority.”

The pessimistic mood of the time affected not only the socialists who converted to elitism but also people to the right of the political spectrum, like Pareto himself. Pareto’s elite theory also seems to be the result of disillusionment: “Near the end of the century ... Pareto’s writings began to manifest signs of the characteristic aura of disillusionment that seems to envelop the foundations of elite theory” (Nye 1977, p. 21). Before 1900, Pareto had been a political liberal who mostly wrote about economics, an opponent to the anti-Semitic trial of Dreyfus in France, and a defender of the left-wing exiles from the worker’s revolts in the Milan “May-days” of 1898.

Pareto’s frustration appears to have originated in what he saw as the incapacity of the bourgeois elites to impose a clear, rigorous class rule, and to forcefully resist the advancement of democracy (exemplified by the progressing enlargement of the franchise) and the working-class movement.²⁰ For Pareto, the elite’s reluctance to use force and its appeals to rational and humanistic arguments played directly into the hands of its antagonists. The elite, he thought, should apply violence against the primordial violence of the masses.²¹

Pareto’s perception of the elite’s incapacity to stop the advancement of the masses — and the humiliating sense of having embarked on a (for the elites) path of decadence — may have also been influenced by the social and cultural changes correlated with the declining

¹⁹ Pareto 1926 [1902], quoted in Lyttelton 1973, p. 77.

²⁰ There may have been other reasons for Pareto’s disillusionment: “As in the case of other contributors to elite theory Pareto’s growing disenchantment may have been encouraged by failures in his personal life. He returned from teaching a course at the École pratique in Paris in 1901 to find that his Russian-born wife had unexpectedly absconded to her native country with her lover, who was a household servant, and with many of the portable valuables of his beloved *villa Angora*.” (Nye 1977, p. 49)

²¹ Nye 1977, p. 25. Pareto even used an admittedly contorted, “altruistic” argument: “Indeed, through engaging them in battle the elite helps to eliminate from the masses the ‘impulsives’ and the ‘degenerates’ that centuries of social selection had thus far failed to eradicate.” (Ibid.) As a historian of Italian fascism wrote: “We must recognize that there was a powerful strain in Italian fascism which originated in an exasperated and disillusioned liberalism.” (Lyttelton 1977, p.18)

(relative) income and wealth of the elites. At the turn of the century, the income and wealth of the elites started to diminish in Europe — a downward trend that would continue almost without interruption until the 1970s.²²

Historical elite systems

Pareto's elite circulation theory assumes a homogeneous, undifferentiated elite composed of atoms/individuals. This assumption, among other things, makes his theory particularly ahistorical and unrealistic. Historical, real-world elite systems of class rule comprise different classes or castes. These elite classes are nonmonolithic and in permanent competition and conflict among themselves and against the mass of working people—their main contender.

The Indian caste system and Hindu equilibrium

Perhaps the most resilient elite system in world history is India's caste system, which has resisted the passage of several millennia, as it is speculated to have originated in the second millennium BC. According to the *Bhagavad Gita*, a canonic text of Hinduism probably composed in fourth or fifth century BC, God created the caste system. Lord Krishna [God] says, "*But I am He | Made the Four Castes, and portioned them a place | After their qualities and gifts.*" (Ch. IV).²³

The Indian caste system may be conceived of as a petrified class system. The elites are comprised of three castes: Brahmins (the priestly class), Kshatriyas (the warrior class), and Vaisyas (the merchant class). The nonelite crowd of workers and laborers are the Sudras. These castes represent the different stages of evolutionary advancement, reflected in different ranks of moral and spiritual advancement: "*The work of Brahmins, Kshatriyas, Vaisyas, | And Sudras, O thou Slayer of thy Foes! | Is fixed by reason of the Qualities | Planted in each.*" (Ibid., Ch. XVIII)

A Brahman has qualities such as serenity, purity, and knowledge. A Kshatriya is by nature firm, heroic, generous. A Vaisya is thrifty and frugal. The fate reserved for the multitude of Sudra workers consists of service to Brahmins, Kshatriyas, and Vaisyas. However, in what seems to be a faithful interpretation of the spirit of the original text, the populace is qualified in greater detail, in terms which approach the descriptions of Pareto and Michels quoted above: a Sudra is one "who is servile, a sycophant, submissive and labours hard." (Iyengar 2002 [1966], p. 284). And, belonging as they do to the lowest stratum of society, Sudras may

²² According to estimations in Piketty (2014, Figure 9.8), the share of the top income decile in total income declined in Europe from over 45 percent in 1900 to under 40 percent in 1920 — in 1980, at its bottom, it was less than 30 percent. The wealth of the top 1 and 10 percent also declined from the beginning of the century until the 1970s — they diminished about 40 and 30 percentage points, respectively (ibid., Figure 10.6). To add insult to injury, these changes in distribution disproved what Pareto thought was a law of nature, viz., the constancy of distribution: "The curve of the distribution of wealth in western societies varies very little from one period to another." (Pareto 1926 [1902], pp. 5-6; quoted in Lyttelton 1973, p. 71). Constancy of distribution came from Pareto's belief in biologically determined distribution: "The form of the curve is not due to chance ... It probably relates to the distribution of the physiological and psychological characteristics of human beings." (Ibid.)

