

# Chapter 1

## The State Debate

### Introduction

The core papers in this collection present a particular approach to the capitalist state which was developed during the 1970s in working groups of the Conference of Socialist Economists (CSE). Although these papers built on collective discussion, they by no means expressed a consensus within the CSE, or even within the relevant working groups. The justification for their selection is not that they are representative of work within the CSE, but that they express a distinctive theoretical approach to the state.<sup>1</sup>

Although the CSE was originally established in 1969 as a forum for economists, its debates soon moved beyond narrowly economic concerns in the attempt to locate economic developments as one aspect of the development of the capitalist system as a whole. There was no way in which economic issues could be isolated from political questions in the atmosphere of growing economic crisis and sharpening political and ideological conflict through the 1970s. It was increasingly clear that the future course of economic and social development of capitalist society was not a matter of the unfolding of economic laws, whether Marxist or neo-classical, but would be determined as the outcome of social and political struggles. On the other

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<sup>1</sup>The papers by Colin Barker, Joachim Hirsch and Bob Jessop provide a flavour of other sides of this debate. However, I make no apologies for the balance of the collection, or for the partisanship of this introduction! I am grateful to those who commented on earlier drafts of this introduction (particularly John Holloway, Werner Bonefeld, Sol Picciotto, Andrea Wittkowsky and Joachim Hirsch), to members of Warwick CSE and Coventry CSE Local State Groups for discussion of the issues raised, and, above all, to the many comrades who have participated in the state debate over the past fifteen years, to whom all credit and all responsibility is due.

hand, it was equally clear that the outcome of such struggles would not be determined merely by the will and determination of the forces in play, but would also be circumscribed by the economic, political and ideological framework within which they were fought out. The renewal of the class struggle from the late 1960s brought to the fore the theoretical questions of the relationship between 'economics' and 'politics', between 'structure' and 'struggle' in understanding the role of the capitalist state.

The distinctiveness of the papers in this volume lies in their attempt to develop an approach to the state centred on the determining role of the class struggle, against the structural-functionalist orthodoxy which prevailed in the early 1970s, and which has come to the fore again in the 1980s. In Britain this structural-functionalism was associated in the 1970s primarily with the work of Poulantzas, and in the 1980s with that of Habermas and Offe, on the one hand, and the French Regulation School, on the other. However the most sophisticated development of this approach is to be found in the work of Joachim Hirsch, who has drawn on all these sources while attempting to set the theory of the state on Marxist foundations.

The German state debate, and the early work of Hirsch, provided one of the sources for the papers which make up this volume. However these papers took up the German work on the state within the particular British context of a deepening economic crisis and intensifying economic and political struggle. In this context the 'structural-functionalist' tendencies of the French and German contributions appeared inadequate in down-playing the role of the class struggle. On the other hand, the more sophisticated British economic analyses of the crisis and the class struggle paid insufficient attention to the specificity of the state and of political struggle. The debates through which the papers reproduced here emerged sought to integrate the lessons of the French and German state debates with the insights of the British analyses of the crisis.

The justification for reprinting these papers is not an antiquarian concern to exhume the past. It is rather that the theoretical issues raised in the debate were never finally resolved, primarily because changing political circumstances dictated a shift in theoretical emphasis, the apparent stabilisation of capitalism after the recession of 1979–81 underlying the renewal of structural-functionalism and systems theory, and the marginalisation of class analysis. As the crisis-tendencies of capitalism reappear, and as class conflict rears its head anew, the temporary character of this stabilisation becomes increasingly clear, undermining the plausibility of the dominant integrationist theories and giving new life to old debates. The reprinting of contributions to those debates, with a long introductory survey, is not meant to imply that old answers are adequate to new questions, but only that the lessons of the past are an important launching pad for the struggles of the future. As one

of the last contributions to the earlier debate plaintively pleaded, 'we must not let go of the understanding of capitalism and the state that we acquired so painfully during the Keynesian decades' ( London- Edinburgh Weekend Return Group, 1980, Postscript to 2nd edition, p. 143). It is to be hoped that the present collection can help to revive that understanding, in order to subject it to a critical review in the light of changed circumstances.<sup>2</sup>

## The Problem of the Capitalist State

The state debate of the 1970s developed in opposition to two theories of the state which had been dominant on the left in the 1960s. The orthodox Marxist theory of State Monopoly Capitalism was based on an immediate identification of the state with the interests of capital, to the extent that the theory referred to the 'fusion of state and monopoly power' ( Afansyev, 1974, p. 197). This identification was based primarily on the argument that the socialisation of production, and the associated concentration and centralisation of capital, had forced the state to take on many of the functions of capital, in the attempt to avert an economic crisis and to stabilise the class struggle. Thus the system of money and credit, the tax system, nationalisation, instruments of planning, and state civil and military expenditure are all used to maintain capital accumulation and so secure the strategic economic interests of national monopoly capitals. The ability of monopoly capital to ensure that the state did indeed serve its interests, both in relation to competing national capitals and the working class, was determined by its concentration of economic power, its personal connections with the executive, the dominance of the executive over the legislature, and the hold of reformism over the working class.

The social democratic theory of the state, on the other hand, focused on the institutional separation of the state from the economy, and so stressed the *autonomy* of the state as a political institution. This analytical separation of the 'political' from the 'economic' was based theoretically on a radical separation of production from distribution. From this point of view the intervention of the state to secure the conditions for the sustained growth of capitalist production subordinated the capitalist concern for profit to the national interest in the growth of the national wealth. The class character of the state was determined not by its intervention in production but by its

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<sup>2</sup>The debate has been taken up again recently in the pages of *Capital and Class* ( Bonefeld, 1987; Holloway, 1988; Jessop, 1988; Clarke, 1988b). These articles have been collected, with further contributions, in Bonefeld and Holloway, eds, forthcoming. See also the long overdue publication of the important collection of Toni Negri's essays ( Negri, 1988).

relation to distribution, which it could modify primarily through its taxation and expenditure policies. Thus a social democratic government could, in principle, use the instruments of state power to counter-balance the economic power of capital, reconciling the economic efficiency of the capitalist mode of production with an equitable system of distribution. For the social democratic left, the state might serve as the instrument for the transition to socialism, transforming property relations by taking capitalist enterprises into public ownership. For the social democratic right the 'separation of ownership and control' made the question of ownership irrelevant.

The inadequacy of these theories of the state became increasingly manifest through the 1960s. On the one hand, the growth of the welfare state, and the election of social democratic governments, particularly in Britain and Germany, undermined the crude identification of the state with the interests of monopoly capital. The growing internationalisation of capital undermined the identification of the nation state with the interests of national capital. The inability of the state to deal with a growing economic crisis undermined the view that the state was able to function effectively as the instrument of capital. Moreover the theory of State Monopoly Capitalism suffered from its association with the politics of the orthodox Communist movement, a politics which had little appeal for the social movements which emerged in the late 1960s.

On the other hand, the limited impact of the welfare state on problems of poverty, bad housing, and ill health, the emerging economic problems of monetary and financial instability, followed by rising unemployment, growing social unrest, particularly among the young and the marginalised strata, and the failure of social democratic governments effectively to challenge the power and interests of capital, undermined the rosy optimism of the social democratic view of the state as the decade wore on. If the theory of state monopoly capitalism underestimated the autonomy of the state, the social democratic theory underestimated the limits to that autonomy. What was needed was a more adequate theory of the nature and limits of the power of the capitalist state.

It was clear that the state could not be reduced to an *instrument* of the capitalist class, but nor could it be seen as the neutral terrain of the class struggle. While political struggles clearly had some impact on the character of the state, this impact was confined within limits which seemed to be inherent in the structural relationship between the state and the wider society and, in particular, in its relation to the economy. Thus the theoretical problem posed by the political failure of social democracy was that of the relationship between 'economics' and 'politics'.

This question arose more or less simultaneously throughout the metropolitan capitalist world, although the way in which the problem was posed was

coloured by local intellectual traditions and political circumstances. Nevertheless, in the first phase of the debate common themes recurred, so that the debate soon crossed national borders and became genuinely international. The new approaches which emerged, although inspired by Marxism, firmly rejected the traditional Marxist theory of State Monopoly Capitalism to retain the social democratic insistence on the *autonomy* of the state in order to insist on the *specificity* of the political and the *irreducibility* of political to economic conflicts. On the other hand, they also emphatically rejected the social democratic illusion of the *neutrality* of the state, the class character of the state being determined ultimately by the *structural* relationship between the state and the economy, embedded in the *form* of the state determined by its *function* within the system as a whole.

## The German Debate

In Germany the critique of social democracy was inspired primarily by the drift to the right of the Social Democratic Party and the dramatic rise of the 'new social movements'. However the theory of State Monopoly Capitalism was equally discredited. On the one hand, it was too closely associated with the authoritarian state socialism of the GDR. On the other hand, the German state appeared well able to accommodate the economic aspirations of the working class through the systems of industrial relations and social security. The new social movements were not so much a rebellion of the working class as a rebellion of the young and of the excluded. However the new social movements were not just an adolescent revolt, but arose out of a confrontation with the institutions of the state, particularly the education system, but also the institutions of housing and welfare provision, and the increasingly materialist culture which had come to predominate in the post-war boom.

The result was that the German critique was based not so much on the economic interests served by the state as on the repressive and bureaucratic form of public administration and on the individualistic materialism of bourgeois culture, which the state both expressed and reproduced. The immediate implication was that the task of socialism was not to seize hold of the state, as it was for both social democrats and orthodox communists, but to transform or to destroy the alienated and inhuman form of state power. The task of the theory of the state was to explain the particular form of the capitalist state.

## Habermas, Offe and the Frankfurt School

The German critique drew theoretically in the first instance on the traditions of the contemporary Frankfurt School of sociology, which combined Marxism with a sociological tradition descending from Weber. On the one hand, the capitalist state form was characterised in Weberian terms as a rational bureaucratic form of domination, to be explained not primarily in terms of the interests it served, or the economic functions it performed, but in terms of its functions as a specifically political institution, which were to maintain the stability of the whole social system. On the other hand, the wider social system was characterised in Marxist terms as a class society, based on economic exploitation, so that the specific political forms of the modern state, 'Social Democracy' and the 'Keynesian Welfare State', were seen as a more or less successful attempt to secure the social and political integration of the working class in order to defuse destabilising economic, social and political conflicts.

Within this framework the forms of the political and administrative systems of the state were explained, most notably by Habermas and Offe, in accordance with the integrative functions of the state, as means of channelling, filtering and reformulating economic, social and political demands in the attempt to reconcile the range of conflicting pressures to which the state was subject. Thus the state was seen in essentially sociological terms as the system which subordinated individual and social aspirations to the integration and reproduction of society as a whole ( Habermas, 1973; Offe, 1972, 1984).

According to this approach the state is *autonomous*, but it is certainly not *neutral*. The representation of particular interests is subordinate to the stabilising role of the state as a political institution, so that it is the state which determines whose interests it will represent. Thus the state has to develop internal structures which provide 'selective mechanisms' through which to 'filter' the demands made upon it, in accordance with its own political priorities. However the separation of the state from the sphere of production means that the state must serve the interests of capital as a whole in taking it upon itself to secure the conditions for sustained accumulation (its 'accumulation function'), and to this extent the state inevitably serves, or even constitutes, the general interest of capital. On the other hand, the state must avoid compromising its legitimacy by identifying itself with any particular interest (its 'legitimation function'), so that within the limits of the need to sustain the accumulation of capital as a whole the particular policies pursued by the state, and the particular interests served by those policies, will be the contingent result of its own political processes, determined by its own political priorities.

The 'accumulation' and 'legitimation' functions of the state indicate its dual role, as a form of administration and as a form of domination. These two functions come into contradiction with one another as the existence of conflicting interests sets limits to the 'rationality' of the state as a form of administration. However the specific function of the political system means that political conflicts do not simply reproduce economic conflicts, they derive from the specific contradictions inherent in the particular form of the state, as the attempt to resolve conflicts in one sphere of its activities generates tensions and precipitates conflicts in another. A political crisis, or 'crisis of crisis management', arises when the state apparatus can no longer reconcile the conflicting demands made upon it. Although an economic crisis limits the state's scope for manoeuvre, it is neither a necessary nor a sufficient condition for a political crisis. Moreover the political forces in play in a political crisis need not be those representing the major economic interests in society.

More specifically, Offe argued that the 'legitimation function' requires the state to satisfy popular aspirations which necessarily conflict with the interests of capital. There is therefore a contradiction between the 'accumulation' and 'legitimation' functions of the state. The attempt of the state to resolve this contradiction only generates new crises and new forms of conflict. The growth of taxation to finance the welfare state erodes profits, and so curbs investment, and generates political resistance. The growing intervention of the state in the economy threatens the legitimacy of both capitalism, as the state substitutes political criteria for the judgment of the market, and of the state, as it identifies itself directly with particular economic interests. The attempt to resolve the variety of conflicting pressures to which it is subject similarly fragments the supposed unity and coherence of the state, undermining its claims to rationality.

The main theoretical problem with Habermas's and Offe's account of the capitalist state was that it treated the relationship between capital and the state as purely external. The state served the interests of capital in stabilising a capitalist society, but there was nothing specifically capitalist about the *form* of the state, which was defined in Weberian terms, as a rational form of domination/administration. The limits of the state were equally not defined in relation to the limits of the capitalist mode of production, but were defined in the post-Weberian terms of the 'limits of rationality', the rationality of the state as a form of administration being compromised by political and bureaucratic conflicts which may or may not have a relation to fundamental class divisions.

Offe's early work was an eclectic mixture of Marxism and sociology. When he later tried to develop his ideas more systematically it was within the framework of sociological systems theory, rather than that of Marxism.

However the appeal of his work was never its theoretical rigour, but rather the political conclusions that it legitimated. In the early 1970s the concrete lesson drawn from Offe's work was that the social democratic incorporation of the working class had stabilised the capitalist state, but in so doing had served to shift the focus of political conflict to the 'new social movements'. As the social democratic incorporation of the working class came under growing pressure, and the crisis of the state became more acute, Offe revised his views, anticipating the end of Keynesian social democracy, which further strengthened the critique of traditional forms of working class politics, on the grounds that they could no longer achieve even their modest reformist goals. On the other hand, the crisis of the welfare state meant that the 'new social movements' had even less to anticipate from the state in the way of material gains or political advance. Thus by the 1980s Offe's work had become the means of legitimating a politics which sought to confront neither the power of capital nor the power of the state, but which sought the 'dissolution of the state' through the 'democratisation of civil society'.<sup>3</sup>

## The State Derivation Debate

The Marxist rejoinder to Offe and Habermas came not from the theorists of State Monopoly Capitalism, but from those who sought to build a more adequate theory of the state on the basis of a return to Marx. The starting point of the 'state derivation' approach was the argument that 'functionalist' theories of the state, whether that of Offe and Habermas or that of State Monopoly Capitalism, presuppose the existence of a state which can perform the functions attributed to it, ignoring the prior task of explaining how such a body comes into being in the first place. The constitution of the 'economic' and the 'political' as distinct spheres of social existence, which defines the capitalist form of the state, is not a universal feature of human societies, nor is it the inevitable result of the 'functional differentiation' of complex societies, it is a feature specific to capitalist societies, to be explained on the basis of the social form of capitalist production. Thus the state derivation approach sought to 'derive' the state, logically and historically, from the categories developed by Marx in *Capital*.<sup>4</sup>

This approach was based on an interpretation of Marx's *Capital* not as a theory of the 'economic' but as a theory of the social relations of capitalist society as a whole, an approach which had been pioneered in discussion of Marx's theory of value.<sup>5</sup> Marx's critique of political economy in *Capital*

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<sup>3</sup>See the influential texts of John Keane (1988a, 1988b).

<sup>4</sup>The major contributions to the debate are surveyed and reproduced in Holloway and Picciotto, 1978.

<sup>5</sup>The pioneering work was that of Hans-Georg Backhaus, 1969, 1974–8. The most



was based on the argument that economic categories are fetishised forms of appearance of social relations. The immediate relationship between wage labour and capital is not an 'economic' relationship, but a social relationship which combines inextricably 'economic', 'political' and 'ideological' dimensions, in the sense that it is a relation simultaneously of exploitation, of domination and of ideological struggle. The ideological and institutional separation of these dimensions from one another is not inherent in the social relation, but only emerges out of the struggles over its reproduction, so that the economic, political and ideological are complementary forms of a single social relation.

The error of bourgeois theories of the state, which is shared by social democratic theories, and even by the more radical analysts of the Frankfurt school, is that they 'fetishise' the differentiated forms of capitalist social relations by detaching them from one another and treating them as though they were distinct and independent social relations, ignoring the fact that they are only comprehensible in their inter-relationship as differentiated forms of the social relations of capitalist production. Thus, for example, the substance of such economic categories as 'wages', 'price' and 'profit' is provided by the social relations of capitalist production, and it is only on the basis of an analysis of those social relations as a whole that the 'economic' categories can be understood. The implication is that such 'political' categories as 'law', 'citizenship', 'rights' have equally to be seen as fetishised forms of the social relations of capitalist production, Marx's theory of value providing the starting point for a Marxist theory of the state just as much as for a Marxist theory of the 'economic' forms of social existence.

The argument that economic and political relationships are the fetishised forms of the underlying social relations of production does not imply that they are a pure illusion. Nothing could be further from the truth, for they are the categories which give institutional form to everyday social existence, expressing the differentiation of the institutional forms within which the class struggle over the reproduction of capitalist social relations is fought out. However the central point is that these institutional forms only derive their content from the social relations which they express, and so it is only on the basis of those social relations that they can be understood and their development explained.

It is not only the content of these fetishised categories which has to be explained in relation to the underlying social relations of production, but also the forms themselves. The categories of the economic and the political (wages, prices, profit, the law, political parties) are not found in

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influential source was I. Rubin, 1972, 1978. See also the important collection Elson, ed., 1979a.

every society, but only in those societies based on the capitalist mode of production. In other forms of society the distinction between the economic and political either does not exist at all, or exists in very different forms. Thus the specific forms of the economic and the political cannot be taken as given, but have to be *derived* from the more fundamental categories of the social relations of production, in order to establish *simultaneously* their distinctiveness and their complementarity.

The 'state derivation' approach sought to derive the categories of political life, and in particular the central category of the state, from Marx's theoretical analysis of the social relations of capitalist production in *Capital*. This derivation, it was argued, had to be both logical, to show that the differentiation of the economic and the political was a necessary consequence of the social form of capitalist production, and historical, to show how this differentiation emerged historically on the basis of those logical imperatives. Within this framework different approaches differed in their specification of the logical imperatives which give rise to the state, but in general they all took a more or less functionalist approach to the problem.

The dominant approaches derived the state from the need for an institution standing above the self-destructive competition of individual capitals, to ensure that such competition did not compromise the expanded reproduction of capital. However this simple functionalist approach was soon found to be unsatisfactory, for it endows the state with an independence, an omniscience and an omnipotence, on the basis of which it can formulate and implement the 'general interest' of capital, which it manifestly does not have. The fact that the capitalist mode of production rests on contradictory foundations, and so is potentially self-destructive, does not provide sufficient grounds for arguing that an institution will arise, standing above civil society, to resolve these contradictions and to curb capitalism's self-destructive tendencies. More fundamentally, this functionalist approach presupposes the derivation it is supposed to achieve. In deriving the necessity of the state from the self-destructive tendencies of economic development, it already presupposes the existence of an autonomous 'economic' sphere, and so the separation of the 'economic' from the 'political' which it is supposed to explain.

A more fundamental approach to the derivation of the state was provided by Blanke, Jürgens and Kastendiek, and by Hirsch. Blanke, Jürgens and Kastendiek derived the separation of economics from politics from the dual character of the exchange of commodities as involving, on the one hand, an exchange relation between things subject to the law of value and, on the other hand, a relationship of ownership between the subjects of exchange and their commodities. The latter relationship requires a legal system to codify and enforce property rights, and so an 'extra-economic coercive force', which is the basis of the historical development of the state. The separation of

the political from the economic, of conflicts over property rights from the exchange of commodities, 'is not an historical act which happens once, but is constantly reproduced' ( Blanke, Jürgens and Kastendiek, in Holloway and Picciotto, 1978, p. 121), in the recognition of mutual obligation implied in contractual exchange, but it is only reproduced to the extent that such recognition is sustained.

In the relation between independent commodity producers such recognition may not be problematic. In the case of the wage relation, however, the mutual recognition of capitalist and labourer as free and equal citizens in the exchange relation is contradicted by the coercion and inequality in the sphere of production which it makes possible, so that the *form* of the exchange relation contradicts its *content*. This implies, on the one hand, that the separation of the political and economic, through which the terms of exchange are confined within the limits of the rights of property, is the most fundamental form through which the subordination of the working class to capital is reproduced. On the other hand, it also implies that this separation can ultimately only be maintained by force.

Blanke, Jürgens and Kastendiek's analysis was rigorous and sophisticated, although it was by no means fully developed, being confined to the logical derivation of the state, with little historical reference. However it came under harsh attack for deriving the form of the capitalist state from the form of commodity exchange, and not from the relations of capitalist production. Blanke, Jürgens and Kastendiek defended their argument vigorously against this charge, insisting that it is only under capitalism that the exchange of commodities is fully developed. Moreover, although the development of capitalism makes no difference to the form of exchange, it is only in the exchange of capital for wage-labour that the form comes into contradiction with the content of the relation, so that the state assumes an unequivocal class character.

Blanke, Jürgens and Kastendiek also came under attack for their view of the state as an essentially legal institution, whose typical interventions are mediated by the forms of law and money. This issue, like the former one, had a powerful political resonance, since this 'formalist' view of the state has traditionally been associated with social democratic illusions, as opposed to the alternative view of the state as a sovereign power, which has been traditionally associated with the politics of both left and right. The latter view of the state lay at the heart of Hirsch's attempt to provide more rigorous Marxist foundations for the analysis of the Frankfurt School, an attempt which provided the initial inspiration for the British debate.

## Hirsch's Reformulation of State Theory

Against all the previous contributions to the state derivation debate, Hirsch argued that it was necessary to derive the *form* of the state, as an autonomous power, before such a power could be endowed with any substantive *functions*. In the original version of his argument he explained the autonomy of the state in terms of the anarchy of capitalist production. However in the revised version of his account he rejected this explanation as 'functionalist', instead explaining the autonomy of the state in terms of the supposed need to separate the exercise of force from the immediate relations of capitalist exploitation, since the latter presuppose the free purchase and sale of labour power as a commodity.<sup>6</sup>

Once the state has been established as such an autonomous body, endowed with a monopoly of the legitimate exercise of force, it can take on further functions, although it can only perform such functions within the limits of its form.<sup>7</sup> The state is therefore not identified with the general interest of capital, but has its own logic, determined by its form. Nevertheless the form of the state presupposes the continued separation of the economic and the political, hence the reproduction of the state depends on the continued reproduction of this separation, and so on the reproduction of capitalist social relations of production on which this separation is based. Thus Hirsch claimed to reverse the relationship between form and function, deriving the functions of the state from its form, rather than vice versa. (Although this inversion was more apparent than real, since Hirsch, like everyone else, derived the form of the state from its 'essential' function, in this case that of enforcing the subordination of the working class.)

Hirsch's analysis makes it possible to conceptualise both the 'autonomy' of the state as a specific form of domination, and the limits to that autonomy, inherent in the need for the state to secure the expanded reproduction of capital as the basis of its own reproduction. These limits imply that the development of the state is determined by the dynamics of the development of the capitalist mode of production, and in particular by the 'tendency for the rate of profit to fall' which underlies the crisis-tendencies of capital accumulation. In response to the immanent threat of crisis capitalists have constantly to reorganise the social relations of production and exchange. However these crisis tendencies, and capitalists' responses to them, do not

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<sup>6</sup>See John Holloway's discussion in Holloway, 1988.

<sup>7</sup>John Holloway is wrong to see a contradiction between Hirsch's derivation of the state as a form of class struggle and his 'structuralist' account of the development of state functions (Holloway and Picciotto, 1978, p. 28; Holloway, 1988). For Hirsch the 'autonomisation' of the state is not an ongoing aspect of the class struggle, but is a once and for all historical event, embedded in the sovereignty of the state as an autonomous power, backed up by its monopoly of violence.

appear only in the economic sphere, but have immediate implications for the continued reproduction of the state. Thus the historical development of the capitalist mode of production is a constant process of crisis and restructuring which affects not only the economic forms of the social relations of production, but also the form of the state.

