
IN, OUT, AND BETWEEN:

REFLECTIONS ON STATIST THEORY

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In “Taking the State Back Out: Reflections on a Tautology,” David N. Gibbs accuses statist, myself included, of employing a “seriously flawed” methodology that reduces state autonomy, a key concept, to a tautology. By assuming business interests are unimportant and excluding the role of business from our analyses, we supposedly conclude that “business plays virtually no role,” thus “justifying the initial exclusion of business and closing the circle of the tautology.” Gibbs appears to misunderstand the nature and purpose of theory. He also fails to offer a cogent alternative of his own.

In my view, it is necessary to move beyond the grand debate between competing approaches Gibbs remains rooted in. The cumulative research of the last several decades clearly suggests that the state is autonomous, but only under some circumstances, conditions, and times. Likewise, business interests — and those of labor, agriculture, and consumers as well — also perform important but contingent roles in setting national policy. Even Gibbs, in moments of candor, appears to agree with these conclusions. The task before us is to integrate the isolated propositions produced by these separate agendas into a powerful and elegant theory of politics.

THE STATIST AGENDA

Since emerging as a distinct school in the mid-1970s, statisticians have sought to rehabilitate and reemphasize the state as central to the study of politics.¹ Pitted against pluralism, which emphasized the role of interest groups, instrumental Marxism, which focused on the influence of individual capitalists, and structural Marxism, which granted the state relative autonomy but continued to highlight the dominant position of the capitalist class, statisticians first attempted to demonstrate that the state could not be reduced to the sum of social interests and that it was an important part of the political process. This was accomplished both empirically, in the work of Stephen D. Krasner reviewed in Gibbs, and theoretically, in the various studies of Theda Skocpol, Peter Katzenstein, and others — many of which have been published in article form in the edited volume *Bringing the State Back In*.² Throughout this “first generation” of theory, the need was to justify an independent focus on the state as opposed to interest groups, business elites, or class forces. While the debate between these competing theoretical positions was, in my view, a draw, as no one perspective vanquished the others, statisticians nonetheless accomplished their objective: they reopened the topic and relegitimated the state as a core object of analysis in political science.

On this foundation, a “second generation” of statist theory emerged — gradually and with great continuity in personnel and themes — that sought to move beyond grand debates and to develop more specific and powerful theories of state action.³ My own work falls into this category. The object here was not necessarily to address the relative importance of state and social action, although most of us could not resist some conclusions on this score, but rather to explain why the state acted as it did and how its actions affected policy. To this end, we built theories based, as is any social science theory, upon some assumed preferences and selected constraints imposed on the realization of those preferences. While the assumptions and constraints actually employed varied widely, with business pressures often being an important component of the latter, state preferences were always assumed to be mostly if not wholly independent of society; it was this assumption that made the analyses “statist.” The question then was: Given these preferences and constraints, what would we expect the state to do and what would we expect the outcome of political struggle to be? These predictions could be, and were, subsequently

assessed against the historical record. Did the state act as we expected? Did the outcome conform to our expectations? To the extent that the answers were positive, the evidence was counted as support for the theory.

In my case, I assumed in *Power, Protection, and Free Trade* that the foreign policy executive, defined as those officials who face a national electorate and their subordinates, would seek to maximize national welfare, defined to include the total gains from international trade (as opposed to the gains of individual industries) and considerations of international power.⁴ I also posited that the representative element of the state, manifested in the legislature, would be sensitive to local and industry concerns. Despite Gibbs's assertion that these interests are assumed but not justified, I clearly stated in the book and repeat here that the differences between the executive and representative elements of the state derive principally from the different constituencies they face: a national electorate in the case of the former and a local electorate in the case of the latter. The constraints on the foreign policy executive included both the international environment, defined by the country's position in the international economy and the strategic actions of other countries, and the domestic political environment, arising from social interests and the varying power of social actors (including business). In examining both the trade policies eventually adopted by the United States between 1887 and 1939 and the process of trade policy-making, I found some evidence to support my theory. I also found state actions and trade policies that contravened my predictions; these were left "unexplained" and attributed to the effects of other, exogenous factors.