²³ The *Bhagavad Gita* contains, in my view, profound philosophical and ethical insights, but as most so-called sacred books, it also contains superstitious and inhuman prejudice. As in the case of biological Social Darwinism, the *Bhagavad Gita* may have, in part, simply sanctified already existing ideas, prejudices, and social institutions.

also be described as largely dominated by rajas, that is, the lowest category of psychological characteristics (gunas): “... loose of heart, low-minded, stubborn, fraudulent, remiss, dull, slow, despondent...” (Ibid, Ch. XVIII).²⁴

“Hindu equilibrium,” the term coined by Deepak Lal (1988), describes the millenary stagnation of the Indian economy. According to this idea, the Hindu stationary equilibrium was caused by the institutions of the caste system that, while giving the social structure a kind of very resilient cultural stability, hindered economic growth and the full introduction of capitalism. However, by the 1980s and particularly since 2000, the Indian economy has experienced accelerated growth and abandoned the “Hindu equilibrium,” typically achieving growth rates greater than twice the world average. It remains to be seen if the caste system, disproving the “Hindu equilibrium” theories, will survive the acceleration of growth or if it has been (or will be) replaced by the standard capitalist class system.

The medieval class society

The three estates model of medieval society was also a religiously inspired class system, consecrated by European Christendom— in this case. This model was composed of the clergy (the first estate), the nobility (second estate), and the workers and peasants (third estate). A graphic description of the three estates in Latin is Oratores (those who pray), Bellatores (those who fight), and Laboratores (those who work).

With the development of towns and an economy that was becoming increasingly differentiated, a separate class of burghers (merchants, craftsmen) emerged. The workers and peasants became the fourth class. This four-estate system was formalized in some regions and somewhat less rigid in its membership rules than India’s system. However, the formal identity with the remote Indian caste system is curious and begs the question: What might be the possible determinism at work?

Social classes in capitalism

The feudal caste system of the estates of the realm was transformed from the inside by the burgher capitalist class’s successful accumulation of capital — and, progressively, power. The bourgeoisie, embodying the (until then unknown) dynamism of economic growth, eventually became the dominant class of the capitalist elite system. The system did not, however, become a binary bourgeoisie–proletariat system. The repressive and war-making functions of the nobility were taken over by the State, comprised of a nonhereditary professional category of public servants. The ideological, symbolic, and ritualistic roles of the clergy were

²⁴ The Hindu caste ideology was a main source of inspiration for Julius Evola (1898-1974), a prominent fascist ideologue, and a “spiritual racist” and “Nordicist.” According to Gillette (2002, p. 155), for Evola “[t]he ideal state was an empire, resting on a hierarchical, caste-based social structure ... Myth, ritual, law, and caste were the ordering principles used by the warrior-priest elite to keep their pristine society free from the corrupting and degenerate forces emanating from the lower merchant and servile castes. Lower castes brought in their wake secularism, egalitarianism, individualism, and transience.” Woman and Jews were additional threats (ibid., p. 167).

largely transferred to a set of public and private institutions: 1) the schools, universities, and research centers; 2) the media; and 3) marketing, public relations, lobbying, and other opinion- and preference-forming organizations. There was also a group of relatively autonomous intellectuals, the so-called intelligentsia, whose number and influence varied depending on the historical juncture.

As the classical political economists have noted, the dominant class in capitalism is divided into subclasses according to their specific sources of income/surplus. Capitalists earn profits generated in production. Rentiers earn interest and other incomes obtained from ownership of financial assets. Landlords earn land rents. The latter two types of income are sometimes (e.g., in classical political economy or in taxation-related texts) called unearned incomes, because they imply no work effort.

In present-day capitalism, the management of production and exchange is largely controlled by employed professionals, and ownership is mostly a passive function, also giving rise to unearned incomes.²⁵ In principle, all three types of income could be largely taxed away, or their source could become the property of collectively owned funds — what Keynes called drastically “the euthanasia of the rentier.”²⁶ In practice, the problem is complicated because a (sometimes large) part of the working population is (directly or indirectly) small-scale shareholders, psychologically bound by this fact to the ideology of capitalism.²⁷

To recapitulate on the class system of capitalism, we are still living within a society that has the same structural and functional components as the Hindu, medieval, and other caste systems: a priestly class, with the role of ideological production and conservation; a warrior class comprising the members of the military and security apparatus of the State in charge of war-making, policing, and surveillance; and the merchant and capitalist class, occupied with command and ownership in production and exchange. These three classes constituting the elites will be called, respectively, the *intellectual class*, the *military class*, and the *capitalist class*. The large nonelite majority of the population will be called the *working class*.