Hirsch saw the 'tendency for the rate of profit to fall' as the determining historical law, in responding to which the state takes on new functions, and develops appropriate forms through which to carry out those functions.<sup>8</sup> However the forms of intervention and the specific policies of the state cannot simply be reduced to the needs of capital to maintain the rate of profit, because they are mediated both by the class struggle and the historically developed form of the state. In particular, the state responds to the increasing political and economic strength of the working class by taking on the functions of the 'welfare state'. While these functions develop in response to working class pressure, the ability of the state to carry out these functions depends on the steady growth of production, which provides the resources to finance its welfare expenditure, so reinforcing the pressure on the state to intervene to sustain the accumulation of capital. This is the basis of Offe's contradiction between the 'accumulation' and 'legitimation' functions of the state, and determines the form in which 'economic crises' appear politically: an economic crisis leads, on the one hand, to an intensification of class struggle, but, on the other hand, limits the resources at the disposal of the state with which to ameliorate such struggle through its welfare apparatus, forcing it to resort increasingly to repression in order to secure its political reproduction.

The political need to sustain capital accumulation in order to secure the material and political reproduction of the state underlies the growth of 'state intervention'. However, although this intervention is designed to secure the general interest of capital in its expanded reproduction, it cannot be reduced to that interest. On the one hand, there are conflicting capitalist interests involved, so that the strategy adopted by the state will depend on the political resolution of the conflicts between particular capitals and fractions of capital, expressed in and mediated by the state apparatus. On the other hand, the ability of the state to meet the needs of capital is limited by the institutional forms through which it formulates and implements policies. In particular, the

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<sup>8</sup>Despite its central role in relating the dynamics of accumulation to the development of the state, Hirsch's reference to the 'law of the tendency for the rate of profit to fall' was little more than a rhetorical gesture. Indeed his analysis tended to fall back into a voluntaristic politicism in giving the state the primary responsibility for mobilising the 'counter-tendencies' to the 'tendency for the rate of profit to fall', ignoring the extent to which the two are inseparable but contradictory aspects of the process of capital accumulation (c.f. Fine and Harris, 1979, Chapter 4 and pp. 99–100).

development of the state apparatus with the growth of state intervention is associated with its increasing fragmentation, as conflicting interests in civil society are represented within the state apparatus. Thus the state apparatus has no overall rationality, but reproduces in a political form the conflicts of interest which mark civil society. Although such irrationality appears as bureaucratic and administrative failure, it is only the expression within the state apparatus of the contradictions of the capitalist mode of production and of the class struggles to which they give rise. This is the basis of Offe's contradiction between the need to maintain the separation of the 'economic' and the 'political', on the one hand, and the pressures on the state constantly to suspend the separation in order to secure the reproduction of capitalist social relations, on the other.

Hirsch's early work was very important, primarily in indicating a way of reconciling the institutional autonomy of the state with its necessary subordination to capital by spelling out the concrete ways in which the economic, political and ideological reproduction of the state presupposed the reproduction of capitalist social relations of production. Thus Hirsch's work appeared to show a way of integrating the undoubted insights of the Frankfurt School's approach to the state into a rigorous Marxist theory. However this integration was schematic and ambiguous, and it was by no means clear that it could fulfill its promise of overcoming the 'politicism' and the 'structural-functionalism' of Offe's work.

On the one hand, although Hirsch nominally advanced beyond Offe in deriving the institutional separation of the economic and the political from the functional needs of capital, as expressed through the class struggle, he never actually explained the necessity of this separation, nor did he show how it happened historically. More importantly, for Hirsch this separation was a once-for-all historical event, so that the state, once established as an autonomous sovereign body, was self-reproducing. The result was that Hirsch's derivation of the state may have been of antiquarian interest, but it had no substantive significance for the theory of the capitalist state once that state was established. Thus Hirsch constantly fell back into Offe's politicism.

On the other hand, although Hirsch emphasised that the historical development of the capitalist mode of production was the product of class struggle, this struggle was confined within the limits of the structure imposed on society by the state. The separation of the state from civil society implied that the state could only resolve this struggle on the basis of capital, the function of the state determining that the working class would be the object of state policy, never its subject. The demands of the working class present the state with a political constraint, but the institutional forms of the welfare state provide the means of responding to these demands, so that the 'class struggle' which permeates the state apparatus turned out in Hirsch's

work to be primarily the struggle between particular capitals and ‘fractions’ of capital, a struggle which has to be resolved by the state on the basis of its need to secure its own reproduction. By contrast, the outcome of the struggle between capital and the working class was already presupposed, the only issue being that of *how much* welfare and *how much* repression might be needed to secure the subordination of the working class.

The structural-functionalist politicism which Hirsch took over from Offe was only reinforced in the later development of his work, which drew heavily on the theories of Poulantzas and the French Regulation School to develop an analysis of the ‘fordist security state’ in which the structure tends to absorb the class struggle, and the state progressively displaces capital at the heart of the analysis. I discuss this later work in more detail below.<sup>9</sup>

## Poulantzas’s Theory of the State

Poulantzas’s theory of the state, like that of Offe in Germany, took as its starting point the insistence on the *specificity* and the *autonomy* of the state. Following Althusser’s structuralist model of society as composed of three levels, the economic, the political and the ideological, Poulantzas sought to provide the hitherto missing theory of the political level, to complement Marx’s *Capital*, which Poulantzas regarded as providing only the theory of the economic level. Like Offe and some of the state derivation theorists, Poulantzas defined the function of the state not in terms of the interests of the capitalist class, but in terms of the need for an institution to secure the cohesion of the society as a whole. Indeed the competitive relations between individual capitalists make it impossible for the capitalist class to achieve the unity required even to represent, let alone to realise, its collective interests. Thus, as for Offe, the state is a capitalist state in the sense that it secures the reproduction of a capitalist society, representing the interests of the capitalist class as a whole against the interests not only of the working class, but also of individual capitalists. Although this gives the state the appearance of neutrality, its class character is necessarily implicit in its functional role in the reproduction of the structure as a whole.

Where Poulantzas differed from Offe was in the emphasis he gave to the ‘class struggle’. However, as in his structural theory, Poulantzas stressed the ‘specificity’ and ‘relative autonomy’ of the political, so that the definition of a common economic interest is neither necessary nor sufficient to define either the parties engaged in political struggles, or their political allegiances, or the alliances into which they enter. Thus his theory of class stressed the

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<sup>9</sup>See also the debates in *Capital and Class*, reprinted in Bonefeld and Holloway, forthcoming.

role of ideology and of the state in constituting classes as political forces and so in defining the forms of class struggle.

The class struggle, for Poulantzas, is the means by which the structure is reproduced or transformed. The structure defines a particular 'conjuncture', which is essentially a field of objectively possible outcomes of the class struggle. Which of these possibilities is realised depends on the outcome of concrete struggles. However, such an outcome is not simply determined by the relative strength of the forces in play, since the state has an interest in securing the domination of the capitalist class as the means of securing its own reproduction. Thus, in order to carry out its function, the state takes in hand the political organisation of the dominant classes, and the corresponding ideological and political fragmentation of the working class.

In his later work Poulantzas attempted to integrate his structuralist theory more closely with his theory of class struggle, relaxing the rigid structural determinism of his early theory, in which the political class struggle was confined within the structure which it was condemned to reproduce, and sought to provide much more concrete analyses of the contemporary forms and crises of the capitalist state. However this relaxation of his early determinism did not change the underlying theory, but only increased the scope for contingency in the 'conjuncture', attributing greater weight to ideology in determining the constitution of class forces and the outcome of the class struggle, and, following Offe, allowing a greater role to the autonomous dynamics of the state apparatus in determining its development.

## The Miliband- Poulantzas Debate

The greatest appeal of Poulantzas's theory was not in France, where the theory of State Monopoly Capitalism remained dominant, but in Britain, where his cause was enthusiastically taken up by *New Left Review*, impressario of the Marxisant avant-garde.

The context of the state debate in Britain in the late 1960s was the failure of the Labour government not only to advance towards socialism, but even to put into effect its promised programme of technocratic reform, which was supposed to provide a healthy, well-educated labour force and to modernise industry to face the growing challenge of international competition. The initial response of the left to this failure was to put it down to the particular characteristics of British society. On the one hand, the entrenched power of the Establishment and the financial power of capital was a barrier to the modernisation of British industry and public administration. On the other hand, the failure of a right-wing social democratic leadership to take the steps necessary to confront such undemocratic concentrations of power was explained in terms of the theoretical and political weaknesses of



British labourism. This analysis was most influentially developed by Perry Anderson and Tom Nairn in a series of articles in *New Left Review*, where they argued that Britain had never had a bourgeois revolution, leaving the bourgeoisie the junior partner in a 'power bloc' dominated by the landed aristocracy. The failure of the bourgeoisie meant that the working class had never confronted capital politically, and so had not developed either a Marxist political culture or a revolutionary party. The theoretical framework for this analysis was provided by a 'neo-Gramscian' theory of politics according to which the transition from a 'class-in-itself' to a 'class-for-itself' depends on its developing a 'hegemonic ideology' (Anderson, 1964; Nairn, 1964a, 1964b).

A more substantial analysis of the capitalist state was provided by Miliband, who was not a victim of the delusion that the ruling class was not capitalist. Miliband rooted the political dominance of capital not in its 'hegemonic ideology', but in its monopolisation of political and economic power, which gave it direct and indirect control over the state apparatus as well as over the economy and over the means of legitimating its rule. In his *The State in Capitalist Society* (1969) Miliband documented in considerable detail the means by which capital achieved and reproduced its domination over the state, which dwarfed the very limited powers which could be exercised by even the most radical social democratic government. The implication of Miliband's analysis was that socialism could not be achieved by purely electoral means, but only by a mass political movement which could mobilise and articulate popular aspirations in order to conduct the democratic struggle on all fronts.

Miliband's account was certainly less idiosyncratic, and much better documented, than that of Anderson and Nairn. However it suffered from two weaknesses, which it shared with the theory of State Monopoly Capitalism. On the one hand, it rested on an effective identification of capital and the state, which was unable to conceptualise the *limits* to the exercise of state power on behalf of capital, except to the extent that such an exercise met with popular resistance. This laid Miliband's account open to the charge of offering an 'instrumentalist' theory of the state, which ultimately reduced the state to an instrument of the capitalist class, and a 'voluntarist' theory, which saw the only limits to state power in the organisation, will and determination of the contending classes. The absence of any theory of the *structural* relationship between civil society and the state meant that, for Miliband as for *New Left Review*, the class character of the state was not inherent in its form, but was the contingent outcome of the class struggle.

The critique of this 'instrumentalist' theory of the state and 'voluntaristic' theory of the class struggle was first articulated by Poulantzas. In an article in *New Left Review* he brought his Althusserian sledgehammer to bear on

Anderson's and Nairn's 'historicism' and 'subjectivism', arguing that the 'autonomy' of the different 'structural levels' of a social formation, and the complexity of their structural interconnections, means that the class character of the state cannot be identified with the class which appears to hold political power, nor can the class character of the dominant ideology be defined by the class whose 'life style' it apparently expresses ( Poulantzas, 1967). On the contrary, the dominance of a particular class or a particular ideology is determined objectively by the structure of the social formation. Thus the British state is capitalist in its form, despite its aristocratic veneer, and the dominant ideology is capitalist in that it serves to reproduce a social formation dominated by capital. Moreover the peculiarities of the political and ideological relations between the various 'fractions' of the dominant class are not to be explained in terms of the independent ability of one fraction to impose its hegemony over others, but in terms of the organisation of the ideological and political hegemony of the dominant class by the state, in accordance with its function of maintaining the dominance of the class as a whole.

Poulantzas's critique had an immediate impact, but gave few clues as to the substance of his own ideas. Thus it was not until his debate with Miliband that his own work became influential outside the avant-garde. As in his critique of *New Left Review*, Poulantzas emphasised the relative autonomy of the state, in relation to both the economy and to class actors. Miliband, like Anderson and Nairn, avoided the economic reductionism of orthodox Marxism, only to replace it with a class reductionism, according to which the dominant class stamped its character on the state. This meant that they all remained within the theoretical framework of bourgeois sociology, marked by a view of society based on the interaction of social groups. The only way of avoiding bourgeois pluralism was to stress the ultimate priority of economic interest in defining such groups, so reintroducing an economic reductionism via the subjectivity of the class actors whose interests prevailed in the class struggle.

Poulantzas argued that this approach reduced the class struggle to class consciousness, neglecting the objective structural features of capitalism which define the form and the development of the class struggle. However Poulantzas did not advocate a return to the old base-superstructure model, but the adoption of the Althusserian model, according to which class practices are constrained by, and confined within, an objective structure composed of autonomous levels which are functionally related to one another within a complex whole. The function of each level is defined not, as in orthodox Marxism, in relation to the economic level, but in relation to the structure as a whole. Thus no one level can be reduced to any other, either structurally or through the action of any 'class subject'.

The implication for the theory of the state is that the 'political' has to be analysed in relation to the function of the state within the structure. This function is not simply to serve the needs of the economy, it is to serve as *'the factor of cohesion of a social formation and the factor of reproduction of the conditions of production'* ( Poulantzas, 1969, quoted from Blackburn, 1972, p. 246. Poulantzas's emphasis). The 'economic' functions of the state are only a small part of its role, to which Poulantzas paid little attention. Much more significant were its 'political' and 'ideological' functions, which were to secure the political and ideological reproduction of society by organising the 'hegemony' of the ruling class and the fragmentation of the working class.

Poulantzas's work had an immediate impact not so much because he provided any clear answers, but because he was raising the question of the relations between the economic and the political, between structure and struggle, which had not hitherto been addressed in Britain. However, for all his reference to the 'determination in the last instance by the economic', Poulantzas was primarily interested in the ideological and political dimensions of the class struggle. Moreover the relaxation of his structural determinism in his later work gave even greater play to ideological and political factors in determining the development of the class struggle in the 'conjuncture', pushing the 'economic' still further into the background, providing plenty of scope for the 'voluntarism' and political opportunism which his theory had supposedly dispelled.

This tendency was carried to its ultimate conclusion in the 1980s by many of Poulantzas's erstwhile followers. 'Post-structuralism' abandoned the 'determination in the last instance by the economic' in favour of the determining role of ideology, or 'discourse', in the constitution of political forces and in the development of state policy. This enabled the 'new realists' to celebrate the opportunistic politics of the 'conjuncture' on the grounds of the relativistic (and supremely irrational) argument that the only foundation, and the only limits, of objectivity were defined not by a metaphysical 'complex whole structured in dominance, determined in the last instance by the economic' but by the objective structure of the 'discourse', which alone constitutes the subjectivity of individual actors and defines the ground on which they can be constituted as social and political forces. The class struggle is then only a particular form of struggle within and between discourses, one which, moreover, is being displaced by new 'discursive practices', centred on consumption, rather than production, on individualism, rather than collectivism, on pluralism, rather than corporatism, and on democratic anti-statism, rather than socialist anti-capitalism.

While these tendencies were implicit in Poulantzas's work from the beginning, this did not provide Marxists with sufficient grounds to reject

Poulantzas's contribution. Poulantzas did seem to be addressing the important questions, in stressing the political and ideological functions of the state, and the political and ideological dimensions of the class struggle, and his work appeared to provide a framework within which the fundamental questions of the 'relative autonomy' of the state and of the relation between 'economics' and 'politics' and between 'structure' and 'struggle' could be raised. For many Marxists the way forward appeared to lie not in rejecting Poulantzas's approach, on the grounds either of his structural determinism or of his political voluntarism, but in achieving a more adequate integration of the two by developing a more adequate account of the 'determination in the last instance by the economic'. These were the terms in which Poulantzas's theory of the state came to play a major role in the early debates in the CSE over the theory of the state. It was only when these debates reached an impasse that the adequacy of Poulantzas's formulation of the problem was seriously thrown into question.

## **The State Debate in the CSE**

### **The Internationalisation of Capital and the Nation State**

The problem of the state was raised at the very first conference of the Conference of Socialist Economists in January 1970, at which Robin Murray presented a controversial paper on the internationalisation of capital and the nation state (Murray, 1971), in which he argued that the internationalisation of capital had undermined the ability of the state to serve the interests of 'national' capital. Murray's argument was vigorously disputed by Bill Warren, who argued that the apparent 'non-coincidence' of the territoriality of capitalist firms and the nation state was merely an aspect of the 'relative autonomy' of the state without which indeed it could not effectively perform its class functions' on behalf of capital as a whole (Warren, 1971, p. 88n). This debate developed further at the second conference of the CSE in October 1970, on the theme 'the economic role of the state in modern capitalism', where Warren presented his own view, according to which the 'autonomy' of the state in no way implies its independence of capital. Warren argued instead for a monolithic view of the state, in which the class character of the state is embedded in its structure, which is an expression of its function for capital. This argument led Warren to conclude that 'the expansion of state functions has involved an increasingly *tighter integration* of state structures with the economic, political, social and cultural systems of imperialist society', leading to a growing state authoritarianism behind the democratic facade (Warren, 1972, p. 29). This perspective was challenged by Michael

Barratt-Brown, among others, who insisted that there was scope for elements of the state to be grasped by popular struggle, and for at least some state policies to be directed to progressive ends. In this sense the relationship between capital and the state was not monolithic, but contradictory, reflecting not the functional needs of capital but the balance of class forces.

Warren and Barratt Brown represented the conventional approaches to the issue of the relation between capital and the state, reproducing the central themes of the debate between Poulantzas and Miliband. Warren offered what was essentially a 'structural-functionalist' view of the state, according to which the state inherently and inescapably served the needs of capital, while Barratt Brown offered an 'instrumentalist' view of the state, according to which the state was an object of class struggle, its policies and practices expressing the balance of class forces which define its class character.

A very different approach was indicated in a paper by Hugo Radice and Sol Picciotto, presented to the third conference of the CSE on 'Britain and the EEC', which concerned the *contradictory* relationship between capital and the state, and which was important in raising the question of the relationship between the class struggle over the restructuring of capital and the appropriate *form* of the state for socialism. 'The revolutionary perspective that this indicates in broad outline must lay less importance on the seizure of existing state structures, and emphasise rather the building of alternative forms based on revolutionary working class activity. Such activity will take on an increasingly variegated and diffuse character "internally", and also will increasingly transcend national boundaries' (Radice and Picciotto, 1971, pp. 52–3). The analysis hinted at in this conclusion implied a rejection of the contrast between 'structure' and 'struggle', on the grounds that the 'structure', and in particular the institutional form of the state, could not be taken as given but was itself an object of the class struggle. However the implications of this approach were not drawn out immediately, for the focus of debate shifted from the problem of the internationalisation of capital and the nation state to that of the role of state expenditure in the crisis.

## The Crisis of State Expenditure and the Limits of Social Democracy

It was increasingly clear from the late 1960s that rising state expenditure, far from resolving the crisis-tendencies of capital accumulation, was a central component of the economic and political crisis which was unfolding. The growing crisis of state expenditure immediately cast doubt on every kind of functionalist theory of the state, whether 'instrumentalist' or 'structuralist', Keynesian or Marxist.

Much of the growth in state expenditure in the mid-1960s had been in 'social' expenditure on health, education and welfare. For the social democratic left the growth in social spending was a direct achievement of working class political struggles. As social expenditure came under increasing political pressure in the late 1960s the initial response of the left was to see the 'crisis' as a pretext for a capitalist attempt to reverse the gains of the working class. However the growing severity of the economic crisis made it clear that the latter was not merely a 'bankers' ramp', but expressed more fundamental contradictions of capitalist accumulation. Moreover, the crisis also led to a re-thinking of the social democratic record. While social expenditure might have risen in response to the demands of the working class, at least some of this spending also served the interests of capital in having a healthy, educated and mobile labour force. Moreover, far from being a concession wrung from capital, the cost of social expenditure fell primarily on the working class. Thus the emphasis moved away from a view of state policy as determined by the class struggle towards a functionalist view of the state, according to which the role of the state was determined primarily by the functional needs of capital accumulation. However this functionalist approach recognised that these needs were not only economic, but also included the 'political' need to provide social spending to maintain social stability. Thus the level of state expenditure still reflected, at least indirectly, the extent of working class pressure.

While there was general agreement on the functionality of the state for capital, there was fundamental disagreement over the limits to this functionality. This disagreement set the 'neo-Ricardians' against the 'fundamentalists'. For the neo-Ricardians the limits to the functionality of the state were determined politically, as the result of the class struggle. For the fundamentalists, on the other hand, these limits were inherent in the contradictory character of state expenditure as simultaneously *necessary* and *unproductive*. The differences between the two were closely related to their different analyses of the crisis, behind which lay fundamentally different evaluations of the significance of Marx's theory of value.

The neo-Ricardian analysis of the crisis of profitability saw the latter as deriving directly from the bargaining strength which the working class had acquired as a result of a long period of full employment. The crisis was accordingly a 'distributional' crisis, as the rise in wages ran ahead of the growth of productivity. The struggle over state expenditure was strictly parallel to the struggle over wages, as the working class secured increasingly generous welfare provision, and as it managed to pass the cost of rising public expenditure on to capital as it increased wage demands in the face of increasing taxation.

The fundamentalists insisted that wages were determined not by the 'class

struggle', but by the objective laws of the capitalist mode of production. The source of the crisis accordingly lay not in distribution but in production, and specifically in the 'tendency for the rate of profit to fall'. The resolution of the crisis depended on the restoration of profitability, which could only be achieved by an intensification of labour and a restructuring of production. Growing state expenditure, although required to sustain the accumulation of capital and to maintain social peace, only serves to exacerbate the crisis, since it is an unproductive drain on surplus value.

## The Neo-Ricardian Theory of the State

The neo-Ricardians rejected Marx's theory of value, and the theory of unproductive labour derived from it, and so rejected the fundamentalist analysis of the crisis. The incidence of taxation, and the functionality of public expenditure for capital, is determined not by the theory of unproductive labour, but by the class struggle. This implies in turn that the state plays an active role, directly or indirectly, in determining the distributive relation between labour and capital, so that we have to reject 'the view of the capitalist state as a passive instrument in the hands of the bourgeoisie ... in favour of a more active and autonomous role of the state' ( Purdy, 1973, p. 31).

The neo-Ricardian theory of state expenditure was developed by Ian Gough, drawing particularly on O'Connor's influential application of Offe's distinction between the 'accumulation' and 'legitimation' functions of state expenditure to the 'fiscal crisis of the state' ( O'Connor, 1973).

According to O'Connor the growth of state expenditure is both cause and effect of growing monopolisation as the state increasingly takes on the costs of 'social investment' and 'social consumption' on behalf of the monopolies, reinforcing the socialisation and monopolisation of production. However this only intensifies the stagnationist tendencies which O'Connor, following Baran and Sweezy, believed to be implicit in monopoly capitalism, generating the need for the further growth of state expenditure to cover the 'social expenses of production' required to maintain full employment and to support the growing pauperised strata as the material basis of the legitimisation of the state. The 'fiscal crisis' of the state arises because its revenues do not rise in parallel with the cost of its growing expenditure, since capital resists the taxation of private profits to meet that cost, an imbalance which is further exaggerated by the demands on the budget of special interests.

Gough drew on O'Connor's classification of state expenditure into 'social investment', which directly increases productivity and so capitalist profitability, 'social consumption', which effectively subsidises wage costs, and 'social expenses', which are predominantly military and welfare expenditures. For Gough and O'Connor the first two categories of state expenditure are both

productive, the first because it directly increases profitability, the second because it is effectively a part of the wage, as the 'social wage', leaving only the last category to constitute an unproductive drain on surplus value. However Gough replaced O'Connor's 'underconsumptionist' account of the crisis with the neo-Ricardian theory developed by Purdy, arguing that O'Connor's functionalism led him to give 'insufficient weight to either the role of class struggle in determining the size and allocation of state expenditure or to the relative autonomy of the state in responding to and initiating policies to cope with these pressures' (Gough, 1975a, p. B.R. 5). On the other hand, Gough equally criticised those, such as Barratt Brown, who explained the character of the state exclusively in terms of the class struggle.

In his own explanation of the growth of state expenditure Gough proposed a 'synthesis' of the functionalist and the class struggle accounts of the state, on the basis of the work of Poulantzas and, to a lesser extent, of Miliband. For Gough both Poulantzas and Miliband show that 'the capitalist state is a relatively autonomous entity representing the political interests of the dominant classes and situated within the field of the class struggle'. It is this relative autonomy of the state which has enabled the working class to exploit the divisions within the capitalist class to achieve a whole series of economic and social reforms, without thereby challenging the 'political power of capital and the repressive apparatus of the state on which it is ultimately based' (Gough, 1975b, pp. 58, 64. The final version of Gough's account appeared in book form as Gough, 1979).