Admittedly, I did not seek to test in any rigorous way the explanatory power of my theory against its possible rivals, although I attempted some general assessments. After outlining the statist approach used in *Power, Protection, and Free Trade*, I reviewed in chapter two the economic interests and political positions of various social groups on the tariff issue, including manufacturers, financiers, farmers, and consumers. This story is well known and did not, I believe, require detailed repetition in the book. I did present, however, new evidence on the export dependence of large industrial groupings; although "coarse," these groupings are, nonetheless, the most appropriate level of disaggregation given the existing data. This survey established a baseline for comparison and suggested — if only tentatively — that changes in the structure of broad social aggregates,

including the export-dependent industries most likely to support free trade, did not correlate with observed policy changes. Far from ignoring business and especially free trade interests, as Gibbs claims, I sought to place them in context.

I did not discuss individual firms, however, and this is the core of the present complaint. But, as Gibbs surely knows but does not admit in his critique, there are many levels at which to analyze “business.” By criticizing the absence of any firm-level evidence in my analysis and then concluding that I completely ignore business interests, Gibbs only reveals the narrow lens through which he is interpreting the world.

While I did not ignore business and other social groups as charged, I also did not place them at the center of my theoretical or empirical research. To this I will readily admit not only guilt, but premeditation. In practical terms, most of my colleagues and I recognize the importance of social interests and pressures. Nonetheless, statisticians were and remain engaged in developing a theory of state action. At the first stages reviewed in Gibbs and here, the assessment of the research program, quite appropriately in my view, focused not on the explanatory power of our theories relative to others but upon our ability to explain actual policy choices. On this score, we achieved some measure of success with promises of continuing progress.

As is obvious from this review, statisticians are, with some exceptions, generally good positivists — specifying assumptions, imposing constraints, and assessing evidence. One can, of course, criticize positivist theories for poorly stated premises, illogical deductions, incorrect estimates of the fit between theory and evidence, and other similar errors. We have, no doubt, made our share of these mistakes; it would be an important stimulus to research to focus the debate on this level. One can also reject positivism as a methodology, and it would be interesting to debate the potential contributions of alternative approaches. Gibbs does neither. Rather, he simply criticizes us for not testing his intuition about the driving force of politics. Nowhere does he demonstrate, as John Ikenberry argues in his response to Gibbs, how or why a shift in empirical focus would produce a more satisfactory explanation.

Gibbs mistakes theory for tautology, explanation for definition. By failing to assess explicitly and at length our theories against others, we may overstate the importance of the state. Yet, with only a few possible exceptions, we recognize the limits of our theories as representations of

reality. Other actors may be important. As always, the questions are how, why, and when.

THE RIVAL AGENDAS

In his critique of statism, Gibbs advances an alternative approach to understanding public policy. Throughout his essay he suggests that business actions, principally support for candidates, and personal or family ties demonstrate the importance of business influence in the political process. This confuses cause and effect, and produces a tautology of a different sort. That selected business leaders supported candidates or advocated positions consistent with the eventual policy does not, of course, prove that business is central to the outcome or explain the policy decision, as Gibbs himself recognizes. Such anecdotal evidence, even multiplied many times over, does not constitute a theory of politics.

Like statism, a theory of business influence must be based on assumed preferences and selected constraints. As with the state, the business preferences assumed by the analyst must be plausible and productive, but they are not directly contestable. From these assumptions, theorists must then deduce why and which business leaders or groups will possess what specific economic or political interests. Theorists must also predict when, under what conditions, and how different leaders or groups will “win” in the political arena. Finally, these predictions must be assessed empirically.

Although it is unfair to hold him to this standard in a review essay, the instrumental Marxist school of which Gibbs appears to be part has generally not met these requirements.⁵ It must do so before the debate between it and statism can be joined. The failure to consider alternative explanations adequately is not simply a failing of statism; it is also a failing, as in this case, of other academic partisans.