An ironic model of elite circulation

²⁵ The ownership of corporations is today increasingly in the hands of collective entities such as e.g. pension or sovereign funds, themselves managed by (over)paid professionals. Collective fund ownership represents one more level in what Marx called “the abolition of capital as private property within the framework of capitalist production itself.” Marx (n.d. [1894] Ch. 27, III). “The capitalist stock companies [and, I should add, ownership by collective funds to an even higher degree, J.B.], as much as the co-operative factories, should be considered as transitional forms from the capitalist mode of production to the associated one, with the only distinction that the antagonism is resolved negatively in the one and positively in the other.” (Ibid.) The problem with this kind of “negative socialization” within the context of the relatively undeveloped “financialized capitalism” of Marx’s time was, in Marx words, that “...it reproduces a new financial aristocracy, a new variety of parasites in the shape of promoters, speculators and simply nominal directors; a whole system of swindling and cheating by means of corporation promotion, stock issuance, and stock speculation. It is private production without the control of private property.” (Ibid.) More than a century after Marx, the problem, much magnified, still waits for a solution.

²⁶ “I see...the rentier aspect of capitalism as a transitional phase which will disappear when it has done its work. ... It will be, moreover, a great advantage of the order of events which I am advocating, that the euthanasia of the rentier, of the functionless investor, will be nothing sudden ... and will need not revolution.” (Keynes 1953 [1936], p. 376)

²⁷ If not because of the ideological veil of ignorance, this would be a case of self-inflicted surplus exploitation or social masochism.

Putting aside all value considerations — a difficult task when considering a clearly ideologically biased model — the Pareto model of elite circulation is a rather schematic and mechanical one, as aforementioned. The elites conform a homogeneous, undifferentiated, atomistic mass, floating in a minimal, kind of mechanic–hydraulic exchange of elements with the nonelite majority. The model lacks the richness required to represent the dynamics of the permanent state of conflict among the classes for supremacy within the elites and their cooperation in the central conflict against the working majority. This deficit also means that the model has no explanatory power when confronted with real historical and present-day economic and social transformation processes. Its only *raison d'être* seems to make it clear, and proven in “scientific” terms, that there is no way to move forward from the elite–mass dichotomy. The elite–mass duality — Pareto believes to have proven — is grounded in a biological law of distribution of human proficiencies and, therefore, common to all human societies—past or future. Based on this supposed knowledge, Pareto recommends the elites substitute cunning for humanism and not shy away from the use of force. To rule, Pareto thinks, elites must be prepared to use scheming and violence without inhibitions or scruples.

A Rochambeau game of elite circulation

In view of the explanatory poverty and moral misery of standard Paretian elite circulation theory, we will apply—in a mood of dark, ironic humor—a game theory approach to the problem. Having already presented an approximation to the typology of elites in modern capitalism — which reproduces the basic traits of previous caste-ordered societies — an apparent, metaphorical solution will be presented to provide the needed (Higley 2009) set of clear conditions and rules of class succession in which one type of elite replaces another. An apparent solution will also be given to the absence of a theory of the interaction existent between the elites and the masses, and the role of the latter in class replacement.

The solution proposed is based on the Rochambeau game, also known as Rock—Paper—Scissors (RPS). RPS is a simple zero-sum game typically played between two people. The players simultaneously show an outstretched hand with one of three signs: a fist (Rock), a flat hand (Paper), or a fist with two fingers forming a V (Scissors). Rock beats Scissors (blunts it); Scissors beats Paper (cuts it); and Paper beats Rock (wraps it up). One of the two players wins, whereas the other — obviously — loses (if the game is a tie it is replayed).²⁸ RPS can be played among more than two players: players with the losing throw are eliminated, and the game continues until only one player remains.

There is no winning strategy or favored play in RPS; the best strategy is to flash a randomly chosen sign — which translates into any one of them (Rock, Paper, Scissors) one-third of the time. (This is a *mixed strategy* in evolutionary game theory, because it includes not only one but three different plays.) When the game is interpreted in terms of the strategies of different types of organisms (or social characteristics), every type of actor has a particular, unique play — a *pure strategy*.

²⁸ For details, see, e.g., Walker and Walker (2004). There is a World Rock, Paper, Scissors Society, and a World RPS Championship. There are also programming contests for RPS algorithms.

A particular organism has a specific strategy: for instance, Rock. Rock can dominate a population of Scissors, but Rock can also be taken over by Paper. After Paper becomes the dominant population, Scissors can displace them. We can now imagine Rock returning and retaking the dominant position, and so on: the cycle repeats indefinitely. In the evolutionary RPS game, there is so-called *cyclic dominance*.

A canonic case of cyclic RPS dominance among animals is the side-blotched lizard's male mating behavior (Sinervo and Lively 1996), in which three color-types of males successively overcome each other in their competition for females (orange beats blue, blue beats yellow, and yellow beats orange). Selection leads to the stable coexistence of all three types. In general, this type of competition results in the stable coexistence of species — it is not possible for one type of organism to attain permanent dominance.