Without going into the details of his account here, Gough proposed a relatively sharp distinction between the functional explanation of state expenditure and its determination by the class struggle. This distinction was based theoretically on the neo-Ricardian separation of production from distribution. The 'autonomy' of the state is severely constrained by the functional requirements of production, but is determined in relation to distribution by the class struggle. Thus productive expenditure can be explained functionally, in terms of the economic development of capitalism, while the class struggle relates to the size and structure of 'social expenditure' and the incidence of taxation.

Gough adopted Poulantzas's theory of the state because it seemed to offer a framework within which to synthesise an account of the possibilities of reformism, emphasised by 'class struggle' analyses of the state, with an account of the limits of reformism, stressed by structural-functionalist analyses, and so to provide a basis on which to evaluate alternative strategies in the crisis. However the radical separation made by Gough between the 'economic' constraints on the activity of the state, expressed in its 'determination in the last instance' by the functional requirements of production, and its 'political' autonomy, expressed in the role of the class struggle in determining dis-



tributive relations, was contradicted by his theory of crisis, which recognised that the survival of capitalism depended on confining the aspirations of the working class within the limits of profitability. Thus Gough believed that the depth of the crisis was such as to leave no scope for political concessions to sections of the working class, and so to leave no possibilities open for reformism.

## Fundamentalism and the Theory of the State

Ian Gough's neo-Ricardian approach to the state met with an immediate response from the fundamentalists. David Yaffe and Paul Bullock attacked Gough's analysis of state expenditure in the course of re-stating their fundamentalist analysis of the crisis, attacking the 'social democratic' conception of the state as a power 'seemingly standing above society' and reiterating their view that 'the intervention of the bourgeois state arises directly from the needs of capital', while implicitly compromising the simplicity of this view in recognising that 'these developments are a *political* necessity for the ruling class' (Bullock and Yaffe, 1975, p. 33, my emphasis).

Ben Fine and Laurence Harris offered a more rigorous and sophisticated critique of Gough's analysis of state expenditure. Fine and Harris insisted that the crisis-ridden pattern of accumulation 'is a necessary part of the operation of capital and the capitalist state's economic intervention is fundamentally determined by capital's economic requirements' (Fine and Harris, 1976a, p. 99), criticising Gough primarily for his neo-Ricardian separation of distribution from production, which was the basis on which he established the 'relative autonomy' of the state. Gough's neo-Ricardian approach entirely neglects the role of the state in relation to the accumulation of capital, and particularly in relation to the restructuring and internationalisation of capital in the face of crisis. Moreover it exaggerates the ability of the state to resolve the crisis of capital. The state can only intervene to modify the conditions under which capital is compelled to respond to the crisis. This explains why the state may intervene in such a way as to intensify the crisis, in order to force capital to undertake the requisite restructuring.

Fine and Harris explained the subordination of the state to capital in terms of its subordination to the law of value: 'state activity is both determined by and dependent upon the production of surplus value', so that state economic intervention 'cannot be considered as an intervention by the political in the economy, for it is conditioned primarily by the laws of motion of the economy'. However the law of value defines only the (economic) limits within which the state can exercise a high degree of (political) autonomy. Thus Fine and Harris applauded Gough for advancing beyond Yaffe's economism by 'bringing to economists' debates the conclusions of Marxist political the-

orists: the relative autonomy of the capitalist state in its relationship to the interests of the dominant classes, and its situation as the objective of political class struggle'. Thus, they argued, 'the state, in preserving capitalist social relations, has political and ideological as well as economic roles. Therefore, its economic intervention is conditioned by the political and ideological balance of forces ... unlike the production and circulation of commodities under the direct control of capital, the economic activity of the state is not controlled primarily through exchange relationships, but through the balance of political (and economic and ideological) class struggle' ( Fine and Harris, 1976a, pp. 103, 109–110, 107, 99, 103).

Fine and Harris provided a powerful critique of Gough's neo-Ricardian theory of the state. However they did not differ fundamentally from Gough in their conceptualisation of the relation between the economic and the political, or of the relationship between the structure and the class struggle in the determination of state policy. They criticised Gough's adoption of Poulantzas's 'over-politicised' conception of the state, but only on the grounds that Gough's neo-Ricardianism allowed too much autonomy to the state. Thus they could agree with Poulantzas that the state is 'determined in the last instance by the economic', but 'conditioned by the political and ideological balance of forces', while criticising him for giving insufficient attention to the constraints of the economy, but they did not offer any alternative conceptualisation of the relationship between the 'economic' and the 'political'.

In their later book Fine and Harris developed their own analysis further, without clarifying its fundamental ambiguity ( Fine and Harris, 1979). In this analysis they adopted Poulantzas's pluralistic theory of the class struggle, based on the relative autonomy of economics, politics and ideology, but combined it with an economistic theory of the structural constraints within which the class struggle takes place, in the form of the theory of State Monopoly Capitalism, based on the fusion of capital and the state. Thus the class struggle is marked by the separation of the economic, political and ideological, while the structure is marked by their fusion. The preservation of bourgeois rule then depends on maintaining the separation of the levels of class struggle, in the face of the structural tendencies towards their fusion. Thus state intervention has developed in response to the fundamental contradictions of accumulation expressed in the 'tendency of the rate of profit to fall', but it has become the 'predominant mechanism' for controlling production and the 'crystallisation of ideological, economic and (primarily) political relations'. This fusion of the state with capital reacts back on the class struggle, threatening to undermine 'the division between economic, political and ideological struggles upon which bourgeois hegemony in earlier stages is based', in response to which the struggle is 'confined to limits compatible with capitalist

social reproduction ... by divorcing the locus of economic struggle from the point of production ... and giving it expression in the institutions of the state'.<sup>10</sup>

We seem to have come straight back to the neo-Ricardian theory of the state, according to which the 'economy' defines external material constraints within which the activity of the state is determined politically, the only criticism of Gough and Poulantzas being that they underestimate the extent of those economic constraints. The class character of the state is preserved only by the ability of the bourgeoisie to divert the economic struggle of the working class into reformist political channels. The political implication is that the class character of the state can be transformed by a 'strategy of intensifying economic struggle and building on that struggle an intensification of political struggle'.<sup>11</sup>

Although Fine and Harris rejected the neo-Ricardian economics of Gough and Purdy, and so had a different evaluation of the economic constraints on the activity of the state, they did not challenge the latter's conception of the autonomy of the state, according to which its class character is determined by its *external* relation to capital. This is because they, like Gough and Purdy, saw the state as an autonomous *institution*, and not as a particular form of *social relation*. Thus they all followed Poulantzas's fetishisation of the institutional autonomy of the state, failing to penetrate beneath the superficial independence of the state to raise the question of the *form* of the state as a form of capitalist class domination.

The theory of the state had apparently reached an impasse in the debate between the neo-Ricardians and the fundamentalists, neither of whom could reconcile the 'autonomy' of the state with its capitalist class character because neither had any way of conceptualising the relationship between the economic and the political as forms of capitalist social relations. The result was that both sides oscillated between an economism, which reduced the state to its 'economic' functions for capital, and a 'politicism' which saw the state as the 'crystallisation of ideological, economic and (primarily) political relations'. This was not simply a theoretical error, for it reflected the limitations of the common political perspective which united the apparently implacable opponents in the debate, a perspective which saw the state as the instrument of the transition to socialism, and so reduced socialist politics to

<sup>10</sup> Fine and Harris, 1979, pp. 121, 125–6. This argument makes an interesting contrast to the Offe/ Hirsch argument that the politicisation of economic conflicts is the primary source of the disintegration and crisis of the state.

<sup>11</sup> Fine and Harris, 1979, p. 127. In an earlier version of the argument Laurence Harris vehemently denied Poulantzas's charge that the theory of State Monopoly Capitalism follows social democratic reformism in seeing the state as a 'neutral tool which can be captured and used by either the proletariat or, as now, by monopoly capital' ( Harris, 1976), but provided no arguments against the charge.

a revolutionary or reformist struggle for state power.

The theoretical differences between neo-Ricardians and fundamentalists did not necessarily imply profound political differences. Thus in 1973–4, when the Heath government was brought down by the miners' strike, socialists in both theoretical camps proclaimed an ultra-leftist maximalism as though the revolution was at hand, while two years later the relative decline in trades union conflict meant that most sought to reconcile their socialist ambitions with a politically 'realistic' reformism, on whichever side of the theoretical divide they placed themselves. The neo-Ricardian strategy, which sought to give a socialist content to the 'social contract', was developed most forcefully by Dave Purdy and Mike Prior in *Out of the Ghetto* (1977, criticised by Diane Elson, 1979b) a response to the publication of a new draft of the Communist Party's programme, which played a major role in initiating the debate which eventually transformed the Communist Party out of all recognition. The fundamentalist strategy, which sought to give a socialist content to the 'Alternative Economic Strategy' was developed by Fine and Harris, and by the CSE London Group (1979, 1980). Despite their differences, both of these approaches rested on a narrow economic conception of the crisis and the class struggle and a monolithic view of class, ignored the differentiated forms of class struggle which were developing in the crisis, and above all ignored the question of the contradictory relationship between the working class and the state. This perspective was increasingly remote from the popular struggles which were developing through the 1970s, which confronted the state more and more directly not as the prospective instrument of their liberation, but as the principal barrier to the realisation of their aspirations.

Ironically, at the same 1975 CSE Conference which saw the final showdown between neo-Ricardians and fundamentalists in a set-piece debate between David Yaffe and Dave Purdy, new approaches, which had emerged independently in the work of the Labour Process and Housing Groups, were being put forward in workshop sessions. At the closing session of that conference the need to broaden the debate and explore new directions was recognised in the decision, strongly resisted by both wings of the old guard, to hold the 1976 conference on the 'labour process', and to establish working groups to prepare for that conference over the following year.

## **New Directions in the Theory of the State**

### **Class Struggle and the State: Housing Struggles and Struggles over the Labour Process**

These new approaches to the state emerged from a re-examination of the concept of the 'economic' which had dominated the debates over the crisis of capital and the crisis of state expenditure. These debates had focussed almost entirely on the quantitative dimensions of the crisis and its impact on the rate of profit. By contrast, the work of the CSE Housing and Labour Process Groups had developed in response to the growth of rank and file tenants' and 'community' struggles, on the one hand, and shop floor struggles over production, on the other, neither of which could be understood on the basis of any clear separation of the 'economic' and the 'political'.

There is no clear dividing line between the 'economic', 'political' and 'ideological' dimensions of class struggles over housing. The power and the property rights of the landlord are enshrined in the law and enforced by the state. There is no basis in the immediate experience of exploitation for the separation of the economic and the political aspects of housing struggles. The tenant experiences his or her exploitation not simply as economic, but as inseparably economic and political, with the threat of the bailiff and eviction standing behind the landlord. Correspondingly any working class challenge to the powers and rights of the landlord, even in pursuit of such 'economic' ends as resistance to rent increases, is inevitably and inseparably an ideological and political as well as an economic struggle, leading immediately to a challenge to the rights of property.

The separation of these dimensions of the struggle has been a central aspect of the way in which the state has responded to such struggles. The state seeks to enforce the rights of property on tenants individually through the courts, fragmenting collective resistance to the social power of property and ensuring that such power will be imposed on tenants individually through the 'market', decomposing class forces, and recomposing them as 'interest groups' based on tenure categories. Meanwhile the electoral system provides a means through which the rights of property can be challenged 'politically' within the constitution, but only on the basis of the decomposition of the collective organisation of the community and its recomposition as an 'electorate' whose only bond is the abstraction of individual citizenship.

However housing struggles have never been confined within these limits. When housing struggles have threatened to over-step the constitutional boundaries of 'politics' and the law, to develop into a collective challenge to the rights of property, the state has responded by restructuring the rela-

tionship between politics and economics, modifying the forms of regulation of the housing market and making 'economic' concessions in the attempt to re-establish the rule of money and the law and to restore the separation of the two spheres.<sup>12</sup>

In the early 1970s these issues emerged most clearly in the response of the state to 'community' struggles, as the state sought to incorporate the dynamism of local struggles into its own apparatus, a process which was described and theorised very acutely in Cynthia Cockburn's important book, *The Local State* (1977). In her book she showed how the local state had initially seen the failure of its policies to combat poverty, unemployment and urban decay in terms of its own managerial failings, which the revolution in local government, centred on 'corporate management' was supposed to remedy.<sup>13</sup> As the crisis deepened, policy failures appeared in the form of growing local resistance, which was interpreted by the local state as a result of the remoteness of an over-centralised management system. 'Community development' was then seen as the means of remedying the defects of 'corporate management' by providing channels of information and means of legitimisation of the state's policies. However the state's enthusiasm for 'participatory democracy' was motivated by a concern not to meet people's needs, but to confine their aspirations and their organisation within the limits of the resources and the forms of provision at the disposal of the state. Against the fashionable 'community politics', which Cockburn saw as a way of assimilating and deflecting working class aspirations, and against the celebration of the fragmentation of the 'new social movements', she stressed the importance of a class-centred 'politics of reproduction', which could overcome the limitations of traditional socialist politics by linking class struggles at the point of reproduction with class struggles at the point of production.

It became clear in the work of the CSE Housing Group in the mid 1970s that the separation of the economic and the political cannot be seen as a given structural feature of the capitalist mode of production, nor can the form of that separation and the boundaries between the two be seen as a constant feature of the capitalist mode of production. Both the fact and the form of the 'separation of the economic from the political' is a permanent object of class struggle, which the state seeks to impose on working class struggles in order to confine those struggles within the limits of private property and capitalist reproduction. Central to this separation is the fragmentation of

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<sup>12</sup>A selection of papers from the housing group was published in CSE Political Economy of Housing Group, 1975.

<sup>13</sup>This process had been explored in an influential paper by John Benington, in which the reform of local government was interpreted in terms of the depoliticisation of politics, as the increasingly entrepreneurial corporate management of local government resulted 'in the substitution of "policies" for "politics" at the local level' (Benington, 1974, p. 34).

class struggles imposed by the forms of the commodity, money and the law, through which the rights of property are enforced on workers as individuals, so that their subordination to capital can be imposed through the anonymous form of capitalist competition, whether for jobs or for housing.

Exactly the same lessons emerged from work on the capitalist labour process, which was again inspired by the growth of shop floor struggles in the 1970s, which increasingly related not simply to wages, but to the restructuring of the labour process, raising the question of the social form of production.<sup>14</sup>

The central theme of this work is the argument that the subordination of the worker to the capitalist in the labour process is not imposed by capitalist technology, however much the attempt to impose such subordination is a consideration in the design of that technology, but is only imposed through a constant struggle over the subordination of the productive activity of the 'collective labourer' to the expanded reproduction of capital. This is not simply an 'economic' struggle, but is more fundamentally a social struggle, a struggle over the reproduction of the worker as a worker for capital, a struggle on the part of capital to decompose the 'collective labourer' as the self-consciously organised subject of the labour process and to recompose it as the object of capitalist exploitation. This struggle extends far beyond the factory, to embrace all aspects of the social reproduction of the working class. In this sense struggles around housing and urban planning, patterns of consumption, gender relations and the family, transport, leisure and the state are all aspects of the struggle over the reproduction of capitalist class relations. This generalisation of the class struggle, in the attempt to secure the subordination of the working class to capital beyond the workplace, has developed historically in response to the attempt of the working class to preserve its social autonomy, to the extent that the autonomists referred to society as the 'social factory'.

The work of the Housing and Labour Process groups, which had been addressing the theoretical issue of the relation between the economic and the political from the perspective of concrete struggles, seemed to show a way beyond the impasse reached in the debate over the crisis of state expenditure. These concerns came together at the 1976 'Labour Process' Conference, at which the CSE decided to organise a series of dayschools leading up to the 1977 conference on the theme 'Class Struggle, the State and the Restructuring

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<sup>14</sup>Work on the labour process was theoretically informed by a reading of Parts III and IV, and the draft chapter 'The Immediate Results of the Process of Production', of Volume One of *Capital*, by Harry Braverman's important book *Labour and Monopoly Capital* (1974), by the work of Andre Gorz, Christian Palloix and others in France and, most importantly, by the work of the autonomia school in Italy. See the important collections CSE/Stage One, 1976; CSE/Red Notes, 1979, and A. Gorz, ed., 1976.

of Capital'. The theoretical starting point of the approach to the state which developed over the next few years was the critical examination of the theories of the state proposed by Poulantzas and emerging from the German 'state derivation' debate.

## Poulantzas and the Problem of the State

Although the terminology, if not the substance, of Poulantzas's theory of the state had established a near monopoly around 1975–6, a critical undercurrent was beginning to emerge. Fine and Harris had noted the neo-Ricardian theoretical foundations and reformist political implications of Gough's conception of the state, without relating these criticisms to the Poulantzian theoretical framework which Gough had adopted, this limitation deriving principally from the 'economistic' interpretation of Marx's theory of value which, for all their differences, Fine and Harris shared with the neo-Ricardians (Clarke, 1980). John Holloway and Sol Picciotto, in a series of papers, had equally criticised Poulantzas's 'politicism' and the 'economism' of Fine and Harris, John Holloway arguing that 'a materialist analysis of the state must not be confused with an economic analysis, for both the "economic" and the "political" functions of the capitalist state are founded in the contradictory nature of capitalist commodity production', pointing to the German state derivation debate as offering the most fruitful way forward (Holloway, 1976, p. 18). These criticisms were developed in Simon Clarke's first paper in this collection, which sought to establish that the theoretical weaknesses identified in Poulantzas's theory of the state were not superficial faults, but derived from the theory's neo-Ricardian foundations.<sup>15</sup>

The central argument of the paper is that behind its radical rhetoric, and whatever Poulantzas's intentions, his theory of the state rests on rigorously bourgeois foundations. These bourgeois foundations are identified as the radical analytical separation between production relations, whose form is determined primarily by the technology, and distribution relations, which are constituted by the relation of ownership of the factors of production. Although this conception of production was attested by Stalin as the orthodox

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<sup>15</sup>The paper was discussed in local groups, in the 'Theory of the State' working group, and at the 1977 CSE Conference. It was first published in *Capital and Class* (Clarke, 1977). A critique of Poulantzas along similar theoretical lines, which focussed especially on Gough and on Fine and Harris, was presented to the CSE Theory of the State Group by Robby Guttmann, 1977. Gough and Fine and Harris's work was also criticised by John Holloway and Sol Picciotto, 1978, pp. 10–14, and by the Edinburgh CSE Group, 1977, pp. 15–24. On the other hand, Fine and Harris's version of the theory of State Monopoly Capitalism received a eulogistic endorsement from Bob Jessop, 1982, pp. 53–7. Poulantzas's theory of the state was defended at the 1977 CSE Conference particularly in papers by Bob Jessop, John Solomos, Joachim Hirsch and the Frankfurt CSE Group.



Marxist theory, and is commonly found in 'economistic' interpretations of Marx, it derives not from Marx but from John Stuart Mill, whose argument Marx ridiculed in the last chapter of Volume 3 of *Capital*. It is this separation of relations of distribution from relations of production which underpins the bourgeois conception of the relation between the economic and the political, a conception imported into Marxism in the form of a radical separation of economic from political struggle.

Of course Poulantzas doesn't present the argument in these terms, and indeed he and Althusser disavow such an interpretation quite explicitly (c.f. Tomlinson, 1978, pp. 127–9; Fine and Harris, 1979, p. 100). However the question is not a matter of how Althusser or Poulantzas characterise their theories, it is about the structure of their theories, and the foundations on which the coherence of those theories implicitly rests, whether or not they recognise or acknowledge such foundations. Moreover the critique does not depend on any particular formulation of the relationship between the economic and the political, or the structure and the struggle, once the fundamental distinction has been made. Thus the later development of Poulantzas's theory, in which he relaxed his 'structural determinism' to give increasingly greater weight to the role of the 'class struggle', does not in any way alter the characterisation of the 'economic' and the 'political' on which his theory rests, any more than it is altered by Fine and Harris's narrowing of the limits of the autonomy of the state. This is the justification for reproducing the article, for it is not just directed at Poulantzas's early work, but at forms of theorising which recur time and again.<sup>16</sup>

Against Poulantzas, the paper reproduced here argued that '*the economic, political and ideological are forms which are taken by the relations of production*' (Clarke, 1977, p. 10, below p. 74). If the 'relations of production' are understood in purely technical or economic terms, this would amount to a re-assertion of a technologicistic or an economistic interpretation of Marx (Jessop, 1982, pp. 95–6; Solomos, 1979). However the argument is not in any way reductionist. It is rather that the economic, political and ideological forms cannot be conceptualised independently of one another, the concept of 'relations of production' expressing their essential unity and complementarity. Thus they are to be understood as differentiated 'functional forms' of capitalist social relations, just as Marx analyses productive, money and commodity capital as functional forms of capital. Nor is the argument by any means an abstract one, it is only the theoretical expression of the unity of everyday experience. The citizen, commodity owner, and conscious subject are not three different people, they are one and the same. The wage labourer

<sup>16</sup>This is the thread that runs from the work of Althusser and Poulantzas, through the French Regulation School to Hirsch and Jessop's 'reformulation' of state theory. C.f. Bonefeld and Holloway, forthcoming.

does not establish three different relationships with the capitalist, but a single relationship in which the worker, as citizen, freely chooses, as commodity owner, to sell her labour power to the capitalist and thereby submit herself, as a conscious subject, to the capitalist's will. Thus the unity of the social relations of production is both conceptually and empirically prior to their elaboration in differentiated ideological, political and economic institutional forms, an elaboration which develops, is reproduced, is challenged and is transformed in the course of the class struggle over the reproduction of capitalist social relations of production. The underlying political motivation of the argument is the claim that a humanistic Marxism, which seeks to build a new form of society on the basis of the everyday experience and aspirations of concrete human beings, must take as its starting point the unity of human experience, not the fragmentation of that experience in the alienated forms of 'ideology', 'politics' and 'economics' which capital seeks to impose on it.

This critique of Poulantzas did not go far in elaborating an alternative approach to the state. The development of such an approach was initiated by the joint paper by John Holloway and Sol Picciotto, which arose out of the discussion of the state in the CSE Working Group on European Integration.

## Class Struggle, the Restructuring of Capital and the State

Sol Picciotto and Hugo Radice had already indicated the outlines of an alternative approach to the state in their discussion of the internationalisation of capital and the nation state, which had raised the question of the *form* of the state as an object of class struggle. This approach had the potential to overcome the sterile opposition between ultra-leftism and reformism, which concerned the relationship of socialists to existing state structures, by subjecting the state structures themselves to a radical theoretical and political critique, shifting the question from that of 'who holds power in a capitalist society?', to that of 'how do we abolish the alienated capitalist forms of economic and political power?'

Sol Picciotto had further developed these ideas in his work on law and the state, which explored the general contradiction of the legal form 'between the ideology of law and the social relations to which it applies and which it defends', a contradiction which 'is contingent upon the primary contradiction between the increasing socialisation of the means of production and capitalist social relations which require a continued defence of the market and of private appropriation ... as expressed in changing forms of class struggle' (Picciotto, 1974, p. 2).

The paper reprinted in this collection is the final version of a series of papers written for the CSE Working Group on European Integration during 1975 and 1976.<sup>17</sup> Although the fundamental analysis in the various versions of the argument does not change, there are some differences of emphasis to which it is worth drawing attention in the light of criticisms and misinterpretations to which the paper has been subjected.

Holloway and Picciotto's article opens with the observation that Marxist 'economics' has become divorced from the study of class struggle and the state, leading to a view of the relationship between the two as an external relationship between 'economics' and 'politics', rather than as a relationship between different, but related, forms of class domination. This leads to the starting point of their argument, which is not the 'economy' or the 'state', but the class struggle which determines the development of these forms of domination. However the analytical task is not just a matter of drawing aside the economic and political veils, to reveal a deeper reality of class struggle hidden behind them. The fundamental issue is that of explaining why class exploitation in a capitalist society appears in these mystified forms, of asking 'what it is about the relations of production under capitalism that makes them assume separate economic and political forms' (Holloway and Picciotto, 1977, p. 78, below p. 99).

This was the central theme of the German state derivation debate on which Holloway and Picciotto drew. However there were considerable differences within the state debate between the different derivations of the state proposed. In the first version of their paper Holloway and Picciotto developed the argument in terms of a distinction between the *essence* and the *form of appearance* of the capitalist state. 'The essence of the capitalist state is the application of political power to guarantee' the wage-relation and its reproduction, which they contrasted with the fetishised appearance of this relation as a relation between free and equal citizens/property owners in the ideal form of the liberal state (Holloway and Picciotto, 1976a, p. 2). They then emphasised the logical and historical priority of the role of the state in securing the conditions of the exchange of commodities in explaining the form and function of the capitalist state (an argument proposed in the German state debate by Blanke, Jürgens and Kastendiek, who used the concept 'functional form' rather than that of 'form of appearance' as the basis of their theory, which is a more satisfactory phrase in recognising 'both the inner connection and the external lack of connection' between the economic and the political forms of capitalist domination).