Important society-centered theories of politics that do meet these criteria have been developed over the last decade. In the field of international political economy, the studies of Jeffry A. Frieden, Timothy J. McKeown, Helen V. Milner, and Ronald Rogowski provide clear challenges to statism through their theoretical rigor and empirical richness.⁶ It is important to note that these works are also in an early stage of theory development and do not provide head-to-head, full-length empirical

assessments of statism or other rivals either. Like statist, these scholars have generally focused on building positive theories of their own, recognizing, I believe, that this is a necessary step prior to confronting alternative approaches. Even here, then, the debate between statism and its rivals has not been fully engaged, but the potential for a fruitful dialogue clearly exists.

THE EMERGING AGENDA

Comparing the explanatory power of alternative theories is useful both for probing limits and refining arguments. I would not, however, advocate a return to the grand debates of the first generation, even in the context of more fully specified theories of political action and policy. Ultimately, state-, system- (or international-), and society-centered theories will have to be combined.⁷ We know — not in the theoretical but in the practical and intuitive sense — that state officials are not perfect representatives for their societies, that they create the institutions necessary to ensure their hold on power, and that institutions in turn shape the play of societal politics. We know that the international environment and the strategic interactions of countries affect national welfare and shape the interests of particular groups. And we know that societal interests and the competition between groups influence state officials, political institutions, public policy, and, in the end, the international system. Joining these facts is the task before us.

I once expected that when state-, system-, and society-centered theories were sufficiently advanced, they could be stitched together, like a patchwork quilt, into a more useful and even beautiful theory. It was this ambition which informed the general design of *Power, Protection, and Free Trade*. As discussed in the conclusion to that book, I am now more skeptical that this is possible or even desirable. The synergy between these arenas of power is deep and profound. Studying one independently of the others risks great misunderstanding. In the absence of an integrated theoretical vision, building even a self-consciously partial theory may introduce unforeseen biases into the analysis. Yet it is this synthetic vision that we currently lack and toward which we ought to be striving. It is time to move beyond grand debates on the one hand and isolated theories on the other, and to work together

on the hard and dirty task of explaining politics and policy. I invite Professor Gibbs to join us in this endeavor.

NOTES

1 Gabriel Almond, "The Return to the State," *American Political Science Review* 82, no. 3 (1988): 853-74.

2 Stephen D. Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton: Princeton University Press, 1978); Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (New York: Cambridge University Press, 1985).

3 Several representative second generation works are in G. John Ikenberry, David A. Lake, Michael Mastanduno, eds., *The State and American Foreign Economic Policy* (Ithaca: Cornell University Press, 1988).

4 David A. Lake, *Power, Protection, and Free Trade: International Sources of U.S. Commercial Strategy, 1887-1939* (Ithaca: Cornell University Press, 1988).

5 Partial exceptions are Thomas Ferguson, "From Normalcy to New Deal: Industrial Structure, Party Competition, and American Public Policy in the Great Depression," *International Organization* 38, no. 1 (1984): 41-94; Jeff Frieden, "Sectoral Conflict and U.S. Foreign Economic Policy, 1914-1940," in Ikenberry, Lake, and Mastanduno, eds., *The State*, 59-90. Both of these studies deduce the interests of groups from their economic positions but still fail to address in an adequate manner the balance of political power between groups.

6 Jeffrey A. Frieden, *Debt, Development and Democracy: Modern Political Economy and Latin America, 1965-1985* (Princeton: Princeton University Press, 1992); Timothy J. McKeown, "The Politics of Corn Law Repeal and Theories of Commercial Policy," *British Journal of Political Science* 19 (1989): 353-80; Helen V. Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade* (Princeton: Princeton University Press, 1988); and Ronald Rogowski, *Commerce and*

Coalitions: Trade and Domestic Political Cleavages (Princeton: Princeton University Press, 1989).

7 The terms are from Ikenberry, Lake, and Mastanduno, eds., *The State*.