According to a wide survey of the subject (Szolnoki et al. 2014), cyclic dominance is also at the heart of predator–prey interactions, the overgrowth of marine sessile organisms, and competition in microbial populations. Cyclical interactions also spontaneously emerge in evolutionary games entailing volunteering, reward, and punishment, and are common when there are three or more competing strategies — regardless of the particularities of the game. As the authors say: “It is worth noting that cyclic dominance could be crucial not just to understand biodiversity, but also social diversity.” (Ibid. §6)²⁹

Rock, Paper and Scissors elites

The RPS type of cyclical dominance leads to a stable coexistence of the three types, which can be sustained for many millennia in biology. We have observed that the caste and class systems in human society have also been very stable and resilient. This stability has led theoreticians such as Pareto to conclude that these systems are unavoidable and permanent, and even — making a virtue of necessity — optimal.

The characteristics of RPS and its rules of succession have been introduced; here, we will apply this model to elite circulation. The historical Hindu, medieval, and capitalist elite systems are three-class systems with similar structural and functional characteristics. In the case of capitalism, the three elite classes are: intellectuals, military, and capitalists — similar to the roles of priests, warriors, and merchants in previous class societies.

Which of the three roles — Rock, Paper, Scissors—should the elite classes of capitalism be assigned to?

Almost intuitively, Rock, Paper, Scissors partitions elites into castes or classes: the priestly class of intellectuals would naturally be allocated to Paper, as paper is — and probably for many decades will still be — the main material vehicle for the creation, transmission, and exertion of symbolic, intellectual power. (“Bible,” for instance, derives from the Greek word for “book.”) The warrior caste and its contemporary equivalent, the military–security establishment, would naturally be associated with the metallic, weapon-like characteristics

²⁹ A skeptical remark may be that the proliferation of ad-hoc models of extremely limited portions of nature or society, and of very specific types of situations/behaviors, might add very little to our understanding. As said by biologist R. C. Lewontin (1991, p. 100) about the risk of evolutionary scientism: “... a story can be invented that will explain the natural selective advantage of any trait imaginable ... They are just stories. Science has been turned into a game.”

of the double-knife formed Scissors. Associating the bourgeoisie or capitalist class with Rock could seem farfetched; however, Rock transmits the idea of numbness or callousness: the kind of “rationality” deprived of human feeling and characteristic of the one-dimensional, money-driven, archetypal capitalist.

In summary, the RPS cyclical dominance is as follows: Rock beats Scissors; Scissors beats Paper; and Paper beats Rock. Hence, these are the general succession rules of elite circulation: Intellectuals beat Capitalists; Capitalists beat Military; and Military beats Intellectuals (Figure 1).

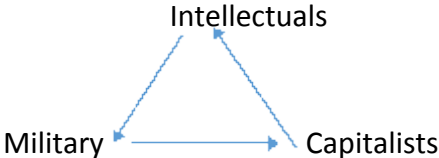


Figure 1

Now, we will explore if this elite dominance circulation model has explanatory value for real-world societies.

RPS cyclical dominance in history

Myths and legends infuse the ancient history of India; perhaps these stories are only myth and legend, interpreted differently in different times. With the increasing ascendancy of racist Social Darwinism, the myth of a Nordic, superior, Aryan race that conquered India several millennia ago came to occupy a central place in fascist and, particularly, National Socialist ideology. This superior race would have introduced the caste system in India, according to the historical legend. A plausible argument for this story is there was a primeval, pristine society governed by a learned aristocracy of priests in which the dominant priestly caste (Brahmans) was in the highest position (phase **P** in Figure 2). In phase **S**, the harmony of this perfect society was broken by the rise to dominance of the conquering spirit of the warrior caste (Kshatriyas), who invaded and took over the Indian continent. In phase **R**, the conquest was completed; peace and a business-as-usual normality was gradually established over the conquered population. The money-making caste (Vaisyas) attained the dominant position. Thus, the triangle of cyclic caste dominance rotates clockwise.

Phase P	Phase S	Phase R
Brahmans	Kshatriyas	Vaisyas

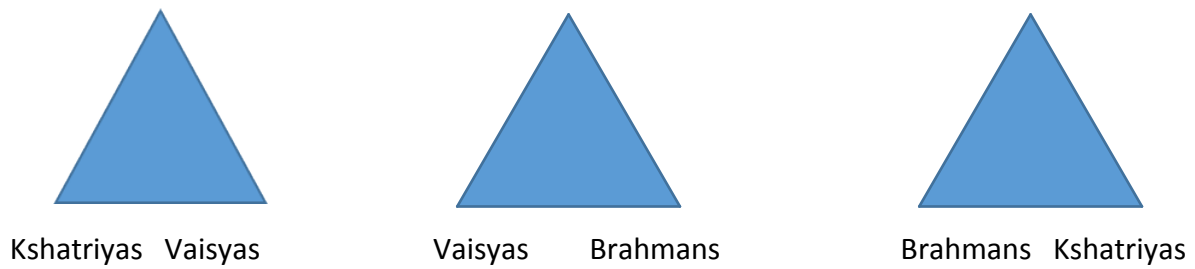


Figure 2

A similar pattern of elite circulation possibly occurred in later conquests of the Indian continent by the Greeks, Mongols, Arabs, British, and others. The cycles may also have appeared any time an armed conflict, or the threat of armed conflict, occurred among the Indian kingdoms.