<sup>17</sup> Picciotto, 1975, Holloway, 1976; Holloway and Picciotto, 1976a, 1976b, 1980. Many of the same arguments appear in the Introduction to their important collection of work from the German state debate, Holloway and Picciotto, 1978. This version of the paper was first published in *Capital and Class*, 2, 1977.

In later versions of the paper the explicit argument changes. In their critique of Gough they drew attention both to the anarchy of capitalist competition (an argument which derived from Altvater) and to the need to separate the exercise of force from the exchange relation between capital and labour (an argument which derived from Hirsch). In the paper reproduced here, and in their volume on the state debate, they reject the 'superficiality' of the first formulation and the 'eclecticism' of the second to adhere firmly to Hirsch's explanation that it is the 'freedom' of wage-labour which makes the separation of the state from civil society both possible and necessary. (The issues involved are indicated in footnote 3 to the paper, and form a central theme of the Introduction to *State and Capital*.) However, much of the substance of their argument continues to be informed by Blanke, Jürgens and Kastendijk's focus on the state as a legal form of domination, as against Hirsch's emphasis on the state as a coercive apparatus.

These differences are of some significance, but they should not divert attention from the most important difference between the argument developed in this paper and the approach which tended to dominate the German debate. The central theme of Holloway and Picciotto's argument is their stress on the primacy of the class struggle, against the German emphasis on the logical and/or historical derivation of the state. It is important to emphasise this point, which is not clearly brought out in the article, because of the prevalence of a mistaken interpretation of their work as a development of the German 'state derivation' debate, and particularly its assimilation to Hirsch's approach ( Jessop, 1982, p. 96).

The first half of the article analyses the state as a 'fetishised form' of capitalist social relations, again owing more to Blanke, Jürgens and Kastendijk, and to Picciotto's own work on the legal form, than to Hirsch. Equality of the individual before the state is both a condition for the economic inequality of class exploitation, and a means by which such inequality is concealed and class struggle fragmented. However the German contributions tended to remain imprisoned within a functionalist view of the state, seeing the limits to the state as external, whether in the form of working class resistance or of 'the tendency for the rate of profit to fall', while explaining the capitalist state form either as a logical response to the needs of capital, or as the historical result of past class struggles. Holloway and Picciotto, on the other hand, stress the immediacy of the class struggle as a struggle not only *within* but also *against* the existing state form, so that the form of the capitalist state is the constant object and result of class struggle. They argue that the reproduction of the state as a separate form of class domination is constantly threatened by the organisation of the working class, as economic struggles combine with political struggles and the working class confronts the state as the organised power of the capitalist class. Thus the reproduction of capital

depends on the outcome of the struggle to maintain the separation of the economic and the political against this working class challenge.

Holloway and Picciotto go on to criticise the fetishisation of the separation of the economic from the political which makes it impossible to understand either the development of the state or the limits to state action, an error common to Poulantzas, the neo-Ricardians and the fundamentalists. The answer, however, is not to return to an 'economic' theory of the state, but to develop a properly 'materialist' theory.<sup>18</sup> This leads us back to the German debate, and its starting point in the 'capital relation'.

Holloway and Picciotto follow Hirsch in criticising many of the contributors to the German debate for their overemphasis on the logic of capital, to the neglect of the role of the class struggle in giving this logic a content and an historical reality. They therefore devote the second part of their article to outlining the historical development of the state. However their own historical presentation differs substantially from that of Hirsch, reflecting their underlying theoretical differences. For Hirsch the starting point in the derivation of the state was the particularisation of the violence of the capital-labour relation in the form of the state, and correspondingly the first historical moment of its development was '*the imposition of the capitalist class structure*' (Hirsch, 1978a, p. 83). However, Holloway and Picciotto begin their historical presentation with 'the generalisation of commodity production', although they elide the difference by assimilating the 'separation of the labourer from the means of production' to the 'individualisation of private property', two processes which are by no means identical, and which certainly weren't contemporaneous. More fundamentally, however, Hirsch saw the emergence of the capitalist state form as an (unexplained) historical event which was the structural precondition for the establishment of capitalist class relations. Against this approach Holloway and Picciotto argue that the development of the state cannot be explained in terms of the adaptation of its form to its (unexplained) functions, but only in terms of the class struggles associated with the contradictions of the capitalist mode of production 'driving beyond the limits of the forms in which it had so far developed', these forms being the forms of commodity production developing within the feudal society. Thus Holloway and Picciotto's account is once more much closer to that of Blanke, Jürgens and Kastendiek, who derived the form of

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<sup>18</sup>In the revised version of their paper on European integration Holloway and Picciotto presented their criticism of Poulantzas in terms which might be interpreted as 'economistic', drawing on Hirsch's contrast between 'capital theoretical' and 'class theoretical' approaches, a contrast which only makes sense if capital is understood as an economic category and class as a political category. In these terms Poulantzas is accused of adopting a 'class theoretical approach' which rejects the 'determining "dynamic of capital"' (1980, p. 128). C.f. Jessop, 1982, which relies heavily on this spurious contrast.

the state from the need for a system of law to regulate the exchange of commodities, who insisted that ‘the limit to form analysis consists in the fact that, although the *possibility* of the realisation of this “state-function” is established, the *necessity* for it is not’, and who argued against the view that the emergence of the state serves ‘as a precondition for the emergence of bourgeois rule’, that the development of absolutism ‘should itself be developed from the transition to commodity and money relations’ ( Blanke, Jürgens and Kastendiek, 1978, p. 132 and n. 31, p. 197).<sup>19</sup>

Holloway and Picciotto’s characterisation of the subsequent stages of development of the state also differs from that of Hirsch, who related them to the supposedly dominant counter-tendencies to the tendency for the rate of profit to fall, as the stage of imperialism and the stage of technological revolution, with little clear relationship to the class struggle. Holloway and Picciotto, by contrast, relate the subsequent stages to the forms of production of surplus value, as the stages of absolute and relative surplus value production.

The second, ‘liberal’, moment of the state is marked by the completion of the separation of the economic and the political.<sup>20</sup> However the apparent equality of exchange is undermined by the class struggle over the working day, which makes it clear that ‘between equal rights force decides’ ( Marx, 1965, p. 235), so overstepping the boundaries between ‘economics’ and ‘politics’. The liberal moment of the state is defined by the attempt to preserve these boundaries by resolving all conflicts within the sphere of exchange. However this can no longer be achieved on the basis of abstract legal principles, but requires *legislation* and the beginning of *public administration*, which develop as ad hoc responses to the need to reconcile particularistic forms of intervention with the universalism of the liberal form of the state.<sup>21</sup>

The third stage is marked by the production of relative surplus value and the tendency for the rate of profit to fall, which dictates a constant class struggle over the restructuring of capitalist social relations of production, a struggle which cannot be reduced to its economic dimension, and which cannot be confined within given economic and political forms. Following

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<sup>19</sup>This formulation relates the development of capitalism, and of the capitalist state form, to the contradictions inherent in the feudal mode of production which appear with the development of commodity production. This makes it possible to provide a non-teleological explanation of the necessity of capitalist development, so avoiding the problem which functionalist theories, like that of Hirsch, have with the absolutist state form, which appears capitalist in both form and functions and yet which precedes the emergence of the capitalist mode of production. C.f. Gerstenberger, 1977, 1978.

<sup>20</sup>The term ‘moment’ implies that liberalism is both a permanent aspect of the capitalist state form and a particular historical phase in its development.

<sup>21</sup>For a development of this argument see the important book by Geoff Kay and James Mott, 1982.

Hirsch's analysis, Holloway and Picciotto argue that the separation of the state from the economy limits the ability of the former to intervene directly in the latter. If the state oversteps this limit to intervene directly the politicisation of capitalist competition fragments the state apparatus politically and administratively. Thus the development of the state is marked by 'the contradictory interaction of the necessity and limits arising from the contradictions of capitalist reproduction', which involves struggles not only over the *scale* of state intervention, but more fundamentally over the *forms* of that intervention. As the crisis deepens the tendency is more and more to undermine the separation of state from society, and so to undermine the reformist illusions in the neutrality of the state, although Holloway and Picciotto conclude by warning against an over-optimistic assessment of the political implications of a development.

In this final section of the paper Holloway and Picciotto appear to lose sight of their stress on the class struggle, and move close to Hirsch in relating the contradictions of the state form primarily to the contradictory needs of capital. Conflict within the state apparatus is related to conflicting capitalist interests, and the changing relation between politics and economics is related to the needs of capital, without the latter being related in turn to the changing forms of class struggle and changing balance of class forces. It thus appears to be the contradictory needs of capital, not the struggle of the working class, which plays the determining role in breaking down the barriers between politics and economics and undermining the illusions of reformism.

## Structure and Struggle in the Theory of the State

Holloway and Picciotto's paper was very important in introducing the question of the relation between the economic and the political raised in the German debate, and in criticising the fetishisation of the distinction in both political theory and reformist political practice, making it possible to advance beyond the sterile debates between 'instrumentalism' and 'structuralism', between 'economism' and 'politicism', and between 'neo-Ricardianism' and 'fundamentalism'. However the most important and original feature of the argument was also the least understood, and this was the insistence that the distinction between the economic and the political was both real and illusory, as having a material foundation and an ideological significance, and so was not an inherent structural feature of capitalism, but was both the object and the result of the class struggle. It is this emphasis which sharply distinguishes their argument from that of Hirsch.

As we have seen, Hirsch tended to regard the separation of the state

from civil society as an historical act which, once accomplished, could be regarded as complete. The development of the relationship between state and civil society was then determined primarily by the tendency for the rate of profit to fall and the available counter-tendencies. Although Hirsch pays lip-service to the role of the class struggle in determining the patterns of historical development, this role tends to be confined within, and subordinate to, the structure and, correspondingly, to the integrative function of the state.

Against this functionalist approach the central, and often repeated, theme of Holloway and Picciotto's argument is that structure and struggle cannot be separated, because it is only through struggle that structures are imposed and reproduced. Thus the 'laws of motion' of capitalism cannot be seen as external 'economic' laws, but are only realised in and through the class struggle. Similarly the form and functions of the state are not a structural constraint, but are only determined through the class struggle.<sup>22</sup> In the first version of the paper they criticised approaches which separate the economic and the political into two qualitatively distinct 'levels', 'forgetting that the separation is not something past but a continuous struggle to maintain the reality of an illusion'. Thus they argued that the fetishised economic and political forms of capitalist social relations are both illusion and reality, the solidity of that reality being not a given fact, but the object of class struggle. 'The struggle of the ruling class to maintain capitalist relations of production is a struggle to maintain the reality of an appearance; the working class struggles to break through that appearance and realise the reality immanent in the social nature of production' (Holloway and Picciotto, 1976b, pp. 1, 5–6).

This is not an esoteric theoretical argument, it is a very concrete lesson learned from the struggles of the 1970s. For example, the resistance to the Heath government's Industrial Relations Act broke down the barriers to the extent that Heath stood for re-election in 1974 on the issue of 'who rules the country?'. The wage contract between individual worker and capitalist is a very solid reality if the capitalist has the power to enforce that contract, but dissolves into pure illusion if the workers are able to counterpose their collective power to that of capital. The 'majesty of the law' can inspire awe when it confronts the isolated individual, while becoming an object of ridicule in the face of collective resistance.

These theoretical differences assumed an increasing political importance in the face of the 'new realism' which began to raise its head in the mid 1970s. The 'new realists' argued that socialists had to recognise the 'reality' of the structural constraints imposed on the state by capital, but they ignored

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<sup>22</sup>This is the core of their critique of Hirsch in the introduction to Holloway and Picciotto, 1978 (pp. 27–8), c.f. Holloway, 1988.



the fact that the 'reality' in question is not given, but is an object of class struggle. The 'reality' which the new realism embraced was not simply false, it was a mystified inversion of the everyday reality of working class existence. In accepting the illusory separation of the economic and political as reality, the new realism pretended that the reality of capitalist exploitation which such a separation serves to reproduce is a fantastic delusion of the exploited and oppressed. However the new realism cannot be reduced to an ideological mystification, since it is the ideological expression of the forms which capital and the state seek to impose on the class struggle. Thus the new realism is merely the latest ideological expression of the politics of reformism.

The limitation of reformism is that it 'accepts the fetishisation of class struggle into distinct economic and political channels, that it therefore envisages the possibility of transforming society by the mere conquest of political institutions. It is characteristic of reformism, in short, that it accepts bourgeois ideology.' Indeed, to the extent that the class struggle is confined within distinct economic and political channels, it serves to reproduce and not to transform bourgeois social relations, and to that extent, whatever economic gains it might achieve for the working class, it 'constitutes part of the political process through which the interests of capital-in-general are established' (Holloway and Picciotto, 1976a, pp. 4–6). The separation of the economic and the political is not an objective feature of a structure imposed by the logic of capital, it is an institutional framework which is only imposed on capitalist relations of production through a permanent class struggle, a framework which is accordingly a constant object of class struggle, which is only reproduced and transformed through that struggle. In this sense the 'reality' embraced by the new realism was the reality of defeat in the struggle, a defeat which the 'new realists' depicted as inevitable.

The difference between these two different approaches is brought out in the contrasts between the next three papers in the collection, by Joachim Hirsch, Bob Jessop, and Simon Clarke. These papers were all written, independently of one another, for a conference at Cosenza in Italy in 1982, organised by the now-defunct journal *Kapitalistate*, and were published in the journal in the following year.

Hirsch's paper provides a particularly clear statement of the development of his earlier approach to the state, drawing particularly on the work of Aglietta and the French Regulation School. For Hirsch the work of the French Regulation School, which sought to provide more rigorous and concrete foundations for Poulantzas's structural-functionalism, made it possible to get beyond 'the general, structural characteristics of a capitalist society' (Hirsch, 1983, p. 75, below p. 127). Thus his early analysis of the contemporary capitalist state was reformulated to provide a theory of the 'fordist

security state' as a distinctive mode of domination, which was based on the 'structural-functionalist' view, borrowed from Poulantzas and Regulation Theory, that the welfare state 'is not only a result of class struggle, but is also a structural constituent of the fordist form of socialisation', guaranteeing 'both the material survival of its social members as well as their functional adjustment and regulation, their social conditioning and surveillance' as 'bureaucratic control and regulation' replaces 'social relationships that formerly were founded and maintained in a quasi-natural way by the market and traditional ways of life'.

In Hirsch's model the 'fordist security state' overcomes the division between the 'economic' and the 'political', but this is not the result of the class struggle, but rather of the structural development of the fordist regime of accumulation, taking the form of the 'statification' of society, which 'is the other side of fordist disintegration'. The breakdown of the 'quasi-natural' mechanisms of capitalist domination forces the state to take over the functions of capital. Thus the division between the economic and the political is overcome not through the class struggle, but according to the structural logic of the state ( Hirsch, 1983, pp. 78–9, below p. 130).

This development strengthens the 'politicism' implicit in Hirsch's early work, as the division between the economic and the political is overcome not on the basis of capital, but on the basis of the state. Thus Hirsch argues that 'through the development of capitalist society, the relation of the state to the "base" has fundamentally changed. The state has more and more become an organic *element* of social and economic reproduction' ( Hirsch, 1984, p. 2). The unity and coherence of capitalist society no longer derives from the (contradictory) unity of the circuit of reproduction of capital but is imposed on society through the 'accumulation strategy' and 'hegemonic structure' of the state, which define the 'economic' and 'political' dimensions of the 'statification' of society.

For Hirsch the 'statification' of society undermines the autonomy of the state which, according to Poulantzas and the State Derivation theorists, is functionally necessary for the state to ensure the general conditions of capitalist reproduction against the interest of every particular capital or fraction of capital. 'However, this should not be seen as an inadequacy of theory, but as an expression of contradictory social tendencies that must manifest themselves in specific social conflicts'. The statification of society means that these conflicts no longer take place in civil society, but take place within the state apparatus, between 'different bureaucratic relations and political organisations, each with specific interrelationships to particular classes and class fractions'. Thus, for example, political parties, and social democratic parties and trades unions in particular, have been transformed into 'quasi-state apparatuses', becoming 'mass integrative parties' which 'mediate the

apparent constraints' of the world market 'to the affected people as they filter and channel people's demands and interests, making them compatible with the system's conditions', providing 'a new structural mode of controlling capitalist class conflict' by incorporating 'a social core with economic privileges that . . . consists of technologically advanced capital, part of a new middle class, and skilled workers'.

The 'fordist security state' creates new forms of conflict, as the 'system of mass integration excludes various interests which can no longer be handled within the political system' as the bureaucratised system of representation becomes 'insensitive and unresponsive to social interests and problems', particularly those of the economically marginalised strata of 'unskilled workers, displaced persons and drop-outs, those capital fractions which are threatened by structural change, the physically and psychically handicapped, and those who are worn out by the labour process' while 'non-productivist interests — like those in a healthy environment or in natural ecology — are marginalised within and across individual people'. The result is that 'social conflicts still result from the context of capitalist exploitation, yet they do not manifest themselves along traditional class lines.' Instead they appear in the form of inner-party conflicts, between leadership and the rank-and-file, on the one hand, and 'between the corporatistically unified political apparatus as a whole and extra-institutional social movements forming in opposition'. The result is that the primary object of struggle is no longer capital but the state, and the primary progressive force is not the organised working class but the 'new social movements'.<sup>23</sup> While the functional significance and the outcome of such conflicts may be unclear, it is certain politically that 'we have to bid farewell to some anachronistic conceptions of politics and class struggle', and that theoretically we have to complement Marx with Weber (Hirsch, 1984, p. 6). Hirsch's conclusion brings him full circle, both politically and theoretically, back to the 'sociological approach' of the Frankfurt School with which he began.

The concepts of 'accumulation strategy' and 'hegemonic structure', which Hirsch adopted to explain the unity and coherence of capitalist society, were adapted from the concepts of 'accumulation strategy' and 'hegemonic project' which were introduced by Bob Jessop in his paper to the Cosenza conference, a paper which, like that of Hirsch, bears the mark of the French

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<sup>23</sup>All quotes in the last two paragraphs are from Hirsch, 1983, pp. 80–87, below pp. 131–138. In his early work Hirsch saw the anti-statism of the 'new social movements' as progressive. Later he came to ask whether they might be seen as a 'functional correlate to corporatist regulation' or even 'lose their current progressive, anti-capitalist and egalitarian tendencies, and come to be the social, political and ideological supporters of the ongoing process of capitalist restructuring, leading towards the enforcement of a new — and one could say "neo-" or "post-Fordist" — capitalist formation' (Hirsch, 1984, p. 6). For a critique of Hirsch's analysis of post-Fordism see Bonefeld, 1987.

Regulation School, and which is the fourth paper in this collection.

The task which Bob Jessop set himself was to solve the problem which plagues all structural-functionalist theories of the state, of establishing a determinate, but non-reductionist, relationship between the 'relatively autonomous' spheres of the 'economic' and the 'political', and between the ontologically distinct worlds of 'structure' and 'struggle'. As for Poulantzas and Hirsch, Jessop's failure to provide an adequate account of the contradictory unity of the process of capitalist reproduction means that it is the state that has to carry the burden of establishing the unity and coherence of the 'social formation'.

For Jessop the 'value form' determines the structural framework within which capital accumulation takes place, but it does not fully determine the course of accumulation, which is 'the outcome of an economic class struggle in which the balance of forces is molded by many factors beyond the value form itself' ( Jessop, 1983, p. 90, below p. 141).<sup>24</sup> However the vagaries of the class struggle and the anarchy of the market mean that 'there is no substantive unity to the circuit of capital nor any predetermined pattern of accumulation' (p. 91, below p. 141). This means that, for Jessop, an external power is required to impose the regulative mechanisms which can secure the sustained accumulation of capital, the principal such power being the state, as the totalising regulatory institution. The pattern of accumulation is ultimately determined by the 'accumulation strategy' adopted by the state. However, there is not a unique accumulation strategy available to the state, but a range of alternative strategies, expressing different class and fractional interests and alliances, although any viable accumulation strategy has to reconcile the pursuit of sectional interest with the sustained accumulation of capital as a whole.

This analysis leads on to the question of which accumulation strategy will be adopted by the state, a question which can only be answered by analysing the political conflicts through which strategic issues are resolved. The accumulation strategy is not simply imposed on the state by external, economically constituted, forces, but is constrained by the institutional forms of political representation, administrative organisation, and economic intervention of the state. Moreover the selection of a particular accumulation strategy is determined politically, according to the need to secure social bases of support for the strategy. Thus the successful adoption and imple-

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<sup>24</sup>Note that the 'value form' is not here understood as the process through which social relations appear in the form of relations between things, as it was for Marx, but as a thing-like structure which determines social relations. This inversion of the relation between 'essence' and 'appearance' underlies the empiricism of Jessop's approach, according to which it is contingent institutional forms and political conflicts which determine the development of value relations and the course of accumulation.

mentation of a particular 'accumulation strategy' depends on its consistency with a viable 'hegemonic project' through which such support is secured.

Jessop's paper is a sophisticated development of the 'structural-functionalist' approach to the state derived from Poulantzas, but it remains nevertheless structural-functionalist, and fails to overcome the limitations of that approach. The 'value form' continues to play the role of an external 'economic' structure, which passively defines the limits within which the 'class struggle' and historical contingency can determine the course of accumulation. This both exaggerates the extent to which the material aspects of capitalist production constrain the development of the class struggle, in treating them as an external force, and underestimates the extent to which the class struggle is objectively determined, in disregarding the extent to which class struggle is a struggle over the reproduction of capitalist relations of production. Moreover the dividing line between 'structure' and 'struggle' is essentially an arbitrary one: at what point does the determinism of structure give way to the voluntarism of struggle?

The structural-functionalism of this analysis also appears in Jessop's failure to grasp the fact that the class struggle, and at another level the activity of the state, is not a means of *resolving* the contradictions of capitalist accumulation, but is an *expression* of those contradictions. In this sense there can be no such thing as an 'accumulation strategy', because there is no agent, not even the state, which can stand above the process of accumulation to give it unity and coherence by resolving the contradictions inherent in capitalist accumulation. The state cannot stand above value relations, for the simple reason that the state is inserted in such relations as one moment of the class struggle over the reproduction of capitalist relations of production.

The next paper in this collection, also presented to the Cosenza conference, draws a sharp dividing line between the structural-functionalist approach to the state, developed by Poulantzas, Hirsch and Jessop, and the approach centred on the class struggle which had emerged within the CSE Working Groups. The context of the paper was the challenge thrown down to conventional analyses by the rise of the New Right. The political issue at stake was absolutely fundamental: it was whether the rise of the New Right represented a 'functional' response to a structural crisis in the 'fordist regime of accumulation', as Hirsch and Jessop argued, or whether, as Clarke implied, the rise of the New Right resulted from a catastrophic political defeat of the working class, and so was determined not by the functional requirements of capitalism but by the outcome of the class struggle. The former analysis implied that 'we have to bid farewell to some anachronistic conceptions of politics and class struggle' (Hirsch, 1983, p. 87, below p. 138), the latter that we have to learn the lessons of defeat, refuse to accept the forms which capital and the state seeks to impose on the class struggle,

and concentrate on 'the building and rebuilding of collective organisation ... so that the divisions within the working class and the fragmentation of working-class experience can be broken down through the development of a united movement' (p. 130, below p. 180).

The paper does not address these political issues directly, but through a methodological and theoretical critique of the 'structural-functionalist' approach which dominated the state derivation debate.<sup>25</sup> The central methodological argument is that this approach fails to distinguish different levels of abstraction in its analysis of the state, a failure which follows immediately from the attempt to derive the 'essence' of the state from its functional necessity.

As soon as this kind of functionalist essentialism is abandoned, it becomes possible to distinguish between different levels of abstraction. Thus, for example, it is no longer necessary to argue, as tended to happen in the German debate, that the state is a specifically capitalist institution. Some features of the state can be recognised as being common to all class societies, without thereby compromising recognition of the specificity of the capitalist form of the state.

