I. Introduction: Two Theses

1. Class compromise thesis: Under certain conditions, if workers and capitalists act rationally in the pursuit of economic interests, then they will converge on a class compromise form of class conflict.

2. Transition costs thesis: Once a class compromise is reached, then the transition costs involved in a socialist rupture will always be sufficiently high to make it economically irrational for workers to struggle for socialism.

II. Conditions for Class Compromise

1. Foundational facts about capitalism:
   Workers’ present welfare depends upon two central variables:
   1) Level of productivity;
   2) Workers’ ability to resist exploitation.

   Workers future welfare also depends upon two processes:
   3) Capitalists’ present investments out of the surplus they appropriate,
   4) Workers capacity to appropriate future stream of wages from productivity growth.

   BUT this generates a dilemma: workers cannot maximize both #2 and #3.

2. Levels of Militancy & class compromise
   • “Optimal militancy”
   • “Maximal Militancy”
   • Hyper-radicalism thesis: optimal militancy = maximal militancy
   • Class Compromise Thesis: under certain conditions optimal militancy < maximal militancy.

3. Conditions for sustainable class compromise
   (1). Time horizons
   (2). Trust
   (3). working class associational power

III. Transition Costs

[Diagram showing material welfare of workers over historical time with optimistic and pessimistic paths to socialism, marked with points of transition and transition trough.]