According to the model, the present dominance of India’s capitalist class would have been preceded by the dominance of the military, and the intellectuals before them. Mahatma Gandhi, Jawaharlal Nehru, and other leaders in the struggle against British rule were intellectuals. However, soon after independence and for several decades, India was in a state of war or serious tension with its powerful neighbors — so acute was this state of affairs that the rulers decided to develop nuclear weapons. In this second phase, the military must have had a dominant role.

There is a RPS pattern of dominance in the evolution of colonized countries that gained independence after World War II. In the first phase, a group of intellectuals inspired by Marxist theory formed a political party or movement. These are “the years of high theory” (to use the title of a book by G. L. S. Shackle) and intense ideological debate about the future and character of the revolution. The struggle for independence was frequently an armed struggle; in the second phase, the military rose to dominance and tended to maintain this status as long as there was (internal or external) conflict. While the military was in power, theoretical discussion and ideological debate were barred or radically curtailed, and economic growth became the sole objective. The capitalist class then became increasingly dominant.

The three estates systems of the Middle Ages had elite circulation dynamics similar to the Hindu-equilibrium caste system. In times of normalcy, the system tended to be dominated by the priestly class and its Christian religious norms and values. However, Europe’s multifarious medieval states (kingdoms, principalities, duchies, etc.) were engaged in intermittent wars with each other. The nobles and warriors who fought these wars became the dominant caste. The need to reconstruct damaged postwar societies and economies put the caste of merchants in a dominant position.

The great European revolutions of the modern era — the English, French, and Russian revolutions — may also be accommodated by the RPS elite circulation model. The English Revolution (1640-1660) was preceded (and accompanied) by an impressive outburst of ideological creativity. This outburst was expressed, by priests and other intellectuals, in the

language of Christian religion and theology, but it communicated in different forms, and by the conduct of different sects, timeless human aspirations to freedom and equality.³⁰

In France, the role of Enlightenment philosophers, such as Rousseau, Diderot, and Voltaire, was crucial for the awakening of the critical spirit of the Revolution. The weight of the intellectuals (primarily lawyers) was also dominant within the Third Estate of the Estates-General convened by the king, in which separate assemblies were constituted for each of the realm's three estates. This Third Estate became the National Assembly that represented the sovereignty of the French people.

In Russia, the intellectual class had a lively debate about how to transform a reactionary European feudal power, still existing in the early 20th century. Social democratic and Marxist intellectuals devised the theoretical instruments that opened the door to conceiving revolutionary transformation of a backward society. Subsequently, they were also the leaders during the first decade or so of the Revolution.³¹

This “phase P” of dominance by the intellectual elites was followed, in all three cases, by a “phase S” of dominance by the military caste. The English Revolution engendered a civil war, the growing ascendancy of the New Model Army, and the dictatorship of Oliver Cromwell. In France, a few years after the Revolution began, the rising dominance of the military was established by defensive wars against monarchic coalitions, wars of conquest of other countries, and the dictatorship of emperor Napoleon Bonaparte. In Russia, foreign invasion and civil war increased the power of the military, followed by the gangrenous growth of the repressive apparatuses of the State, on which Stalin presided until his death.³²

In “phase R” the capitalists take over the dominant position. In the case of England, hegemony by the military started to wane with the restoration of the monarchy. Trade, manufacturing, and empire, following the successful model of Holland, established the growing influence of the merchant–capitalist class. In France, with the defeat of Napoleon and the collapse of the vast European conquests of the Empire, the more pragmatic and economically oriented spirit of the bourgeoisie took over: establishing the dominance of the capitalist class. In Russia, Stalin’s “socialism in one country” implied industrialization led by a managerial–bureaucratic caste that was functionally, although not formally, capitalistic. With the collapse of the Soviet system, this caste became both formally and functionally the capitalist class.

The role of the underclass

³⁰ Christopher Hill wrote several books and articles on the subject; see for instance Hill (1984, 1997).

³¹ It is interesting to note that in accord with the RPS model, previously to intellectual ascendancy and revolution, there were attempts to redress (France) and modernize (Russia) the economy—attempts, i.e., that implied merchant/capitalist dominance.

³² In 1925 Stalin arranged the removal of Trotsky from the leadership of the Red Army. Some of Trotsky's supporters pleaded with him to organize a military coup. Trotsky rejected the idea and instead resigned his post. “If [Trotsky] had chosen to stage a military *coup d'état* he might perhaps have defeated the triumvirs. But he left office without the slightest attempt at rallying in his defence the army he had created and led for seven years.” (Deutscher 1949, p. 297.) Trotsky was probably more an intellectual than of a warrior.