The central theoretical argument of the paper is that 'the essential feature of the state is its class character; its autonomy is the surface form of appearance of its role in the class struggle' (p. 115, below p. 164). This approach is then developed by dismissing the various arguments put forward in support of the claim that the autonomy of the state is its essential feature, and by dismissing all attempts to prove the logical necessity of a state, to conclude that the necessity of the state is not logical but historical, as the political response of the bourgeoisie to the threat of the organised working class. However the argument does not propose to replace one form of logic by another, a structural-functionalism by an instrumentalist class-functionalism. The historical development of the capitalist state form has to be understood not as a logical unfolding of structures, but as a product of a class struggle in which the reproduction of the state, like the reproduction of all other social

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<sup>25</sup>If the state has only one essential function it can only be derived at one level of abstraction. Thus the original debate was preoccupied with identifying which was the essential function of the state, and so at which level of abstraction it was appropriate to analyse the state. In Germany the central question was whether the state should be derived from the 'essence' of capitalist social relations of production as a form of class domination, or whether it should be derived from the superficial forms of those relations as relations of 'Freedom, Equality, Property and Bentham' (Marx, 1965, p. 176). In Britain the debate was conducted in even more sterile Althusserian terms, asking whether the theory of the state was a part of the theory of 'modes of production' or the theory of the 'social formation'. This was a central theme of the criticisms of Holloway and Picciotto at the 1977 CSE Conference: Jessop, 1977; Essex CSE Group, 1977; Solomos, 1977; c.f. Fine and Harris, 1978, pp. 12–15.

relations, is the object and the result of a permanent class struggle.

The fundamental reason for this rejection of any kind of structuralism, or any separation of 'structures' from the class struggle, is that the contradictory foundations of the capitalist mode of production imply that permanent structures of social relationships cannot exist, for no sooner are the conditions for the reproduction of such structures created than they are destroyed by the very same process of reproduction, only to be recreated or transformed through the process of class struggle. The reproduction of capitalist social relations 'is a contradictory process in the sense that its reproduction involves the repeated suspension of its own foundations, which is why reproduction is necessarily marked by class struggle' (p. 119, below p. 168). It is only in the course of this struggle that the state acquires, develops, reproduces and transforms particular institutional forms and particular judicial, administrative, political, technical, social, ideological and economic functions.

The outcome of the class struggle is neither determined nor constrained by any historical or structural laws. But this does not mean that the outcome of the struggle is purely contingent, dependent only on the consciousness, will and determination of the contending forces. It means only that the material constraints on the class struggle are not external to that struggle, but are a constant object of that struggle. The separation of the workers from the means of production and subsistence, which is the condition for capitalist exploitation, and their collective mobilisation, which is the condition for the advance of the working class, are not external presuppositions of the class struggle, they are at one and the same time the material foundation and the object of that struggle. In the same way the class character of the state is not a structural feature inherent in its capitalist form, for that form is only reproduced, or transformed, in the course of the class struggle. Thus the theory of the state cannot rest content with the structuralism of 'form analysis', but has to locate the analysis of the form and functions of the state in the context of the development of the class struggle.<sup>26</sup>

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<sup>26</sup> Clarke later developed this analysis in Clarke, 1988a, which defines the liberal form of the capitalist state in terms of the regulative role of money and the law, which patrol the boundary between the economic and the political, embodied in the 'independence' of the judiciary and of the central bank. In maintaining this mutual separation the rule of money and the law secures the subordination of both state and civil society to the power of capital. For the liberal form of the state the working class is the *object* of state power. The historical development of the capitalist state form is then analysed as a response to the development of the class struggle, as the state attempts to channel that struggle into the new political forms of 'industrial relations', 'electoral representation', 'social welfare' and 'economic policy'. Nevertheless the institutionalisation of the class struggle in these alienated political forms is always provisional, and is the permanent object of class struggle, as the class struggle constantly tends to overflow the forms provided for it.

## Global Capital and the Nation State

The particular form of the separation of the economic from the political is the determining feature of the capitalist state, but this separation provides only a slender guarantee of the capitalist character of the state, for it would seem that it could easily be overcome by a socialist government with the will and determination to 'intervene' in the economy, replacing the law of value by conscious political regulation. The limits of state intervention cannot be understood without reference to the limits of the national form of the state.

In the early CSE debates on the internationalisation of capital and the nation state a central argument was that the global character of capital posed a limit to the power of the nation state. In her contribution to the state debate, part of which was reprinted in Holloway and Picciotto's collection, Claudia von Braunmühl had argued forcefully that this was not a modern development, but that the national form of the state, within the context of global capital accumulation and an international state system, had been an essential feature of the capitalist state form from its inception. Ironically, Holloway and Picciotto dealt only very briefly with the national form of the capitalist state in the article reprinted here, and explained it rather lamely in terms of the geographical boundaries which 'are what is left after exchange has dissolved the social unities based on production for use' (Holloway and Picciotto, 1977, p. 87, below p. 111). This left their argument open to the criticism addressed to it by Colin Barker in the paper reprinted here (originally published in *Capital and Class*, 4, 1978).

Barker argues that Holloway and Picciotto fail to take account of the fact that the state does not exist in the singular, but only in the form of a system of nation states.<sup>27</sup> This argument has important implications.

The immediate implication is that the nation state cannot stand above capital, since capital is a global phenomenon. This means that it cannot stand above the law of value, to impose an alternative 'political' form of regulation on capitalist production, as Hirsch (and Gough and Purdy, and, ambiguously, even Fine and Harris) argue it can, because the law of value is imposed on individual nation states, just as it is imposed on individual capitalists, through international competition. Thus Barker argues that Holloway and Picciotto exaggerate the separation of the economic from the political in attributing to the state a degree of autonomy which it does not have, and exaggerate the extent to which political regulation can replace the law of

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<sup>27</sup>The emphasis on the *system* of nation states implies that we cannot study the state in abstraction from its relation to other states, and so in abstraction from its national form. As Braunmühl argued 'an international system is not the sum of many states, but on the contrary the international system consists of many nation states' (Braunmühl, 1978, p. 162).



value. It is the limits of the national form of the state which ensure that the actions of the state are confined within the limits of capital, and which equally ensure that the state cannot resolve the inherent contradictions of capital accumulation. This is not merely the effect of an external 'economic' constraint, it is inherent in the very form of the state as a national state.

If we cannot draw rigid boundaries between the 'economic' and the 'political', let alone regard such boundaries as essential to the capitalist form of the state, there is no reason to follow Hirsch (and Offe) in believing that the growth of state intervention in production should in itself precipitate a crisis of the state by contradicting the form of the capitalist state. Moreover, argues Barker, there is no reason why the state cannot be identified with capital, as capital comes to be organised within national boundaries by the nation state, taking the form of state capital.

It is not necessary to agree with all of Barker's argument to recognise that his questioning of the supposed *autonomy* of the state is a powerful criticism of at least some of Holloway and Picciotto's paper, and in particular of those elements of their argument which draw on Hirsch's structuralist separation of the economic and the political. The 'fetishisation' of the political which results from such a structuralist view of the state leads to the 'politicism' found, for example, in Hirsch's view of the class struggle as an expression of contradictions inherent in the form of the state, rather than seeing those contradictions as an expression of antagonistic relations of class struggle, which are ultimately determined by the contradictions inherent in the subordination of social production to the law of value. On the other hand, Barker's arguments are thoroughly in line with Holloway and Picciotto's insistence that the political and the economic are fetishised forms of appearance of capitalist social relations, the autonomy of the political being not a structural characteristic of the capitalist mode of production but an illusion which is only reproduced through class struggle.

Barker's critique is rather more dubious when it goes beyond a questioning of the *autonomy* of the state to question its *specificity*, which seems to be implied in his identification of the state with capital as state capital. The substantive arguments against this approach had already been rehearsed in the earlier discussions of the internationalisation of capital and the nation state from which Holloway and Picciotto's paper had originally emerged, in which it had rapidly become clear that an identification of the state with capital made it impossible to grasp the contradictory relationship between the internationalisation of capital and the nation state. What Holloway and Picciotto's paper sought to do above all was to theorise the relationship between capital and the state as neither an identity nor an autonomy but as the *contradictory unity* of differentiated forms of capitalist power.

Sol Picciotto returned to the issue of the internationalisation of capital and

the nation state in a series of papers. The paper reproduced in this collection, previously unpublished, was presented to the 1985 CSE Conference, and draws together the interim results of this work, developing the analysis of the contradictions inherent in the liberal form of the capitalist state presented in his earlier paper with John Holloway. This paper focusses on the problem of the jurisdiction of the nation-state in the face of the internationalisation of capital. This problem is central to the development of the national form of the state since the jurisdictional claims of various nation states within the international state system are bound to overlap and conflict with one another.

Picciotto's central argument is that while the state confined itself largely to liberal forms of regulation, inter-state relations could be based on reciprocal agreements between nation states without compromising the national sovereignty implied in their claims to exclusive jurisdiction. On the other hand, the growing interpenetration of capital on a world scale, and the increasingly direct intervention of the state, leads to an increasing overlap and potential conflict of jurisdictions. However, Picciotto argues, the resulting contradictions are not, and cannot be, resolved by the replacement of the nation state by international state institutions, functionally adapted to the needs of capital, nor by the confinement of accumulation within limits set politically by the national form of the state.

In their original paper Holloway and Picciotto argued that the contradiction between the socialisation of the forces of production and the private appropriation of the product appears in the form of a contradiction between the substantive interventions demanded of the state and the liberal forms of legal and monetary intervention available to it, a contradiction which is suspended in essentially ad hoc ways. In exactly the same way the contradiction between the forces and relations of production appears within the international state system as a contradiction between form and content which can never be resolved, but only ameliorated by 'ramshackle attempts to patch up the international state system by ad hoc arrangements of the most informal kind'. The failure ever to achieve more 'rational' arrangements is not simply the contingent result of disagreements, or of conflicts of interest, but of the contradictory constraints imposed on the international state system by the social form of capitalist production.

## **Class Struggle, New Social Movements and the Welfare State**

The theoretical debate over the state had more or less died out by the end of 1977, not because it had been resolved by the clear victory of one side or another, but because the fundamental points of disagreement had been identified and clarified, at which point there was nothing more to do than

to agree to differ. Moreover the priorities in the debate had never been to develop theory for its own sake, but for the purposes of political clarification. From 1977 theoretical debate took second place to political strategy, each approach to the state having its own political implications for the socialist response to the crisis. While neo-Ricardians and Fundamentalists sought to develop their state-centred strategies of socialist reformism, others sought to explore the political implications of the contradictory relationship between the working class and the state which had been brought to the fore in the German debate.

The exploration of the contradictory relationship between the working class and the welfare state was the central theme of the work of various working groups of the CSE in the late 1970s, building particularly on the theoretical analysis of the state proposed by Holloway and Picciotto.<sup>28</sup> This work tended to have a very concrete focus, involving case studies and detailed empirical research which tried to relate as closely as possible to people's everyday experience of the state. This focus was in part a reaction against what was felt to be the excessively abstract theorising of the state derivation debate, but it also reflected the political priority accorded to grass roots politics and popular mobilisation 'in and against the state', which became a primary focus of class struggle in the latter half of the 1970s.

This theoretical and political focus did not dictate a particular theoretical analysis and political strategy. In particular, within this framework there remained a fundamental theoretical difference, which was not clearly resolved at the time, between the structural-functionalism represented by Hirsch's approach to the state (and, in a less sophisticated form, by Poulantzas and his followers), and the focus on the class struggle which marked the approach developed within the CSE.

The political difference between these two approaches can be best seen in their different analyses of the relationship between the working class and the state. For Hirsch's structural-functionalist account (and more broadly for both the Frankfurt school and for the French Regulation theorists), the working class has been incorporated into the structure of the 'fordist security state' through the 'mass integrative apparatuses' of trades unions and social democratic parties, so that the 'class struggle' is displaced onto the marginalised strata and the 'new social movements' whose aspirations cannot be met by traditional forms of class politics. This analysis had ambiguous political implications. The new social movements were the modern version of Lenin's vanguard, forging an alliance with the marginalised, excluded

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<sup>28</sup>The Working Group on European Integration continued to meet occasionally, but the most active groups nationally were the 'Law and the State Group' and the 'State Apparatus and State Expenditure Group' while the most active local groups were in London and Edinburgh.

and dispossessed in order to lead the struggle for liberation on behalf of all humanity. However, as it became clear that the mass of humanity was not following the lead of the vanguard, despite the deepening crisis of the Keynesian Welfare State, divisions opened up in the politics of the new social movements in the 1980s. The left, whose focus was the plight of the marginalised strata whose material needs were not met by traditional class politics, tended to adopt a populist pluralism, seeking to reinvigorate social democracy by abandoning its class basis in order to build a popular front around a minimalist humanitarian programme. Meanwhile the right, whose focus was the aspirations of those rebelling against the bureaucratic and authoritarian forms of the Keynesian Welfare State, moved towards a populist and anti-statist libertarianism.

For the 'class struggle' account proposed by the papers in this volume the organised working class could not so easily be written off. The working class has a contradictory relationship to the 'welfare state'. On the one hand, the political mobilisation of the working class forces the state to respond to its material aspirations. On the other hand, the 'welfare state' can never meet the needs of the working class because, however generous may be the welfare benefits provided, however high might be the levels of wages obtained, such provision remains conditional on the subordination of the working class to the alienated forms of wage labour and of the capitalist state. Rather than dividing the working class into two mutually exclusive categories, the 'incorporated' and the 'marginalised', every individual worker and every section of the working class enjoys a contradictory relationship with the capitalist state. While the substantive benefits offered draw the working class into a positive relationship with the state, the form through which such benefits are provided ensures that that relationship is always antagonistic. This is the central contradiction of the welfare state, which is reflected in the forms of class struggle characteristic of the modern welfare state. The division between absorption into and struggle against the state, between the struggle over the *content* and the struggle over the *form* of collective provision, is not a division between two sections of the working class, it is a division which marks the relationship of every worker and group of workers to the state, so that every struggle is a struggle 'in and against the state'.

The implication of this analysis is that the struggle over the form of the state cannot be dissociated from the struggle over the content of state activity. The political priority is not to reject traditional class politics as reformist, in favour of an absorption into the politics of the 'new social movements', it is to develop the progressive potential inherent in all forms of class struggle, by developing new forms of class politics which could challenge the alienated forms of capitalist power. The need is to integrate

content and form, struggles in and against the state, by building on popular aspirations and popular frustrations to create new forms of class organisation and new forms of class struggle. The task is not to reject class politics, but to broaden it. 'The old forms of organisation simply have not adapted to the new circumstances — not that they ever did give adequate expression to the anger of many groups. New forms of struggle are needed which answer to the needs of *everyone* involved, both in terms of appropriate forms of organisation and of defining what it is we are fighting for' ( London-Edinburgh Weekend Return Group, 1980, p. 141).

These theoretical and political differences were not immediately apparent because there was plenty of common ground between the two approaches in the 1970s, as the growth in state repression, the 'rationalisation' of the state apparatus, and cuts in public expenditure, generated struggles in and against the state which threw together the 'fragments' of the marginalised, the dispossessed, the 'new social movements' and the rank-and-file of the organised working class. These struggles could not be accommodated by traditional forms of class and political organisation, nor could they be understood in terms of traditional political theories. This was the context in which the theoretical insights into the form of the capitalist state developed in the mid-1970s began to be applied more concretely to the problem of the relationship between the working class and the welfare state.

## In and Against the State.

The most stimulating and provocative work on the relationship between the working class and the welfare state was that initiated by the Edinburgh CSE group, which started work in 1976, and which was broadened into the ' London- Edinburgh Weekend Return Group' in 1978, both of which fed in to wider CSE discussions through the 'State Expenditure and State Apparatus' working group and through the annual CSE Conference. These groups produced a series of papers for the annual CSE Conferences which culminated in the important book, *In and Against the State*, produced by the London- Edinburgh group, and *Struggle over the State*, produced by the State Expenditure group.

The political context in which this work was produced was that of the adoption of increasingly rigorous 'monetarist' policies by the Labour government, including major cuts in public expenditure and a series of initiatives to restructure different branches of the state apparatus in the interests of 'efficiency'. These policies raised a fundamental problem for the left: to what extent should the left respond to the cuts in public expenditure and the restructuring of the state apparatus by defending the status quo, and to what extent should it respond by proposing radical alternatives to existing forms

of state provision?

The whole thrust of the critique of social democracy developed in the first half of the 1970s was that the welfare state was a means by which the state sought to defuse the class struggle. This was not simply a matter of making material concessions to the working class, but of the price exacted for such concessions. While the welfare state provided for some of the material needs of the working class, it did so in forms which served to fragment, divide, demobilise and demoralise the working class, eroding the collective strength of the working class, and so undermining attempts of the working class to resist the counter-offensive launched by capital and the state. From this perspective social reforms, such as those achieved by the working class following the victory of the miners in 1974, represented both a victory and a defeat, 'a victory in content, but a defeat in form which channelled working class action back into bourgeois forms and thus provided the essential preconditions of the material defeats of the subsequent period' (Edinburgh CSE Cuts Group, 1978, p. 33.4). The class mobilisation of 1974, which had extracted such substantial reforms, was rapidly demobilised so that by 1976 the state was able not simply to reverse the material concessions made, but also 'to restructure state activity in such a way as to relate it more closely to what, as mediated through class struggle in its socio-political forms, is seen as the requirements of capital accumulation' (Edinburgh CSE Group, 1977, p. 11).

The political conclusion the Edinburgh group drew from its analysis was that the *form* of the state, rather than the content of state policy, should be the primary focus of socialist politics, so as to build a base in collective organisation on which both to resist the power of capital and the state and to develop socialist alternatives. The impossibility of the reformist project of 'achieving socialism through the gradual restructuring of capitalism' does not imply that the working class is indifferent to the form of restructuring, but the criterion of evaluation of such a restructuring should not be its apparent immediate benefits, but the extent to which it helps 'to establish the most favourable conditions for the struggle for socialism'. This implied that the working class should not engage in a futile struggle to defend the status quo against the threat of cuts and restructuring, but should seek 'to force the state in the direction of a restructuring on the terms most favourable to the working class, in the sense of establishing a terrain for class struggle which maximises the opportunities for the working class to prepare, organisationally and ideologically, for the ultimate seizure of state power' (Edinburgh CSE Group, 1977, pp. 41, 37).

The cuts in welfare expenditure provoked growing collective resistance which began to overcome the fragmentation and division of the working class, raising the possibility of building new forms of political organisation

and developing new forms of collective provision under collective control. However these struggles could not simply involve the defence of working class autonomy against encroachment by the state, building up to the revolutionary moment at which the collective organisation of the working class is ready to overthrow the state. They had to engage with the state, to extract concessions from the state, without accepting the forms which the state sought to impose on them. 'The problem is to organise without institutionalising ... not on the basis of individuals but of class' ( London- Edinburgh Weekend Return Group, 1979, p. 212). Thus the class struggle 'takes place constantly within the framework of the established state apparatus' ( Edinburgh CSE Cuts Group, 1978, p. 1). The class struggle is necessarily a struggle *in and against* the state.

The possibility of such a struggle 'in and against' the state depends on the ability to open up an 'oppositional space ... which socialists working within or through the state must constantly seek to exploit and expand' to develop 'forms of organisation which, in opposing capitalism would at the same time prefigure socialism' ( Edinburgh CSE Cuts Group, 1978, p. 2) This strategy is sharply distinguished from the attempt to 'win *managerial space* in the hope of managing the state's resources in a manner favourable to the working class' ( London- Edinburgh Weekend Return Group, 1979, p. 212). The latter might succeed in its own terms, but at the cost of confining the working class within the 'atomisation and exclusion' of the bourgeois state form. The oppositional space, on the other hand, was located in a 'constant disjunction' between 'the state as a bourgeois form of social relations and the state apparatus as an institution' ( Edinburgh CSE Cuts Group, 1978, pp. 1-2).

## The State and Everyday Struggle

Despite the populist anti-intellectualism of its introduction, the final paper in this collection, John Holloway's 'The State and Everyday Struggle', sought to draw together the theoretical insights gained through the work of the late 1970s.<sup>29</sup> The paper begins by summarising the strengths of the German 'state derivation' approach, and defending it against those who have misinterpreted it either as an 'economic reductionism', or as concerned only with the economic role of the state. It then identifies the fundamental importance of the concept of 'form'. Marx's critique of political economy sought to establish that the economic categories expressed the superficial independence of the fragmented forms in which capitalist social relations are expressed in

<sup>29</sup>An earlier version of the paper was published as Holloway, 1979. This version has only previously been published in Spanish, in *Cuadernos Politicos*, Mexico, 24, 1980.

everyday experience. The theoretical and practical task of socialism is to overcome, both intellectually and politically, this fragmentation and fetishisation of social relations, to restore their essential unity.

This is the significance of the 'new social movements' of the 1970s. These movements do not express the revolt of the marginalised and excluded, although such strata might be in the forefront of the struggles, so much as a growing refusal to accept the fetishistic fragmentation of social existence imposed by bourgeois forms and, at their best, the attempt to develop new forms of struggle which prefigure new forms of social existence.

The reproduction of capitalist social relations of production is only achieved through a class struggle in which their reproduction is always in doubt. In this sense capitalist social relations of production can never be seen as a *structure*, but only as a permanent *process* of crisis-and-restructuring. Thus Holloway argues that capitalist reproduction is only achieved through the 'form-processing' of social activity.

The basic moment of the state form is identified with the generalisation of commodity production, the separation of economic and political relations (or, more accurately, the constitution of complementary forms of the social relations of production as political and economic), following from the constitution of social beings as individual property owners and citizens. There is nothing natural about these forms of individuality. Despite the claims of bourgeois ideology to the contrary, they do not express any biological or psychological properties of the individual. They are socially constructed and they are, like the social relations in which they are embedded, the object of class struggle. Correspondingly, while 'individualisation' may be the basic moment of the state form, the specific modes of such individualisation change, as a result of the changing forms of social relations in the course of the historical development of the class struggle and, in particular, of the form of the state.

Alongside this tendency to individualisation, the activity of the state, and the growth of state intervention, brings the state into contact with people not as abstract individuals, but as members of social classes. Nevertheless this relationship does not appear immediately as such, but appears as a relationship to individuals as 'owners of different revenue sources', as individual commodity owners whose social identity is defined by the physical or functional properties of the commodity they own: 'land', 'labour', 'money', 'capital', 'industry'. Thus the 'changing modes of collectivisation' are not opposed to the process of individualisation. Individualisation and collectivisation are the two sides of the struggle to decompose and to recompose class relations. It would be equally wrong to see one aspect of this struggle as economic and the other as political, for the struggle over the decomposition and recomposition of the collective labourer is unavoidably and inseparably



both an economic and a political struggle.

Holloway goes on to distinguish between the 'external' and the 'internal' processes of constitution of bourgeois forms of social relations, the imposition of bourgeois forms on society beyond the state apparatus depending on the maintenance of bourgeois relations within that apparatus. These internal relations are defined by bureaucratic control, which is reinforced by the fragmentation of relations within the state apparatus, which in turn interacts with the fragmentation of social relations in the wider society so that the state apparatus reproduces and reinforces the fragmentation of social existence, dealing with the individual not as a concrete social being but variously as a citizen, tenant, welfare claimant, voter, motorist, pedestrian, producer, consumer, taxpayer etc.

Having stressed the view of crisis as a crisis of social relations which leads to a struggle over the restructuring of the state as much as over the relations of immediate production, Holloway comes to the distinction between state form and state apparatus. Although the distinction is central to Holloway's analysis of the class struggle 'in and against the state', it is no clearer in this article than in earlier writings. The problem is whether it is really possible to distinguish the apparatus from its form, particularly when such a distinction appears to fly in the face of Holloway's insistence on the *inseparability* of form and content.<sup>30</sup>

Holloway insists that he is not falling back into the idea of the state apparatus as a neutral instrument, whose class character is determined by the class struggle, yet he clearly distinguishes the state apparatus, defined as the 'institutional network of financial and administrative controls', from the state as a 'form of capitalist social relations', which would imply that the apparatus is not in itself capitalist. The confusion is only increased by Holloway's relapse into structuralism, in defining the state apparatus as 'the institutional fossil of past struggles to reproduce bourgeois forms'.<sup>31</sup>

This issue is politically extremely important, for it leads to the somewhat bizarre conclusion that 'smashing the state as apparatus is no doubt an essential precondition for completing the revolution, but more relevant to our daily struggles now is the question of breaking the state as form' (London-Edinburgh Weekend Return Group, 1979, p. 212), as though the bourgeois state apparatus can somehow be given a socialist form.

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<sup>30</sup> Holloway also sharply distinguishes analysis of the form of the state from that of its functions. However, without some kind of reference to the 'functions' of the state there seems to be no way of theorising the state form as a form of the capital relation, nor is there any way of analysing the relation between the state and the individual as a fetishised form of capitalist class relations.