The aforementioned descriptions make no specific reference to the role of the nonelite underclass in the elite circulation model. The elites seem to circulate and replace each other with no intervention of the masses. The masses are passive witnesses of the cyclical domination of successive elites. Now we will explain how a working majority can participate in the circulation.

One possible means is to expand the RPS game and include the masses as a new strategy, for example, Workers. Then there might be the following cyclic sequence: Intellectuals—Military — Capitalists — Workers — Intellectuals — etc.

For better or worse, this form does not seem to have been, or to be, viable in the real world. However, this scenario has been important in the mythology of millennial human evolution, according to fascist ideology. For the influential fascist ideologue Julius Evola, the millennial evolution of civilization is by nature cyclical:

Each age is dominated by an elite that emerges from one of the basic hierarchical orders in descending order. The first, god-like Golden Age is represented by holy priest-kings of prehistory. The next phase, identified with warrior-kings, existed in Europe from the ancient Greek Heroic Age until the downfall of the *Ancien Régime* in France. The liberal-democratic revolutions of the late eighteenth century and early nineteenth century brought in the rule of the merchant caste, the haute bourgeoisie that formed a plutocratic oligarchy. Finally, socialist and communist revolutions had initiated the “Modern Age,” a dark time of democracy, the masses, and the “spirit of the herd.” This decrepit state would only be relieved through a cleansing apocalypse, which would set the cycle in motion once again and inaugurate a new Golden Age. A new aristocracy, nourished on the ancient Aryan myths, would take its rightful place in society. (Gillette, 2002, p. 155-156; based on Tarchi (1974, p. 195) and Shehan (1981).)

In Evola’s grand (and delirious) fresco of millennial evolution, the primeval priestly caste is replaced by the warrior caste, which is replaced by the merchant caste: our familiar P—S—R elite dominance cycle. However, a catastrophic incursion of the plebs (denoted W) follows, and we get P—S—R—W. Evola’s hope is to move forward as soon as possible and start again the cycle, that is, P—S—R—W—P—... Some present-day influential ideologues share similar hopes of apocalyptic cleansing, even if the plebs are not dominant.

In the context of the RPS elite circulation model, a less fantastic and deranged account of the possible role of the masses may be inspired by evolutionary game theory. In this approach, each member of the underclass adheres to one of the three elite castes: R, P or S. The adherents of the hegemonic caste, for instance, R, confront in random pairwise encounters, or as whole groups, the adherents of the other castes. In the confrontation, P beats R and progressively becomes dominant. In a pairwise confrontation with P, S wins and becomes dominant, and so on. If not totally passive, the masses are — in this model — totally subservient to the interests of the elites.

Even so, another possible way of describing the role of the masses is to model their behavior somewhat more closely to the RPS game as people play it. We can conceive of the nonelites as arbitrarily divided into two parties that play the RPS game against each other. The two groups play now mixed strategies, rationally choosing randomly among R, P, and S. On a sufficiently long sequence of plays, we should observe that R, P, and S have each been dominant one-third of the time. But we should not see the sequence R—P—S repeating

indefinitely, as we have seen until now. In a conceivable libretto of this social drama, the two groups are the lower and upper halves of the income distribution. The higher income Workers and elites benefit when the Capitalists win. The lower *and* higher income Workers *may* both benefit — and the elites loose — when the Capitalists loose. Interest for the masses — or at least for the lower-income workers — in forming coalitions with, and gaining the support of, the Intellectuals and/or Military.³³

A type of dominant elite coalition that seems to be at work in some principal world powers is the alliance between the Capitalists — in particular, financial capitalists — and the Military. Dominance is, in this case, shared between two classes, who are both on the top of the inverted triangle in Figure 3.

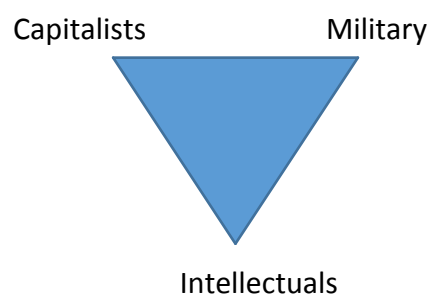


Figure 3

The Intellectual class is subordinate and alone at the bottom — and the working population are under them. This is a seemingly unstable, transient situation that will be followed by, according to the clockwise RPS logic, a dismantling of the coalition, an ascension to sole dominance by the Capitalists, and a dislodgment of the Military. With time, the Intellectual class should start its ascension. The character of the Intellectuals' regime might benefit the Workers, if a Workers-Intellectuals alliance encourages policies that reduce the Elites' — to — Workers' income distribution ratio (overall surplus ratio), without reducing the Intellectuals' incomes and privileges.

What is to be done?

Albeit ironically, we have maintained a pessimistic tone characteristic of elite theory—until now. In the RPS model, as in Pareto's theory, elite rule is universal and permanent. Now, we will explore if, within the structural constraints of the RPS model, there exist some means, however utopian, for the masses to shed their claustrophobic, eternal subordination and inferiority. Speculatively, on the possibility of a "... self-conscious, independent movement of the immense majority, in the interest of the immense majority."

³³ This should give rise to a rather chaotic kind of predator-prey, Goodwin-like type of dynamics (see e.g. Flaschel and Landesman 2008).

The elites that struggle and replace each other in the RPS elite circulation model constitute a small minority of the population. Even if the elite classes are not completely closed and hereditary, the rule of the elites can be compared to an aristocracy, a form of government that places power in the hands of a small, privileged ruling class.

Democracy, by contrast, is the rule of the people, for the people, and by the people. According to Radical Enlightenment philosopher and political theorist Spinoza (1632-1677), democracy is the political regime *par excellence*:

... [T]he democratic republic ... seems to be the most natural and to be that which approaches most closely to the freedom nature bestows on every person. In a democracy no one transfers their natural right to another in such a way that they are not thereafter consulted but rather to the majority of the whole society of which they are a part. In this way all remain equal as they had been previously, in the state of nature. (*Theological-Political Treatise*, Ch. 16, § [11])

For nonelite majorities living under elite rule to gain real influence on the government of their societies, becoming effective citizens of their states, the task would then be to find a means to transform political regimes from the present aristocratic form of government to the democratic form.

As Spinoza notes in his unachieved last work, in the *Political Treatise* (Ch. 8, § 4), the rule of aristocracies is always constrained by the fear of the multitude — a fear that is projected back as contempt. A stable aristocracy, not threatened by mass revolt, is an aristocracy that approaches, not in form but in essence, democracy (what Spinoza calls the “absolute sovereignty” of the people): “... it is manifest that this kind of dominion [aristocracy] will be in the best possible condition, if its institutions are such that it most nearly approaches the absolute [i.e., democracy]...” (Ibid., Ch. 8, §5).

From the perspective of the *Political Treatise*, the condition of existent, *externally democratic* elite regimes are increasingly threatened by instability and the loss of legitimacy. The achievable objective for the nonelite populations in these increasingly elitist and undemocratic systems would be to preserve the peace and to re-establish the lost democratic substance of the state.

The further objective should be to persistently enlarge that recovered democratic sphere, thus continuously decreasing the aristocratic character of the elite system. The larger objective for the working nonelites should be to transform the already acquired, formal political franchise into an effective political, social, and economic franchise. This process of reducing the aristocratic character of the State through the progressive enlargement of the

economic and social franchise of the working nonelites is illustrated by our RPS triangles.



In Figure 4, the circle represents the total population; the triangles inside the circle represent the elites. In the initial stage, the elites constitute a very small portion of the population, for example, the innermost triangle. In later stages, the triangle successively expands, illustrating the process by which the general population progressively acquires the capabilities, emoluments, and privileges formerly reserved for the elites. In Figure 4, only the three original castes and vocations have been represented, but it is possible to think of an increasing number of vocations and capabilities. That is, a succession of expanding figures with a simultaneously increasing number of sides. At its limit, a polygon with as many sides as there are capabilities includes the whole population within a figure that represents the elites and the masses — or more exactly, neither the elites nor the masses. This process of effective democratization of society is another equivalent and complementary manner of describing the process of human development and dealienation (see Buzaglo 2014).

Externally non-democratic systems may also benefit from Spinoza’s exhausting intellectual efforts to find a pathway out of the violent, oppressive, and stagnant political regimes of his time. The plan should be to give, if not a form, as democratic a substance as possible to the factually aristocratic regime. First, the ruling elite should be sufficiently large and representative — Spinoza (Ibid., Ch. 8, § 22) estimates that the ruling elite should be, at a minimum, 2 percent of the total population. This ruling elite should compose a Supreme Council that meets periodically. The Supreme Council would elect a council of Syndics whose main duty is to ensure that the constitution and laws of the dominion are unbroken and the people in power commit no transgressions. The number of Syndics should be approximately 2 percent of the Supreme Council. A second council, the Senate, is elected by the Supreme Council and in direct charge of public affairs; Spinoza estimates the appropriate proportion of its members should be 1/12 (about 8 percent) of the Supreme Council.

The contrast between Spinoza’s theoretical scheme and the existing externally aristocratic regime of China, and checking for the tenor and potential of the democratic substance of this real case is interesting. The total adult population of China is approximately 1 billion.³⁴ The membership of the Communist Party of China (CPC) is approximately 90 million, which means that the governing elite represents about 9 percent of the total population, that is, four-and-a-half times Spinoza’s theoretical requisite. CPC members elect 2,300 delegates to the National Congress: this represents less than one in 10,000 members of the CPC, compared with 2 and 8 percent in Spinoza’s second level organs.