<sup>31</sup> Holloway only avoids the issue by reverting to his populist anti-theoreticism (below p. 229) precisely at the point at which theoretical clarification is politically essential.

The source of this confusion is the failure to provide a clear analysis of the relation between struggles within and struggles against the state. The argument that the 'oppositional space' within which it is possible to struggle 'in and against the state' is inherent in the gap between state form and state apparatus implies that there is always room within which state workers and marginal groups can manoeuvre. This carries the serious risk of 'substitutionism', in which state workers seek to use their official position to struggle on behalf of their clients, and easily leads back to a 'Frankfurt' analysis of the state and of the politics of the 'new social movements', which are able, despite their isolation and lack of power, to exploit the 'oppositional space' inherent in the irrationalities of the state. On the other hand, the class struggle approach, which Holloway otherwise espouses, implies that the oppositional space is not inherent in the state, but is only created by the challenge to both the form and the apparatus of the state presented by collective struggles in and against the state. This implies a quite different political analysis, in which state workers derive an 'oppositional space' not from their official position, but only by struggling collectively as state workers, by building links with those struggling against the state, and by generalising such struggles on a class basis, connecting class struggles over 'reproduction' with the class struggles over production.

This theoretical ambiguity was as much a reflection of political weakness as of theoretical confusion. The new forms of class struggle which had developed through the 1970s were pervasive, but they were fragmented and episodic, lacking the political strength and material resources either to transform the existing forms of working class trades union and political organisation, or to build new forms of autonomous organisation. The pressing political priority was to advance the struggle 'beyond the fragments' by building such an organisation, but the permanent temptation was to take short cuts, to exploit immediate opportunities for short-term advance, without regard to the longer term implications of such fragmented and opportunistic tactics.

The failure clearly to address this issue proved a critical political weakness of the Left, as the Conservative government, elected in 1979, sought systematically to close down the oppositional space within the state by bringing the activity of state workers under increasingly close financial and administrative supervision and control, by fragmenting, diverting and repressing struggles against the state, and forcing open a gulf between trades union and political struggles, so fragmenting and isolating the struggles from one another, dispersing, if not altogether destroying, the diffuse political base which they had built up through the 1970s.

The election of the Conservative government in 1979 immediately brought the weaknesses of the new forms of struggle 'in and against the state' to

the fore, making clear the extent to which the possibility of struggles in the state depended on the strength of the autonomous organisation of the working class. This was reflected in the two editions of *In and Against the State*. In the first edition the implicit emphasis was on the oppositional space available to state workers in their professional capacities. The 1979 election immediately brought home the extent to which the availability of this space was an historically specific phenomenon, closely connected with the state of the wider class struggle, and the constraints which such struggle imposed on a Labour national or local administration in particular. In the Postscript to the second edition written in August 1979, the emphasis had accordingly shifted, and primacy was very clearly given to struggles against the state. The London- Edinburgh group stressed the dangers of substitutionism, arguing that 'What we need to develop is forms of organisation which break through the separation of state workers from social struggles, and forms of organisation which express, not simply through institutional links but through their conceptualisation of the interrelation of useful labour, the class nature of sectional conflicts' ( London- Edinburgh Weekend Return Group, 1979, p. 212). 'The only realistic socialist practice is that of building a culture of opposition ... infusing all aspects of everyday life ... with oppositional practice' ( London- Edinburgh Weekend Return Group, 1980, p. 132).

The priority accorded to the struggle against the state was reinforced by a critique of attempts to develop autonomous struggles within the state. Time and again concession and incorporation have withered the base of class power and organisation, so that when individuals and policies came under attack there was no defence: 'a period of working class strength and militancy is followed by a period of concession and incorporation. It was a risky and costly strategy for capital and it made a new assault necessary. But it also laid the ground for that assault — because when it came, working class organisations were no longer rooted in real strength'. Labourism had merely prepared the way for Thatcherism, whose triumph showed that 'to pursue power by winning positions of influence for the working class within the terms of the state form of social relations is mistaken'. This criticism applies to left-wing reformists as much as to the right: 'Too often even the most left-wing Labour councillors see the battle as taking place within the council chamber rather than in the schools and the housing estates', leaving them identified with the apparatus, and so the policies and practices, of the state. In conclusion the Group presciently asked: 'When the crunch comes, when Whitehall's commissioners move in to deal with over-spending, will people in these areas unite to protect the councils that defended 'their' services? We hope so, but we fear not' ( London- Edinburgh Weekend Return Group, 1980, pp. 137–140).

## **Beyond the Fragments: the Recomposition of Class**

The ideas developed in this volume were by no means original to the authors of the papers collected here, however heretical they may appear in relation to academic orthodoxies. They were ideas common to the experience of a political and intellectual movement which flourished in the second half of the 1970s, and which informed many of the attempts to build a socialist politics of resistance to the capitalist offensive of the 1980s, a politics which focussed particularly on local struggles, and which often sought to harness the resources of the local state. These attempts had largely been defeated by the mid-1980s, but this does not mean that the struggles were politically or theoretically misguided. History judges losers harshly. Meanwhile, those who stood on the sidelines congratulate themselves on their disengagement from a struggle which was bound to lose, without considering that defeat was as much as anything the result of their own withdrawal from the struggle in the name of the historical inevitability of the 'new Realism'.

This is not the place to conduct a post-mortem over the socialist politics of the 1980s, although such a post-mortem is long overdue. Certainly many mistakes were made, and many illusions shattered. In retrospect, it may well be the case that the fragmentation and isolation of socialist resistance meant that defeat was inevitable, and even that, after a certain point, it was 'loony' to persevere with forms of struggle whose foundations had been cut away. It may well be the case that the new socialist left bears much of the responsibility for this fragmentation and isolation in failing to take sufficiently seriously the task which it set itself of building a movement which could advance 'beyond the fragments' (Rowbotham, Segal and Wainwright, 1980); which could integrate struggles over 'form' and struggles over 'content'; which could 'recompose' the fragmented forces of resistance on a class foundation; which could integrate struggles 'in and against' the state; which could develop a 'culture of opposition' that would provide a socialist vision; which could 'prefigure' socialist social and political forms in its own practice and projects. But the left could not choose the ground on which it fought. The growing pressure of the capitalist offensive meant that political and theoretical short-cuts had to be taken to mount immediate resistance to cuts and restructuring, to job losses, to closures, to the intensification and degradation of labour. Defeat, however comprehensive, does not necessarily imply that the project was misguided.

The right certainly understood the threat of the new forms of class struggle which had emerged in the 1970s. The politics of struggles 'in and against' the state developed through a practical and theoretical critique of the orthodox reformist and revolutionary politics of the Labour and Communist Parties, for whom such popular struggles presented a far more serious

threat than did the supposed class enemy. In the name of state socialism the official leadership of the working class in Britain defended the institutions of the capitalist state against growing working class resistance, culminating in the 'winter of discontent' in 1978–9, but in so doing only discredited itself, so that by the end of the 1970s it was a paper tiger, which Thatcher could brush contemptuously aside. Thatcher knew that the principal challenge to her project lay not in the Labour Party, nor in the bureaucratic trades union leadership, which she immediately swept from the political stage, but in the popular resistance which would be provoked by a frontal assault on the undoubted achievements of a century of working class struggle. Thus the key to the Thatcherite offensive was the decomposition of class relationships by the rigorous imposition of the individualising forms of money and the law, and their recomposition on the basis of the categories of property owner and citizen, an offensive which has become global in its reach over the 1980s, as even the Soviet state turns to 'monetarism' and the 'market' to resolve its political difficulties.

The collapse of actually existing socialism should not conceal the limits of capitalism. As capitalism on a world scale begins to move once more into a phase of crisis, and class struggle begins to rear its ugly head, the questions posed to the left in the 1970s will increasingly present themselves again. But they will present themselves in a more comprehensive and a more acute form. The globalisation of capital has advanced to an unprecedented degree, while the crisis of the state has extended to the Soviet block, so that the political issues faced by the left can only be addressed on a global scale. But is the left simply going to wrap social reform in the rhetoric of socialism, while reinforcing the alienated forms of economic and political relations, to reproduce the fragmentation and division of the working class in the face of the power of capital and the state? Or is it going to take up the challenge of building a socialist movement, based on the principles of democratic self-organisation, solidarity and internationalism, which can prefigure a new form of society?

## Chapter 2

# Marxism, Sociology and Poulantzas's Theory of the State

### Introduction

Political developments in the last ten years have led to a very considerable renewal of interest in Marxist economic and political analysis, and to a concerted attempt to reinvigorate Marxist theory as a revolutionary force. The focus of this movement is the attempt to develop a Marxist critique of Stalinist dogmatism and of post-Stalinist revisionism. Its material conditions are the end of the long wave of post-war capitalist expansion and the reappearance of capitalist crisis, on the one hand, and the development of working class resistance to the domination of capital independently of the orthodox Communist Parties, on the other.

This Marxist renaissance is taking place in conditions which make it extremely vulnerable to absorption into the frame of reference of bourgeois ideology. Since 1930 Marxist theory has been positively or negatively dominated by the official Marxism of the orthodox Communist Parties (which I shall refer to as 'dogmatism'). Those Marxists who were not prepared to subordinate themselves to dogmatism were not able to challenge it either. The period of cold war and the absence of independent working class resistance to capital meant that there was no basis on which such a challenge could be mounted. The independence of such Marxism was maintained by its diversion of attention from political and economic concerns. It was dominated

by the attempt to explain the apparent solidity of bourgeois domination by reference to specific superstructural features which varied from one country to another, thus constituting various national schools of 'Western Marxism', which borrowed heavily from the dominant bourgeois cultural theories in the various countries. The 'Marxist' alternatives to dogmatism systematically evaded the fundamental theoretical issues which would have been raised by any direct challenge to dogmatism ( Anderson, 1976).

The development of capitalist crisis and the corresponding development of political alternatives to revisionism has created new conditions for Marxist theory. These dictate a return to the foundations of Marxism, to the generality of the capital relation, and a confrontation with the dogmatist orthodoxy. However the novelty of these conditions also indicates a weakness of contemporary Marxism. In the absence of a Marxist critique of dogmatism, various forms of bourgeois ideology, and above all bourgeois sociology, have monopolised such criticism. The renewal of Marxist theory is therefore very vulnerable to absorption by bourgeois ideology, innocently basing its critique of dogmatism on that offered by the bourgeois social sciences, and so being led to adopt bourgeois solutions to the theoretical problems posed. It is therefore as important for Marxism to state its distance from the bourgeois social sciences as from Marxist dogmatism.

It is my argument in this paper that Poulantzas's theory of the state fails to do this. Although I would not presume to question Poulantzas's own political motives, the many genuinely original and important insights contained in his work are nullified by its domination by a theory quite alien to Marxism, a theory whose implications, indeed, Poulantzas constantly tries to avoid. This theory, adopted from Althusser, is based on a superficial criticism of dogmatism which leaves the theoretical foundation of the latter untouched and which reproduces that offered by bourgeois sociology. This leads Poulantzas to reproduce with uncanny accuracy the theory characteristic of contemporary structural-functionalism, the dominant tendency of bourgeois sociology. Poulantzas's many insights can only be integrated into Marxism in the wake of a thoroughgoing theoretical critique which relates his work both to Marxist dogmatism and to bourgeois social science. This paper is offered as a contribution to that critique.

## **The 'Neo-Gramscian' Critique of the Theory of State Monopoly Capitalism**

Contemporary Marxist developments in the theory of the capitalist state centre on the critique of the dogmatist theory of State Monopoly Capital-

ism. The latter, in its crudest but most common form, argues that the state is the instrument of monopoly capital in the era of imperialism, and so the means by which the domination of capital over civil society is maintained. This role of the state is itself an expression of the contradiction between the forces and relations of production, representing the socialisation of the latter in response to the socialisation of the former, but under the control of monopoly capital. The revolutionary task of the proletariat is to lead a coalition of democratic forces which will free the state from this control and use it as the instrument of the transition to socialism.

The most obvious faults of this theory can be characterised as its evolutionism and its economistic reductionism. The former implies that the contemporary capitalist state is in some sense transitional, and so can be the neutral instrument of the transition to socialism. The theory is therefore unable to grasp the *limits* of state interventionism inherent in the character of the state as a capitalist state. The economistic reductionism of the theory implies that the state is the *instrument* of capital, ignoring the specificity of the capitalist state as a political institution and the complexity of the class struggle in its relation to the state.

Any adequate theory of the capitalist state must embrace these critical points, which are of great political as well as theoretical importance. Poulantzas's work clearly attempts to do this, for it is centred precisely on questions of the autonomy of the state relative to the economy and to the dominant class, of the complexity of the class structure and of class relations, of the structural limits on the action of the state, and so on. His work can be seen as an attempt to build a theory of the state in opposition to the theory of State Monopoly Capitalism which avoids the evolutionism and economism of the latter and so has an obvious appeal to contemporary Marxists.

However an anti-evolutionist and anti-economist theory of the capitalist state is not necessarily a Marxist theory. It is not Marxism, but bourgeois sociology, which has constantly condemned dogmatism for its economism and evolutionism, and bourgeois sociology has built a theory of society which avoids these errors. The crucial problem for Marxists is that of theorising the institutional separation of the state from capitalist enterprises, the political separation of the state from the capitalist class, the differentiation and fragmentation of social classes, the representative relations between classes and political parties, and the limits of state intervention, without losing the fundamental Marxist premise of the capital relation as principle of the unity of the social formation. The temptation which faces Marxism is that of adopting a bourgeois sociological theory of the state and of giving that theory a 'Marxist' twist by emphasising the primacy of the relations of production. This was the tendency of an earlier generation of British Marxists who developed



theories which can be described as 'neo-Gramscian', in the sense that they derived their authority from a particular interpretation of Gramsci's work.<sup>1</sup>

These theories interpose a level of 'civil society' between the relations of production and the state, which is distinct from both. In 'civil society' ideological and institutional relations are added onto relations of production to create a sphere of interacting social groups, the 'society' of bourgeois sociology. The theory is given a radical slant in that it tries to theorise the dominance of capital in this sphere of interaction, the dominance in question consisting fundamentally in the imposition of a normative order on society, in the management of a consensus, which is the basis of the relative autonomy of the state, but at the same time the basis of the state as the power of capital (Negri, 1976, pp. 7–8). The dominance of capital is explained as the dominance of a social group endowed with a disproportionate share of material resources, and so is founded at the level of 'social interaction' and not at the level of the relations of production. The relations of production are thus introduced into a purely sociological theory to give it a contingently radical, but not Marxist, orientation. The latter can be reduced to the assertions that economic interests play a primary role in the constitution of social groups, and that material resources are predominant in determining the course of social interaction. Inequality is therefore self-perpetuating and the state, as institutionalisation of the dominance of the well-endowed, plays a major part in perpetuating that inequality. This 'Marxist sociology' is characterised by the empirical assertion that economic interests and material resources play a preponderant role in defining social interaction, but is not *theoretically* differentiated from bourgeois sociology.

These neo-Gramscian theories get beyond economism and evolutionism only by adopting a sociological conception of society. Paradoxically they are not incompatible with the revisionist politics associated with the theory of State Monopoly Capitalism. The state itself continues to be a neutral instrument dominated by the interests of big capital. The task of the proletariat is still to free the state from this domination. The difference is that the domination of capital is now indirect, mediated by its domination over civil society. It is no longer sufficient to break the direct grip of capital on the state apparatus, but it is also necessary to contest bourgeois domination of civil society by contesting the ideological consensus imposed by the bourgeoisie.

Poulantzas has sharply attacked the neo-Gramscian analysis of the state

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<sup>1</sup> Negri, (1976). Examples of such theories range from sociologists like Vic Allen to the editors of *New Left Review*, notably Perry Anderson. R. Miliband (1969), far from being 'marked by the absence of any theoretical problematic' (Poulantzas, 1976, p. 64) is dominated by such a theory. It is in relation to these theories that Poulantzas's work has been received in this country (n. 43 below) (c.f. Poulantzas, 1967).

put forward by Miliband.<sup>2</sup> He criticises Miliband for reproducing bourgeois ideological theorisations by confining his critique of bourgeois accounts to their empirical adequacy. He correctly insists that a Marxist critique must be properly theoretical. What he objects to in this conception of society is the focus on social actors, the view of ‘individuals as the origin of *social action*’ in a ‘*problematic of the subject*’. To this Poulantzas counterposes the conception of ‘social classes and the State as *objective structures*, and their relations as an *objective system of regular connections*’ (Poulantzas, 1969, p. 70). Poulantzas does not, however, show that this distinction is constitutive of Marxist as opposed to bourgeois theories of society. On the contrary, as I shall indicate later, it is a distinction *within* bourgeois sociology.<sup>3</sup> The crucial question for the Marxist critique is not so much that of the objective character of the structures, but rather that of their substantive content. I shall argue that Poulantzas offers the objective ‘structures’ of structural-functionalist sociology, and not the Marxist relations of production. In order to establish this a detour is called for. In the next two sections I shall look at the substantive foundation of bourgeois conceptions of society, and its critique by Marx.

## Marx’s Concept of Production and the Critique of Political Economy

The theoretical foundation of bourgeois ideology can be precisely located in a *particular conception of production*. The classical formulation of this conception of production is found in classical political economy, and it was to its critique that Marx dedicated the most fertile ten years of his life.

For classical political economy the realm of production is seen in technical terms as the realm in which labour sets to work means of production to make products.<sup>4</sup> Relations of distribution determine the transformation of the product into revenues accruing to the various classes. These relations are therefore superimposed on production as the social framework within which material production takes place, but production itself is not seen as a

<sup>2</sup>The debate between the two is in Poulantzas (1969, 1976) and Miliband (1970, 1973).

<sup>3</sup>See below, pp. 73, 90.

<sup>4</sup>This is essentially Althusser’s definition of ‘practice’ on which he bases his reconstruction of Marxism (L. Althusser, 1969, p. 166). The literature on Althusser is considerable. I have argued at length elsewhere (1976) that Althusserianism rests on this same conception of production, with the theoretical consequences which I outline below. Most critical treatments of Althusser deliberately evade the question of Althusser’s interpretation of Marx. A. Glucksmann (1972); J. Rancière (1974) provide by far the most penetrating critiques of Althusserianism. See also the devastating review of *Pour Marx*, written before his conversion by N. Poulantzas (1966).

fundamentally social process. In the capitalist mode of production this superimposition is achieved simply by ascribing revenues to factors of production (labour, land and means of production) and assigning classes to these factors as owners.<sup>5</sup> This is Marx's 'trinity formula', the form of appearance of bourgeois relations of production. It is a form of appearance which eternises the latter relations, because it makes them appear as relations already inscribed in the technical structure of the material production process by ascribing revenues to factors of production. This can be clearly seen in the treatment of non-capitalist modes of production by classical political economy. Since revenues 'naturally' belong to the classes of capitalist society, non-capitalist relations of distribution must be based on political intervention by which revenues are diverted from their natural recipients. This political intervention secures a class monopolisation of particular factors of production which makes possible the extortion of excessive 'profits' by the owners of these means of production (Marx, n.d., p. 116).<sup>6</sup> This is transparently the ideology of the struggle of the bourgeoisie against the feudal privileges of the landowning class, which reached its most self-conscious expression in the struggles against the corn laws which marked the high point of classical political economy. It is an *ideology* because it postulates as eternal that which is historically specific. It is a *bourgeois* ideology because that which it postulates as eternal is the bourgeois production relation.<sup>7</sup>

Marx devoted the ten years between 1857 and 1867 to the elaboration of the critique of the ideological conception of production which underpins the eternisation of bourgeois relations of production in classical political economy. In this critique he shows that the errors of political economy derive from its conception of production. Correspondingly the basis of Marx's own

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<sup>5</sup>This is the basis of Balibar's discussion of the combination of the 'property relation' and the 'relation of real appropriation' (L. Althusser and E. Balibar, 1970).

<sup>6</sup>B. Hindess and P. Hirst (1975) try to develop a general theory on the basis of this ideology, seeking to give the various pre-capitalist forms of distribution a material foundation in the development of the forces of production. The result is to establish the incoherence of this ideology by *reductio ad absurdum*: if the ideology is correct, the past cannot have existed. Unfortunately Hindess and Hirst prefer to abandon the past rather than bourgeois ideology!

<sup>7</sup>In so far as political economy is bourgeois, i.e. in so far as it views the capitalist order as the absolute and ultimate form of social production, instead of as a historically transient stage of development ...' (K. Marx, 1976, p. 96; c.f. Marx, 1973, pp. 83-8). L. Colletti, in his excellent article 'Bernstein and the Marxism of the Second International' (in Colletti, 1972) argues that it is its conception of the economy, common to all the thinkers of the Second International, rather than its fatalism, which defines revisionism. He also traces this conception to later Marxism and to bourgeois sociology. However he focusses on the question of the eternisation of the commodity form of the product of labour implicit in the neglect of the theory of value, and does not bring out sufficiently clearly the derivative, but even more important, eternisation of the capital relation as a development of the eternisation of commodity relations.

theory and of his dialectical method is to be found in his conception of production.

In the second section of the 1857 Introduction to the *Critique of Political Economy* Marx outlined his project, insisting on the *historical* character of production and on the *domination* of the moment of production over those of distribution, consumption and exchange. In the *Grundrisse* of 1857–8 the critique of classical political economy, and the corresponding development of Marx's own theory, is partial and undeveloped. The reason for this is that Marx insists on the primacy of production, but has not fully transformed the bourgeois conception of production itself. Marx still tends to contrast capitalist relations of production with the technical process of production in an external relation of form to content, the capitalist form deriving from circulation and superimposing itself on an already-defined content. To this extent capitalist social relations are still fundamentally *relations of distribution* mapped onto production. The result is that Marx does not clearly distinguish production as the process of production of use-values from production as the process of production of value, and so tends to see the two processes as being consistent with one another, the latter being simply superimposed on the former. This means that he is unable clearly to make the fundamental distinction between labour and labour-power, and the derived distinction between constant and variable, as opposed to fixed and circulating, capital.<sup>8</sup> Since he is still not able to theorise adequately the contradictory foundation of the capitalist mode of production in production itself, he sees it instead in the relation between production and circulation, with the result that the *Grundrisse* is dominated by an overproduction theory of crisis. Finally, the separation of form and content makes it possible to discuss form without content, social relations in abstraction from their material foundation, and so makes it necessary to discuss the development of social relations in the abstract language of 'positing' and of 'presuppositions'.

The contrast between the *Grundrisse*, on the one hand, and *Theories of Surplus Value* and *Capital*, on the other, shows clearly that Marxism does not consist simply in the assertion of the primacy of production, nor in the use of phrases like 'relations of production', but consists above all in the transformation of the bourgeois conception of production itself. In *Capital* relations of production are no longer the social relations within which material production takes place, on the basis of a contrast between social relations of distribution and technical relations of production.

In Marx's developed thought *production is seen as a process which is itself both social and material*, as the *contradictory unity* of the production

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<sup>8</sup>The inability to distinguish clearly between labour and labour-power is closely associated with the failure to integrate form and content in the account in K. Marx, 1973, pp. 304–8.

of value and the production of use-values. Capitalist relations of production are not contrasted with material production as an externally derived form imposed on a pre-existent content, for form and content are integrated in a contradictory unity.<sup>9</sup> The clear distinction between value and use-value makes it possible to develop the contrast between concrete useful labour and abstract value-creating labour, and so the concepts of labour-power, of constant and variable capital, and of surplus value. Surplus value is no longer seen as the revenue accruing to a distributive class, a share in the material product. Rather it is seen as the product of the labour process as a process of production of value, of the compulsion imposed on the worker by the capitalist to work beyond the time necessary to reproduce the value of his labour-power. Exploitation and class relations are therefore given a scientific foundation in production, and no longer have a moral foundation as relations of distribution. The contradictory foundation of production itself means that the law of motion of capitalism, expressed in the tendential law of the falling rate of profit, and the countervailing tendencies it calls forth, can be founded in production. Moreover, because production is now seen not simply as material production, but also as the production of social relations, the conditions of reproduction are themselves founded in production. Finally, because form and content can no longer be separated, the development of social relations cannot be discussed in an abstract way, in isolation from their material foundation. *The development of social relations is now a historical process driven by the contradiction inherent in capitalist production of being the production of value and the production of use values.*<sup>10</sup> It is in the development of this contradiction that relations of distribution, circulation and consumption are subsumed under the relations of production. It is therefore only with the Marxist concept of production as valorisation process that the primacy of production is itself put on a sound theoretical basis.