The National Congress, which takes place every five years, elects the members of the Central Committee (200 members). The National Congress also elects the Central Commission for Discipline Inspection. This crucial commission (130 members) is comparable in its function to Spinoza’s council of Syndics, although with much fewer members and — apparently — much less power. The Central Committee, which is the highest organ of China’s government when the Congress is not in session, elects the General Secretary, the Politburo (25 members), and the members of the other highest-level organs.

A tentative summary diagnostic would be, from the perspective of the degree of development of substantive democracy, and given the schematic background presented, that the elite group in power is relatively large (9 percent of the population), for example, compared with the current unbridled, substantially “1 percent” systems.³⁵ Power is also relatively widespread when compared with historical elite systems; although, the long-period rate of increase of the Chinese elite has been low.³⁶ A second observation is that second level institutions such as the National Congress are not particularly representative and deliberative, because the members represent a negligible share of the elite and general population, and the intervals between meetings are long. The final observation is that formal control of power and legality is very limited.

From the perspective of increasing the effective political, social, and economic franchise — and thereby augmenting the degree of substantial democracy — the present degree, taken as the initial level, would seem appreciable in comparison. From this perspective, the objective should be, in the future, to increase this degree with a zeal similar to that devoted to economic growth.³⁷ Important objectives also are, in this respect, to augment the degree of effective intermediate representation and to increase the scope of the democratic control of power.

³⁴ Information about China’s demography, etc., is from Wikipedia.

³⁵ In the particularly relevant case of the U.S., for instance, a wide empirical study by Gilens and Page (2014, p. 564) shows “... that economic elites and organized groups representing business interests have substantial independent impacts on government policy, while average citizens and mass-based interest groups have little or no independent influence.” A former wide study by Gilens concludes that rather than a democracy, the U.S. political system is closer to a plutocracy (rule by the wealthy): “The patterns of responsiveness [of the U.S. political system] ... often corresponds more closely to a plutocracy than to a democracy.” (Gilens 2012, p. 234)

³⁶ As a share of the adult population, CPC membership has increased (almost linearly) from 2.3 percent in 1958 (first census data) to 8.9 percent in 2017: an average annual increase of 0.1 percentage points.

³⁷ At the trend rate of increase, CPC membership share should be just 1.3 percentage points more in 2030, for instance. If membership would increase at the rate GDP used to grow, say 10 percent, it would double every seven years — in 2030 CPC membership share would be 31 percent (assuming constant population).

The international context has been disregarded, until now. After reviewing the above discussion, it would appear as if any society could, solitarily, embark on the journey from aristocracy to democracy and succeed — as if “democracy in one country” was possible. The experience of the “socialism in one country” that became a long and tortuous path to (wild) capitalism would suggest that a simultaneous, organic development should be necessary. As long as countries are involved in Hobbesian competition with each other and states strive to achieve “competitiveness” through all types of mercantilist policies — in particular and most evident, through keeping down the wages of the working population — the elites will appear to be indispensable. Capitalists will continue to appear as indispensable to accumulate and grow, the Military needed to control the masses and wage war against other countries, and the Intellectual clergy — in particular, the economics clergy — necessary to convince the masses that all this is Pareto-optimal and in their best interest.

Therefore it would seem that, if at all possible, democratization should be vertical (at all levels) and horizontal (at all locations) at the same time. Democratization should encompass a small village and workshop in Africa as well as the Security Council of the United Nations and the board of directors of the largest corporations. With good fortune, a multilevel, multidimensional positive feedback process could start somewhere, by which democratic advances at one level and location induce advances at other levels and locations.

The message of this paper could be summarized by the classic appeal: Nonelites of all countries, please unite!

Or else...

Concluding remarks

Confronted with the hard reality of a global economy and society composed of elite-ruled states in permanent Hobbesian competition among themselves, our paper ends in a rather gloomy, ironic mode. Perhaps, a brighter ironic alternative would be more appropriate for the conclusion.

Today’s international economy and society may be conceived of as a unitary global economy and society. Governance is administered by a global elite system composed of the triad: capitalists, military, and intellectuals. The present globally dominant elite group is clearly the capitalist class, to judge for instance from the historic highs of inequality, capital [nonwage] income share, and extraterritorial or hidden capital. The Rochambeau cyclical dominance model and its Rock–Paper–Scissors succession rule suggest that the dominance of the capitalist class will be followed by the dominance of the intellectual elite. An enlightened intellectual elite, conscious of the risks of existing trends — and of the prospect of the subsequent military dominance implied by the model — may search for modes of democratization of the elite system. Democratization of the global elite system comprises progressively enlarging the effective economic, social, and political franchise of the nonelite populations.

As commented in the Introduction, World Bank intellectuals have lately been occupied with the dismal theories of Pareto and other elite theorists discussed in the previous sections. RPS analysis in our paper would suggest that intellectual elites at The World Bank and elsewhere should best consecrate their powers to the search of the badly needed theories for a flourishing world economy and society.

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