The contradiction between value and use-value is the specification of the contradiction between the forces and relations of production in the capitalist mode of production. Dogmatism tends to follow classical revisionism in identifying the latter contradiction with a contradiction between increasingly socialised production and private appropriation (i.e. between production and circulation), whose developed form becomes a contradiction between the economic and political, or between civil society and the state (c.f. Colletti, 1972, pp. 97–108). The contradiction between production and circulation

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<sup>9</sup>This is why the starting point of *Capital* is the *commodity*, which is the simplest expression of the unity of form and content, of value and use-value. c.f. Mandel, Introduction to Marx (1976), pp. 20–21. On the relation of the *Grundrisse* to *Capital* see M. Nicolaus (1968, 1973); M. Itoh (1975); Rosdolsky (1968).

<sup>10</sup>The process is *historical* in the sense that it takes place in history. This does not imply that it expresses the self-development of some original contradictions.

must rather be seen as a *form* of the more fundamental contradiction between the production of value and the production of use-value.

The Marxist critique of political economy is not merely of historical interest, for it is a critique of the constitutive basis of all bourgeois ideology, whose defining feature is the conception of production as a technical process, a conception which underpins the eternisation of capitalist relations of production. It is their adoption of this conception that enables us to characterise even certain self-proclaimed 'Marxist' theories as dominated by bourgeois ideology. This characterisation does not necessarily imply any judgement about the *intentions* of those propounding such theories, nor even about the 'scientific' or 'unscientific' character of their *procedures*. It is because of their common foundation in the bourgeois conception of production that bourgeois sociology and dogmatist Marxism are dominated by bourgeois ideology. It is correspondingly because of their common foundation that attempts to base a Marxist critique of dogmatist Marxism on bourgeois sociology are bound to fail, for they must fail to strike at the foundations of dogmatism. This explains the paradox that Marxist attempts to use bourgeois sociology as the basis of the critique of dogmatism are easily assimilated by the latter. Hence both neo-Gramscian and Althusserian Marxism have been used to bolster the revisionist politics of the orthodox Communist Parties. We are now in a position to look at these different currents as variants of the bourgeois ideological conception of society.

## The Law of Value and the Critique of Bourgeois Ideology

Poulantzas presents his theory of the capitalist state as a development of the interpretation of Marx offered by Althusser and Balibar.<sup>11</sup> This interpretation emerged on the basis of an attempt to break, from within the orthodox Communist movement, with the theoretical positions of Stalinist dogmatism.

Dogmatism is based on the bourgeois conception of production which I have outlined above. This 'technicist' view of production was adopted by Stalin, through Plekhanov and Menshevism, from the classical revisionist theories of the Second International. On this basis Stalin constructed his theory of modes of production in which the technical structure of production is the 'material foundation' on which different modes of production arise. History is seen as a succession of modes of production, each mode being constituted as a specific form of *appropriation of the surplus* and a corresponding form of *exploitation of labour*. The mode of production is seen as the combination of a technical structure of production and what are in fact

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<sup>11</sup>I shall concentrate on the theory expounded in *Political Power and Social Classes* (hereafter PPSC), to which Poulantzas remains committed (Poulantzas, 1976).

*social relations of distribution.* Developments in the forces of production produce a dislocation between forces of production and relations of distribution, precipitating a change in relations of distribution so that they correspond with the more developed forces of production.<sup>12</sup> In the current phase of capitalist development capitalist relations of distribution are preserved by the control over the institutions of political and ideological domination exercised by monopoly capital. The task of the proletariat is to break this domination so that new relations of distribution, appropriate to the developed forces of production, can appear.

The most obvious errors of this conception are its evolutionism and its economistic reductionism, as I have already noted in the case of the theory of State Monopoly Capitalism. These errors derive from the conception of production on which dogmatism is based. *It is because the 'forces and relations of production' are seen as technical relations of production and social relations of distribution that the relation between them is seen as a relation alternately of correspondence and dislocation, and not a relation of contradiction.* Hence the Marxist theory of history, which is based on the contradiction inherent in production in all class societies of being production of use values and production of relations of domination, is turned into a metaphysical philosophy of history in which the dialectic is an external law of history which governs the development of modes of production in a fixed succession by governing the progressive development of the forces of production which underlies it. Correspondingly, the separation of 'forces and relations of production', and consequent abolition of the dialectical relation between the two, dictates that the primacy of production takes the form of an economistic, or a technicist, reductionism.

This bourgeois conception of production is also the basis of the revisionist politics which dogmatism legitimates. The eternisation of bourgeois relations of production on which it is based dictates that political activity can only strike at the relations of *distribution* which arise on the basis of a technically determined structure of production. 'Trade Union' activity is confined to modification of the position of classes within given relations of distribution, 'political' activity to the use of state power to transform these relations of distribution. However revolutionary the rhetoric in which it is cloaked, a politics based on this distinction is bound to be reformist, for it eliminates resistance to the capital relation in production, where that relation is produced and reproduced, while directing political activity towards the forms of the bourgeois state, forms whose effectivity is subordinate to the domination of the capital relation. These political implications are not associated directly

<sup>12</sup>J. Banaji (n.d.), offers an excellent critique of the Stalinist theory of modes of production, and some elements of a properly Marxist theory. The classic exposition of the theory is Stalin's *Dialectical & Historical Materialism* (1938).

with the economism and evolutionism of dogmatism, which serve only to underpin the claimed inevitability of the revolution, but with the conception of production which underlies it. Any critique which fails to base itself on the critique of this conception of production is bound to remain a prisoner of the political implications of the latter, as I have already indicated in the case of neo-Gramscian theories of society.<sup>13</sup>

The bourgeois sociological critique of Marxist dogmatism, as of bourgeois technological determinism, continues to be based on the technologicist conception of production, and is itself reproduced both by Althusserian and by neo-Gramscian theories of society. All take as their starting point the distinction between relations of production,<sup>14</sup> seen as the technical relations combining factors in material production, and relations of distribution, seen as social relations constituted by ownership of the means of production.<sup>15</sup> Since rights to revenue depend on 'ownership' of factors, the relations of distribution are mapped onto the relations of production. The former cannot, however, be reduced to the latter, for they involve the relation of 'ownership' which is a relation defined politically and/or ideologically (Althusser and Balibar, 1970, p. 177). Class relations cannot be defined purely 'economically'. They are consequently social relations that express political and ideological determinations. The starting point of the theory of society cannot, therefore, be the asocial, purely 'economic' or 'technical' relations of production, as they are for dogmatism and for technological determinism. The starting point can only be the pre-given whole, called 'society' or 'social structure' in bourgeois sociology, 'civil society' or the 'mode of production' in Marxist sociology.

Interactionist sociology and neo-Gramscian Marxism interpose 'civil society' between material conditions of production, seen as the economic realm, and the state, seen as the political realm. The task of sociology is to study the interaction of individuals and groups in this world of 'society', these being social subjects acting in a framework of economic and political institutions, themselves studied by economists and political scientists, which can be modified by social actors. Structural-functionalism is based on the attempt to dissolve social groups as subjects into the structure which con-

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<sup>13</sup>Hence Althusser believes that trade union struggle is necessarily defensive since it can only concern the rate of exploitation (L. Althusser, 1971, pp. 82-3). In the same way for Poulantzas the contrast between economic and political struggle is that between conflict over the 'realisation of profit and ... the increase of wages' and conflict over the maintenance or transformation of social relations (PPSC, p. 86).

<sup>14</sup> Althusser and Balibar's 'real appropriation relation'.

<sup>15</sup> Althusser and Balibar's 'property relation'. Althusserians on occasion insist that the relation of ownership is not simply a political or ideological relation, but has a material foundation. They have, however, been unable to show what this foundation is. More important, they insist that the relation cannot be reduced to such a foundation.



stitutes them as subjects and which structures their interaction. The relation between structural-functionalism and interactionism is summed up very succinctly in Poulantzas's critique of Miliband. Structural-functionalism replaces the view of 'individuals as the origin of social action', in a 'problematic of the subject' with the view of social phenomena as 'objective structures, and their relations as an objective system of regular connections.' In following Althusser in basing his critique of dogmatist economism and evolutionism on the bourgeois conception of production, and in rejecting the 'problematic of the subject' for an 'objectivist' account, Poulantzas, no doubt quite unintentionally, also followed Althusser in reproducing the theory of society developed by structural-functionalism, and above all by Talcott Parsons.<sup>16</sup> In Althusser's work the Marxist elements are purely rhetorical. The importance of Poulantzas is that he tries to give Althusserianism some substance by developing a theory of class.

The structural-functionalist/Althusserian view of society rejects the interactionist account of structures as the products of the action of social subjects. The subjective principle is replaced as the basis on which the structure is organised by the functional principle. A variety of different levels are defined according to the functions they fulfil in relation to the whole. The identity of the functions and levels and the relations between them vary according to the particular theory in question. The basic principle is, however, invariant. The differentiation of functions determines that each level should have its own specificity and its own autonomy relative to other levels. The different functions are hierarchically ordered, the technical requirements of material production normally being primary because of the supposed primary requisite of physical reproduction.<sup>17</sup> The hierarchy takes the form of limits imposed by one level on the variation of other levels (PPSC, p. 95): hence very varied normative systems, or ideological and political systems, may be compatible with the requirements of physical reproduction of a society or social formation at a given technical level. Within these limits of variation the different levels are themselves structured under the domination of their relative functions in the whole, and not under the domination of other levels.

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<sup>16</sup>I shan't discuss structural-functionalism in any detail, since I am only concerned with its basic principles. The similarity of Althusser's conception of theory to that of Parsons has been noted by P. Walton and A. Gamble (1972, p. 110). Poulantzas himself has compared Althusser's conception of politics to Parsons's (1966) (c.f. PPSC, p. 40). Rancière (1974, pp. 229–30) shows that they have a common conception of ideology.

<sup>17</sup>This need not be based on what Althusser calls an 'anthropology of needs', which bases the primacy of physical needs on the concept of human nature. In his case it is based on the observation that society would cease to exist if it did not reproduce itself physically. This observation is not sufficient to establish the primacy of physical reproduction. For Marx in the capitalist mode of production there is no doubt that the requirements of value production dominate those of physical production.

They are therefore determined as levels of the complex whole, and not as expressions of other levels.<sup>18</sup> For Althusser the various levels are defined as particular kinds of practices, the basic levels being the economic, political and ideological.

The economic level is that of material production, guaranteeing the physical survival of the whole. The political level assigns individual agents to means of production as owners or non-owners, the latter being residually owners of labour-power, and so as recipients of their respective revenues. The ideological level constitutes these individual 'supports' of the relations of distribution as social subjects able to fulfil their roles in society. The economic level is thus the technical realm of material production, the political and ideological levels are the social realm which establishes the social conditions of material reproduction. For this analysis, therefore, the autonomy of the political and ideological relative to the economic is the supposed autonomy of relations of distribution relative to relations of production which depends on the bourgeois conception of production. The consequence is the view of social relations as constituted not in production, but 'politically and ideologically', or 'normatively', which in turn underpins a reformist politics. The basic conceptions of society shared by dogmatism, neo-Gramscian Marxism and interactionist sociology are reproduced. The 'planar' conception of society characteristic of the latter has been replaced by a 'structural' conception, but the structure remains the 'pre-given, complex, overdetermined whole structured in dominance determined, in the last instance, by the economic' characteristic of structural-functionalist sociology.

The Marxist conception of production leads to a quite different idea of the structure of the whole from that offered by Althusserianism. For Marx, relations of production are inherently social 'naturally arisen ... historically developed' (Marx, 1973, p. 485) relations. The relations of production are not simply relations of the immediate labour process, but are the relations constituted by the valorisation process, relations of a total process of social production, whose development is governed by the law of value. The relations of production are not distinct from society, rather 'the relations of production in their totality constitute what are called the social relations, society, and specifically, a society at a definite stage of historical development' (Marx 1962a, p. 90). To take the relations of production as the starting point

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<sup>18</sup>Althusserians normally assert that one level is dominant, within the limits of the specific autonomy of the other levels, so that the whole is 'structured-in-dominance'. This is supposed to distinguish the Althusserian whole from anybody else's. However (i) it is never clear what dominance means in this context (ii) the 'economic', i.e. the functional requirements of material production, determines which level will be dominant, so the dominance is the expression of the functional principle, making the Althusserian totality no less 'expressive' than the Parsonian one.

of analysis is not, therefore, to introduce a reductionism, for the relations of production are already social. Hence the determination of social relations as relations of production is not an abstract determination in the last instance of the social by the functional requirements of material production. It is rather *the specific and determinate historical process by which all social relations are subsumed under the dominant relation of production and so are determined as developed forms of that relation*. The basis of this process is the contradictory foundation of production itself as production of use-values and production of social relations. In the capitalist mode of production the social relations within which products are produced, distributed, circulated and consumed are subordinate to the production of value as moments of the process of self-expansion (Valorisation—*Verwertung*) of capital. They are not counterposed to production as the social framework within which production of use values take place. They are rather *moments of the total process of social production which is the process of valorisation, a production both in society and of society*. Correspondingly the economic, in the narrow sense, the political and the ideological are not defined abstractly as the framework within which relations of production are subsequently to be defined, as politically and ideologically constituted and reproduced relations within which material production takes place. Rather *the economic, political and ideological are forms which are taken by the relations of production*. Political and ideological relations are as much relations of production as are strictly economic relations, for they are specific forms of the social relations within which production takes place. The Marxist theory of ideology and the Marxist theory of the state have to show how and to what extent political and ideological relations are forms of the relations of production as moments of the total process of social production subordinate to the relation between capital and labour which is constituted in the immediate process of production. This must follow the method Marx has developed in *Capital* for the derivative economic relations of distribution, circulation and consumption. This is not achieved by formal deduction from a simple abstraction like 'society' in the language of functionalism, but, as Marx does in *Capital*, by showing the concrete historical process by which these relations are subsumed under the capital relation.<sup>19</sup> It is only such a historical materialist analysis which can establish concretely both the domination of all social relations by the capital relation and the limits of that domination.

For intellectuals trained in the bourgeois social sciences the specificity of Marx's theory is difficult to understand. The dialectical method of historical materialism even seems abstract and esoteric to those for whom the concepts of the bourgeois social sciences ('society', 'norms', 'equilibrium',

<sup>19</sup> Outlined already in the Introduction of the *Grundrisse* (Marx, 1973, pp. 83–100).

'legitimacy' etc.) are so familiar that their reality is almost tangible.<sup>20</sup> When Marx's theory, which is 'nothing else than the material world reflected by the human mind, and translated into forms of thought' is encountered, the familiar points of reference are absent. In the absence of the mythical world which the bourgeois social scientist takes for reality, the world which Marx describes appears to be an abstract construction of theory. This is all the more the case because of the success with which Marx has managed 'to appropriate the material in detail, to analyse its different forms of development, to trace their inner connection'. The result is that the very concrete materialist dialectic is taken for an abstract metaphysical device. As Marx warned, 'if the life of the subject-matter is ideally reflected as in a mirror, then it may appear as if we had before us a mere *a priori* construction' (Marx, 1962b, p. 456). It is in this sense that my remarks above must be interpreted. However abstract they may appear to be, they refer to *concrete, specific, determinate historical* relations and not to abstract, 'speculative' connections.

## Poulantzas's Theory of Social Structure

We are now ready to return to Poulantzas. The originality of Poulantzas's work lies in his attempt to transcend the integrationist perspective of functionalist sociology. He does this by trying to graft the Marxist proposition that the class struggle is the motor of history onto Althusser's structural-functionalist conception of society. The theory of class is inserted between the structure and the state, so that the state is subject to a double determination. In the first place, it is determined directly by the structure as a specific functional level of that structure. Secondly, its functioning in practice, within limits determined by its place in the structure, is subject to the conditions of the class struggle, which are in turn determined, at least partially, by the structure.

The focus of Poulantzas's attempt to integrate a theory of class into the framework of Althusserianism is the theory of the state. This focus is itself

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<sup>20</sup>For example, many Marxist economists get very worried about the so-called 'transformation problem' because they believe that a theory of the economic should be evaluated in terms of the elegance and simplicity with which it derives an equilibrium price system, forgetting that such a price system is no more than a fiction created by vulgar economy to conceal the tautological character of its formulae. On Marx's theory of value see R. Hilferding, 1949; I. Rubin, 1972; E. Mandel, *Introduction to Marx*, 1976, pp. 38–46; L. Colletti, 1972, pp. 76–97. On Marx's method c.f. E. Mandel, *Introduction to Marx*, 1976, pp. 17–25; M. Nicolaus, 1973, pp. 24–44; V. Lenin, 1961; F. Engels, 1962. These works all bring out clearly the *specificity* of Marx's dialectic in relation to that of Hegel, and so the inadequacy of the characterisation of this position as neo-Hegelian, or the corresponding interpretation of Marx as a 'capital-logic' interpretation.

dictated by the structural theory which determines the function of the state. In this section I shall examine this structural theory, before turning to the theory of class. This structural theory describes the functions of the levels of the structure and the character of the relations between them.

The political is defined by Poulantzas as the 'juridico-political superstructure of the state' (PPSC, p. 37), but it should not be identified with the state as an institution, but rather with the function which is attributed to the state by the structure.<sup>21</sup> The function of the state is defined by its role as 'factor of cohesion between the levels of a social formation ... and as the regulating factor of its global equilibrium as a system' (PPSC, pp. 44–5).<sup>22</sup> This function has various 'modalities' according to the levels on which it is exercised (economic, ideological and 'strictly political'), which are subordinate to the overall requirement of preserving the unity of the social formation, and so 'over-determined' by the 'strictly political' function. Within this overdetermination by the political function, however, other functions may be dominant, this dominance expressing in inverted form the dominance of levels within the social formation (PPSC, pp. 50–6).<sup>23</sup>

The specificity of the state's functions determines that it has a specific autonomy in relation to other levels of the mode of production: its functions are specifically *political* functions, all subordinated to the need to maintain the unity of the whole. This specific autonomy of the political is characteristic of the capitalist mode of production.<sup>24</sup> Poulantzas argues that it has nothing to do with the dominance or non-dominance of the political among the levels of the social formation, nor with the intervention or non-intervention of the state in other levels. 'This specific autonomy of the political and the economic ... relates ultimately to the separation of the direct producer from his means of production ... in the combination which governs and distributes the specific positions of the economic and political, and which sets the limits of intervention by one of the regional structures at another' (PPSC, p. 127). Poulantzas does not actually specify how the particular combination of relations of 'property' and of 'real appropriation' in the capitalist mode

<sup>21</sup> Poulantzas distinguishes an institution as 'a system of norms or rules which is socially sanctioned' from the structure as the '*organising matrix* of institutions' (PPSC, p. 115n. 24).

<sup>22</sup> Poulantzas recognises that this, the most fundamental definition in his theory, derives from contemporary political science (PPSC, p. 47, n. 17) and is not found in any of the Marxist classics (PPSC, p. 50). Poulantzas makes quite explicit the foundation of his conception of the state in the contrast between material *production* and *social conditions of production* which rests on the bourgeois conception of production in his later *Fascism and Dictatorship* (hereafter FD) (1974, p. 302).

<sup>23</sup> This use of the concept of dominance is given no coherent content.

<sup>24</sup> In PPSC, p. 29, Poulantzas argues that it is in some form characteristic of all modes of production. However he has subsequently renounced this position (1965, p. 81; c.f. PPSC, p. 126).

of production determine the specific autonomy of the political. The implicit argument rests on the bourgeois conception of production and distribution. In Balibar's terminology the relations of 'property' and of 'real appropriation' are 'homologous' in the capitalist mode of production. This in fact means that the social relations of distribution *correspond* to the 'natural' relations of production.<sup>25</sup> The political level does not therefore intervene in distribution, which follows directly from the natural ascription of revenues to 'factors of production'. The eternisation of capitalist relations of production in this theory implies that the economic dominance of the capitalist class is inscribed in the technical structure of production itself, and so this dominance does not exist at the level of the state. The state can therefore present itself as the state of the whole, as the unity of the individuals it has itself constituted as juridical subjects.

That this is indeed Poulantzas's view emerges clearly in his specification of the functions of the state at the economic level. On the one hand, the state intervenes in the process of *material* production as 'organiser of the labour process' in order to increase the productivity of labour. On the other hand, the state is present at the economic level in the judicial system, 'i.e. the set of rules which organises capitalist exchanges and provides the real framework of cohesion in which commercial encounters can take place' (PPSC, p. 53). Hence the state intervenes technically in the material process of production, and establishes the social framework within which production takes place by constituting the agents of production who enter labour contracts and own means of production as individuals, as specific recipients of revenues (PPSC, p. 128). The state does not intervene in production directly as a class state to secure the position of the dominant class.

It is true that for a Marxist analysis, in the first instance at least, the dominance of the capitalist class does not require the intervention of the state in the immediate process of production. This is not, as Poulantzas implicitly and Balibar explicitly argue, because the dominance of the capitalist class is already inherent in the technical structure of production. It is rather because Marxism regards production in both social and physical terms. *The dominance of capital is a product of the valorisation process*, which takes place on the basis of a certain level of development of the forces of production. Hence in *Capital* Marx shows precisely that as a result of the valorisation process, not only production, but also circulation, distribution and even consumption are brought under the domination of the relations of immediate production. In other words it is not the state 'which organises capitalist exchanges and provides the real framework of cohesion in which commercial encounters can

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<sup>25</sup> Poulantzas distinguishes between Balibar's 'homology' and his 'correspondence' (PPSC, p. 27, n. 11) although it is not clear what the difference is.

take place' or which serves 'to *transform* and to *fix* the limits of the mode of production' (PPSC, pp. 53, 161), but it is capital itself which achieves this. Consequently, for Marxism, the 'relative autonomy' of the capitalist state is not rooted in a supposed 'homology' or 'correspondence' between relations of production and distribution, for this 'correspondence' is itself a product of the relations of production. Instead it must be founded in the separation of economic and political domination which is in turn not inherent in the *concept* of the capitalist mode of production, to be deduced from that concept, but which is inherent in the historical development of the capitalist mode of production (Pashukanis, 1951, section V).

The ideological level, like the political, is supposed to have its own specific autonomy. The function of ideology is to insert individuals 'into their practical activities supporting this structure', it 'has the precise function of hiding the real contradictions and of *reconstituting* on an imaginary level a relatively coherent discourse which serves as the horizon of agents' experience ... Ideology ... has the particular function of *cohesion*' (PPSC, p. 207). This function determines the structure of ideology, since the ideology 'offers an imaginary coherence to the unity governing the real contradictions of the ensemble of this formation. The structure of the ideological depends on the fact that it *reflects* the unity of a social formation' (PPSC, p. 208).<sup>26</sup> Poulantzas is unable to establish the specific autonomy of the ideological level relative to the political. Firstly, the function of the ideological level is simply a specification of the function of the political level. In the second place, because the levels are given a functional and not an institutional definition, all institutions which embody ideological domination are thereby assimilated to the state, even if they have no institutional connection with the state, as 'ideological state apparatuses'.<sup>27</sup>

Poulantzas's conception of the social structure is essentially indistinguishable from that of structural functionalism. The definition of the structure, the specification of its levels and their functions, requires no reference to Marxist concepts of any kind. The Marxist claims of the theory depend entirely on the claims of the theory of class which is superimposed on the theory of social structure. The state, for example, is a specific institution which has specific functions to perform in relation to the whole. The state is not defined with reference either to the 'economic' level or to the dominant class. However, the state continues to be a class state because the social formation whose unity it maintains is a social formation in which a particular class is

<sup>26</sup>This idea is strongly reminiscent of Lévi-Strauss's conception of myth.

<sup>27</sup>E. Laclau (1975, pp. 100–101) makes a similar point. A. Cutler (1971) argues that Althusser avoids this reduction of the autonomy of ideology by having a 'concept of the specificity of the ideological level' (p. 12), but insofar as this is the case it is an idealist concept, for it is given no material foundation outside the Ideological State Apparatuses.

dominant (PPSC, pp. 51, 54, 115). In maintaining the unity of society, therefore, the state is at the same time maintaining the dominance of the dominant class. In the same way the dominant ideology is not the ideology of the dominant class, but the ideology of a social whole in which a certain class is dominant. 'The dominant ideology, by assuring the practical insertion of agents in the social structure, aims at the maintenance (the cohesion) of this structure, and this means *above all* class domination and exploitation' (PPSC, p. 209). Structural functionalism is not theoretically at fault, it has simply failed to point out that the structure whose functioning it theorises is characterised by exploitation and domination. If this argument is to amount to anything more than a moral protest, the theory of class exploitation and domination must be put on a scientific footing.

## Poulantzas's Theory of Class

Poulantzas bases his theory of class on the distinction between the level of structures and the level of practices. The relations within the structure are not social relations, and so are not relations of domination or of exploitation (PPSC, pp. 62–6).<sup>28</sup> They are, on the one hand, the technical relations of material production, and, on the other hand, differential relations of ownership of agents to means of production. *The distinction between 'relations of production' and 'social relations of production', between 'structure' and 'practice', rigorously reproduces that between technical relations of production and social relations of distribution.*

The social classes of Poulantzas's theory are not constituted by the relations of production, in the Marxist sense, but are rather distributive classes defined by reference to the technical functions of their members in production as well as by political and ideological, 'social', factors. The theory of class is thus based on the same conception of production as the theory of structure. It is this subordination of the theory of class to the theory of structure that dictates that the classes be seen in *distributional* terms. As we have seen, the structure is not a structure of social relations, the economic level being defined in purely technical terms. Hence the inevitable result of the definition of classes as *'the result of an ensemble of structures and of their relations'* (PPSC, p. 63), is the view of classes as being constituted as distributional categories, related externally to production by assignment to technical functions.

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<sup>28</sup>The insistence that 'relations of production' are not social, but are rather a combination of 'agents of production' with the 'material-technical conditions of labour' is a clear expression of the bourgeois conception of production (PPSC, p. 65).



The 'social relations of production' are relations between social groups constituted by the distribution of the product. These concrete groups are not defined simply by the size of their incomes, but more fundamentally by the source of that income. This 'source' is itself seen in purely technical terms as the relation to the technical function in production (CCC, p. 18).<sup>29</sup> However, for Poulantzas, the distribution of the social product is not simply determined by the relation to the technical function in production, by the 'technical division of labour'. On top of determination by the technical structure of production, ideological and political factors, which constitute the 'social division of labour', are important in defining class relations even at the economic, distributional, level. This is especially clear in pre-capitalist societies, in which the political level is supposedly dominant in the structure, and so in the definition of distributive groups at the economic level (PPSC, p. 70). However it is also true in the capitalist mode of production that social classes cannot be defined in purely 'economic' terms (PPSC, pp. 62–4).

This is not a Marxist theory of class, but the theory of class of classical political economy, as modified and developed by contemporary bourgeois sociology. Distributive classes are precisely the 'interest groups' which have such a fundamental position in bourgeois sociology. The interests of these groups are defined within the limits of the given (eternal) structure. Because production is seen in purely material terms it is regarded as fixed in size, so that the distributive 'shares' of the various groups are shares of a fixed product. The interests of these various groups necessarily conflict with one another because the material advance of one can only be at the expense of another.

In order to achieve their collective economic interests these groups have to exist at the political and ideological levels, political and ideological conflict providing the means to advance or to defend their interests. Interest groups can have an effect on the political level even if they are not politically organised, so that classes can exist even without their being politically organised. On the other hand, just as there are interest groups which do not achieve the political status of pressure groups, so there are pressure groups which are not constituted on the basis of distributive interests (PPSC,

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<sup>29</sup>The whole of *Classes in Contemporary Capitalism* (CCC) is based on this theory of class. For example, the distinction between productive and unproductive labour is based on the material character of the product and not on its subsumption under capital as productive of surplus value (ibid., p. 221). The division between mental and manual labour is founded on the technical division of labour, whereas Marx made it quite clear that this division expressed the appropriation of the creative powers of labour by capital. The distinction between sections of the petit-bourgeoisie is based on distinctive features of the labour process, and not on distinctive relations to capital. The unity of the petit-bourgeoisie is constituted ideologically, and not on the basis of a common relation to capital.

pp. 77–85). In the relation between the different levels of conflict it is the political which is dominant because of the role of the state in the structure, the ability of the state to intervene in the economy to the benefit of one group or another. Therefore to have power, to become a genuine pressure group, it is necessary for interest groups to achieve a sufficient level of political organisation (PPSC, p. 107). In the conflict relations between these interest groups the ability of each group to achieve its interests is determined by its power, which in turn is dependent on its position in the structure (its bargaining position) and its level of organisation (PPSC, p. 112).

This pluralist theory of social conflict, as conflict between distributively defined interest groups organised into pressure groups and political parties which seek to achieve their ends by organising with state power as their objective, operating on a given and technically determined economic foundation, is the theory which Poulantzas offers as a Marxist theory of class. The specific claims of Poulantzas's formulation are firstly, that economic interests are dominant in determining the constitution of pressure groups and political parties, and, secondly, that the relations between these interest groups are in some way asymmetrical, relations between some groups or sets of groups being relations of 'exploitation' or 'domination', so that conflict is not the symmetrical interrelation of competing groups, but tends to fuse into the conflict between social classes.

The first claim appears to be specific to the capitalist mode of production, in which the economic is dominant. In pre-capitalist modes of production, where political intervention is supposedly required to secure revenue, the political is dominant, so that the constitution of interest groups is itself politically determined.<sup>30</sup>

The second claim, that the relations between social groups are asymmetrical, is never explained by Poulantzas. This asymmetry is not a result of the political domination of the dominant class. Monopolisation of state power by the dominant class is not, in general, characteristic of the capitalist mode of production for Poulantzas. Hence 'domination' does not refer to the monopolisation of state power by the dominant class, nor indeed does it refer to dominance on the 'political scene' (PPSC, pp. 248–9). Hence 'domination' is not defined at the political level at all. It is therefore defined at the level of the structure, 'domination' being an effect of the structure at the level of social relations. The structure however is not itself a structure of social relations but is rather, as we have seen, a functional unity combining a technicist conception of the economic, together with political and ideological levels defined functionally in relation to the economic. *The*

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<sup>30</sup>Since the political is once again dominant in the present imperialist era one might expect that class would have given way to estates.

*dominance of the dominant class can, therefore, only be explained by reference to technical features of the process of production itself, and specifically to an implicit technically necessary dominance of the means of production over the labour process.*<sup>31</sup> The reproduction of the structure, which is the limit of the state's function in the whole, is therefore also and necessarily the reproduction of the dominance of the dominant class. Finally, if this dominance is a technological necessity, dictated by the requirements of production, the class relation can only be characterised as exploitative within limits set by these technological requirements, and on the basis of an external and moralistic criterion of justice. Hence in *Classes in Contemporary Capitalism* Poulantzas is concerned with identifying these limits between which exploitation can be said to exist, with separating the supposedly technically necessary domination of means of production or of mental labour from the superimposed, ideologically or politically defined, domination of capital over labour.

The bourgeois theory of class adopted by Poulantzas is quite different from the Marxist theory. For the latter classes are not distributive groups, and so are not 'interest groups'. This is because Marx sees relations of production as themselves social, as class relations. Under the capitalist mode of production material production is strictly subordinate to the production of value, and in the production of value the labourer is subject to the domination of capital. The revenues of labourer and capitalist do not represent distributive shares in a fixed product. The revenue of the labourer is limited by the value of labour-power, the revenue of the capitalist by the extent to which he is able to impose a certain productivity on this labour. The latter is not only determined by technical factors, but also by the extent to which he is able to increase the intensity of labour and extend the working day. *The revenues of capitalist and working classes are not therefore inversely related, because they are not shares of a fixed product.* The product is rather the *sum* of the necessary and surplus labour time expended. Hence at the level of *distribution* not only do we not have a relation of dominance, we do not even have a necessary conflict of interests.

In the early *Wage Labour and Capital* Marx follows Ricardo in seeing wages and profits as inversely related (Marx, 1962a, p. 96). In the later *Wages, Price and Profit* he argues very strongly against Citizen Weston that this is not at all the case, using empirical examples to establish his argument that a rise in profits can perfectly well follow on a rise in wages (Marx, 1962c, pp. 401–8). It is this obvious fact that makes possible the 'productivity bargaining' that plays such a part in supporting the cooperative ideology which serves to justify capitalist relations of production.

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<sup>31</sup>This dominance is inscribed in the very definition of the concept of practice for Althusser (1969, p. 184).

If distributive relations are not the basis of relations of domination and conflict, relations of production most definitely are. This does not mean that relations of production are ‘overdetermined’ by political and ideological relations, *but that these relations are themselves relations of domination between social classes*. The social classes are defined not according to their relations in the immediate labour process, but in the total process of social production. The definition of these classes and of fractions of these classes does not involve reference to the political and ideological, although the intervention of the latter affects the *development* of the *relations between* classes and introduces differentiations within classes.

The relations of production dominate all social relations not because they define the most important ‘interests’ in play in social interactions, nor because all social relations are in some way functionally subordinated to the needs of material production. *The relations of production are dominant because the laws of motion of the capitalist mode of production are rooted in production*, in the contradiction between the production of value and the production of use values, driven by the need of capital to expand itself. The contradictory requirements of the valorisation of capital drive capital beyond the immediate process of production, so that it *tends* to subsume other economic, and all other social, relations to itself, in such a way that even social relations in fields apparently distant from production come under the domination of the capital relation, and this all the more to the extent that capital encounters barriers to its self-expansion, in other words to the extent that the self-expansion of capital is itself a contradictory and crisis-ridden process. The laws of motion of the capitalist mode of production are not simply laws of the structure, they are the *tendential* laws which govern the development of the relations of production, in other words laws of the class struggle, and which, tendentially, subordinate all social relations to the fundamental class relations of the capitalist mode of production. *This subordination is a historical and not a functional process*.

The sociological approach to class, based on a view of production as a technical process, dissolves the basis of the Marxist theory of class. The distinction it introduces between the material process of production and the social framework within which it takes place, and the corresponding reconciliation of the two in a non-contradictory combination abolishes both the social character of production as production of social relations, and the material foundation of social relations constituted by the materiality of the commodity. This abolition of the contradictory foundation of the capitalist mode of production frees class relations from their foundation in production and so dissociates material production as the realm of technically determined ‘economic’ laws from social relations as the realm of power (PPSC, p. 102).

The laws of motion of capitalism are then assigned to the latter and simply express the development of the 'class struggle', which takes place on the basis of a given external material foundation,<sup>32</sup> but is itself determined by 'social', political and ideological facts, detached from the purely 'economic' foundation. Once the bourgeois alternative of 'reductionism' versus 'pluralism' is accepted, the rejection of dogmatism can only lead to the pluralism of bourgeois sociology.

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<sup>32</sup>Hence the falling rate of profit for Poulantzas is the contingent result of the struggle over distributive shares (CCC, p. 107).

## Poulantzas's Theory of the Capitalist State

The theory of class which Poulantzas seeks to integrate into the structural-functional theory of society is quite consistent with the latter. This becomes very clear when we consider the relation between class and structure in Poulantzas's theory, a relation in which class struggle appears to be condemned to reproduce the structure. The key is the relation of class to state.

The analysis of the relation between class and state is really conducted on two levels. On one level, the function of the state is to guarantee the reproduction of the social formation. Insofar as this formation is characterised by the dominance of one class (and Poulantzas does not found such dominance theoretically) the state is therefore always and tautologically the representative of this dominant class, whether or not the political or ideological representatives of this class predominate in political or ideological conflicts, and irrespective of whether this class has any kind of representation at the level of the state. At this level of analysis, therefore, the state is the 'unambiguous political power of the dominant classes or fractions' (PPSC, p. 274), since it is the power of the structure to ensure its own reproduction.

On the other level of analysis, which is that of the bulk of Poulantzas's work, the representation of classes through parties or other institutions at the level of the state, and their presence through 'pertinent effects' at that level is simply an aspect of the management by the state of its specific function in the whole. At this level of analysis the power and interests of classes are defined in the context of the constraints imposed by the given structure. The concept of 'conjuncture' expresses the limits of the possibilities open to the various classes engaged in a particular conflict (PPSC, pp. 42, 46, 76, 93–5, 102, 187).<sup>33</sup> In the last analysis political practice in a particular conjuncture determines how the structure will develop within limits which the structure itself defines. In principle the conjuncture may describe the transformation of the structure as a possibility defined by that structure. However it is not clear how this could be the case, for the structure is not built on a contradictory foundation, and so does not have the possibility of its own transformation inscribed within it. Hence practice is strictly subordinate to structure and inevitably condemned to maintain the latter.

This emerges clearly from Poulantzas's analysis of class relations in the conjuncture. These relations are power relations, power being an effect of the structure at the level of class relations and not a property of the structure itself. The power of a class is defined as its capacity to realise its objective interests, and its interests defined as the limit of what can be achieved by the class in the current situation. Finally, this limit is itself defined by the

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<sup>33</sup> Poulantzas does not even begin to attempt to specify these limits.

structure (PPSC, pp. 99, 104–12).<sup>34</sup>

At this level of analysis the state is defined in relation to its function in the structure, and not in relation to the dominance of any particular class. In order to sustain this structure it is necessary for the state to intervene in the field of class political practices. The operation of the state does not express the power of the dominant class in relation to other classes and to the structure, but the 'power' of the structure in relation to all classes, for it can do nothing else but perpetuate the unity of the structure to which it is functionally adapted. It is not therefore necessary for the dominant class to have control of the state apparatus itself (PPSC, pp. 100, 115–6).

The state acts politically by taking in hand the disorganisation of the dominated classes and the organisation of the dominant (PPSC, pp. 53, 137, 187). On the one hand, 'the juridical and ideological structures . . . which set up at their level agents of production distributed in social classes as juridico-ideological subjects, produce the . . . effect on the economic class struggle of concealing from these particular agents the fact that their relations are class relations'. Poulantzas calls this the 'effect of isolation',<sup>35</sup> which is the basis of competition. Because the state relates to economic relations 'in the form in which they appear' the state can appear as the unity which represents the general interest of a variety of private individual interests. The very mode of participation offered by the state is therefore a mode of class disorganisation (PPSC, pp. 130–7). On the other hand, the dominant classes are unified and their interests presented as the general interest by one of the dominant classes or 'fractions' assuming the 'hegemonic role' in the 'power bloc' (PPSC, pp. 137–41). This can only be achieved by the state taking in hand the organisation of the power bloc. The reason is that to present itself as representative of the general interest it is necessary for the hegemonic class or fraction to recognise and make concessions to the economic interests of the

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<sup>34</sup>Again the limits are unspecified. The only factor which might explain structural determination is the level of organisation of the class. However, insofar as this is admitted as an unconditioned factor it makes it possible for the class to transcend the structural limits and so to become a class subject. This is to reproduce the 'historicism' which Poulantzas condemns. Since power relations exist at each level of struggle, it might seem that the notion of dominance is weakened. However the dominant class in the social formation is that which is dominant at the dominant level of the formation (PPSC, p. 113). We still do not know what 'dominant' means in either of these cases.

<sup>35</sup>The 'effect of isolation' is ultimately determined by the structure of the labour process (PPSC, 129), although the argument is extremely confused. In fact this isolation is characteristic not of the economic *per se*, but of circulation, where it depends on the relation of commodity exchange, which is a moment of the relations of total social production and not the effect of juridical or ideological structures. It is not characteristic of the moment of immediate production in which labour progressively loses its individual character. Ignoring the latter is typical of the bourgeois view of 'social relations of production' as relations of distribution.

dominated classes, to the extent to which the latter have the power to enforce those interests in political class struggle. Purely economic concessions are possible under the capitalist mode of production because of the separation of levels characteristic of the structure of that mode (PPSC, pp. 191–4). In order to make them, however, the state has to dissociate itself from the economic interests of the dominant classes in order to guarantee their political interests, and so has to establish its autonomy relative to the dominant classes (PPSC, p. 282). Hence in order to preserve the structure it is necessary for the state to express not the power of the dominant class, but the power relations of all classes in the conjuncture (PPSC, pp. 256–7, 282–8, 299).<sup>36</sup>

At the level of the analysis of the structure, of the relations of classes within that structure, and of the relations between classes and the state in that structure, Poulantzas simply reproduces the sociological formulations of structural-functionalism. The state is a class state only in the rhetorical sense that it is the state of a structure in which a class or classes are supposedly dominant, and so a state which reproduces that dominance. In its practical relation to classes in struggle, the state does not express the dominance of the dominant classes, but the existing relations of power between the classes in struggle, and so is the arbiter of conflicting interests. At this level of analysis the ‘political dominance’ of the dominant classes organised in the hegemonic block refers simply to the perpetuation of the structure and not to any specific institutionalised political relations between classes or between class and state. The ‘Marxism’ of Poulantzas’s political sociology is reduced to the claim, which can only be an arbitrary moral claim, that the structure is characterised by the dominance of one or a number of classes over other classes.

Poulantzas not only reproduces the substantive theoretical positions of bourgeois sociology. He also reproduces the conception the latter holds of the nature of theory and its relation to ‘empirical’ research. Poulantzas is very insistent on the distinction between general theory and the analysis of concrete situations, and on the limited possibilities of the former.<sup>37</sup> This

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<sup>36</sup>The dominant classes constitute a ruling bloc under the hegemony of one fraction, around which cluster ‘allied’ and ‘supporting’ classes, fractions, strata or categories (PPSC, pp. 243–4). These concepts do not apply to relations constituted on the ‘political scene’, hence the ruling class is quite distinct from the dominant class and the hegemonic class or fraction need not even appear on the political scene (PPSC, pp. 248–9). This is very mysterious, for it is difficult to know where politics occurs, and so where political dominance is founded, if it is not on the political scene. In fact these relations of political domination seem to be constituted in the structure and are prior to the constitution of classes or class struggle. In other words the class struggle is a phantom inserted between the structure and the institutional relations of the ‘political scene’ which has no reality of its own.

<sup>37</sup>Hence Poulantzas’s theoretical musings are purely formal in the sense that the theory has no substantive content, indicating only the *types* of relationship which must pertain



distinction is based on the sterile bourgeois conception of theory as a pseudo-deductive system of general propositions which is the corollary of bourgeois theories that consist of a series of metaphysical abstractions. The theoretical framework provides general statements which attribute functions to levels, institutions, etc., but does not provide any account of the mechanisms which determine that these functions are actually fulfilled. The latter can only be demonstrated in the 'analysis' of concrete situations. The system of explanation then becomes tautological, for anything that happens in the concrete situation can be linked, *ex post facto*, to the functional requirements of the system. The system persists, so must have functioned. Any changes in the system must have been necessary in order to secure the persistence of the system. Because there is no theory of the functioning of the system there is no reference point in relation to which the functioning of the system can be assessed. The theory tells us that the system functions without telling us how, the analysis of the current situation shows us that the system has functioned. There is, however, no way of connecting the one with the other. The result is that the distance between the theoretical and empirical analyses enables them constantly to support one another, the theoretical account providing a rhetoric in which to cloak the empirical account and dignify the latter with the term 'analysis'. Every event becomes a victory for the system, another demonstration of the eternal character of bourgeois relations of production. The struggle of the working class against those relations of production is devalued, its achievements becoming simply bonds which tie the working class ever more tightly into the system, its substantive defeats having a retrospective inevitability. However the historical fact that bourgeois relations of production have persisted must not be confused with the ideological belief that this persistence is necessary.

## The Political Implications of Poulantzas's Theory

Poulantzas's work consists of an attempt to get beyond the integrationism of structural-functionalism, to give the rhetorical Marxist declarations of Althusserianism some content, by superimposing on it a theory of class. However the theory of class is itself constructed on the basis of the structural-functionalist conception of society and is inserted into the latter. Hence, despite the Marxist rhetoric, Poulantzas is unable to get beyond a structural-functionalist theory. This can be well illustrated by looking at Poulantzas's

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between various aspects of the structure and the class struggle. The specific content can only be determined by the analysis of 'concrete situations'. This is the only way to distinguish secondary factors from real causes' (FD, p. 11). The formal elaboration is thus accompanied by a series of empirical examples, 'analyses' of 'concrete situations'.

attempts to evade the political implications of what is an extremely reactionary theory by introducing the possibility of revolutionary transformation. The latter has to be introduced from outside. In *Political Power and Social Classes* a new mode of production is introduced through the medium of the state.

In Poulantzas's functionalist theory, the course of the class struggle is determined by the function of the state, which is the preservation of the unity of the whole. Political practice which takes the existing state as its objective is necessarily condemned to perpetuate the dominance of the dominant class. Political practice which is to transform the structure, rather than maintaining it, must replace the state appropriate to the capitalist mode of production by a new state, that appropriate to a new mode of production and defined by its functions in relation to the new mode. The political practice of the dominated classes must be directed to the creation of new organs of political power if it is not to be contained by the structure. This is the significance of Lenin's analysis of dual power for Poulantzas,<sup>38</sup> although in *Political Power and Social Classes* he confines his analysis to the transition from feudalism to capitalism.

The latter analysis, embodied in the account of the absolutist state, is extraordinarily contorted (PPSC, pp. 157–67). The problem Poulantzas faces is that he has defined a functional unity of dominant class, dominant mode of production and dominant form of the state expressed in his non-contradictory concept of structure. There seems no way in which a form of the state appropriate to a new mode of production, and so the possibility of a transformation of the structure, can emerge on the basis of the existing structure.

The customary solution to this problem in radical bourgeois theories is to introduce the class subject of history. The latter would create new political institutions appropriate to its ambition of creating the new mode of production which it has constituted theoretically on the basis of its moral critique of the existing mode. The revolution is therefore made by the will of the class-conscious subject of history. Such a solution is clearly appropriate to a theory in which the exploitative character of the existing mode of production is defined on the basis of a moral evaluation, for it appears to give the latter an objective foundation in the 'true consciousness' of the class subject.

In *Political Power and Social Classes* this solution is not acceptable to Poulantzas, for it expresses that 'humanist historicism' which makes men the

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<sup>38</sup>This involves a gross distortion of Lenin's analysis. For Lenin the Soviets were not the means by which the revolution could be made. The period of 'dual power' was a period in which the Kerensky regime and the Menshevik-dominated Soviets competed with the ambition of being the seat of *bourgeois* state power. For Lenin the socialist revolution depended on a destruction of the bourgeois state which could free the Soviets as the basis of a new state power. That they did not become such is another story.

subjects of history. If history is to have a subject, that subject must be the structure itself. The new form of the state does not express the will of the class subject of history, but expresses the structure of the mode of production whose dominance it anticipates. Hence the absolutist state represents the self-transformation of the feudal-type state into a capitalist-type state (in violation of the functional imperatives of the feudal mode of production) in anticipation of the task to be accomplished. The absolutist state has the specific autonomy and isolation effect characteristic of the capitalist state without the presuppositions of either yet existing (which is incomprehensible so long as the latter are *presuppositions*). In fact 'the chronological dislocation between the absolutist state and the economic instance in the period of transition . . . can be explained by the function of the state during primary accumulation of capital'. The state suddenly assumes the capitalist form in order to create the dominance of the '*not-yet-given relations* of production (i.e. capitalist relations) and to put an end to feudal relations: its function is to *transform* and to *fix* the limits of the mode of production' (PPSC, pp. 160–1).

Poulantzas has to resort to a metaphysical philosophy of history for the same reason as have Marxist dogmatism, 'humanist historicism' and bourgeois sociology. All these theories abolish the basis of the Marxist theory of history, which is the concept of production as a contradictory unity, and so eliminate any source of change internal to the structure they theorise. Insofar as historical change is not purely contingent, it has to be brought in from outside, expressing a metaphysical principle of development, whether that be reason, technology, the forces of production, class consciousness, culture or whatever. This principle has to be assigned a point of insertion into the structure, which can be at the level of the economy, of the state, or of ideology, and located in a particular institution or group or in a variety of different institutions and groups. If one institution or group is selected this becomes the privileged integrative centre of the structure, which alone can 'transform and fix the limits' of the structure, but which can itself know no limits.

The problem with all such metaphysical philosophies of history is that they are unable to reconcile the effectiveness of the chosen principle of development with any limitations on that effectiveness. Because it is a transcendent principle, it cannot be limited by the given, which can only provide the raw material for its self-realisation. Hence the foundation is provided for a permanent and irresolvable debate between 'objectivist' and 'subjectivist' philosophies of history, the former locating the principle of development outside man, making human history into an extension of natural history, the latter locating it in human consciousness, making nature the means of man's self-realisation.

Poulantzas implicitly relates to precisely this antinomy in his critique of 'Marxist historicism', to which he assimilates sociological functionalism.<sup>39</sup> Having rejected dogmatism for its economistic evolutionism, according to which history is made anonymously by the unfettered development of the forces of production operating with the force of natural law through the economy, Poulantzas turns on 'historicism', which he accuses of a complementary reductionism. Instead of reducing the political to the economic, it is reduced to the ideological, society being reduced to a value system or to the consciousness of a class subject. This leads to the 'over-politicisation' of ideologies and the abolition of the relative autonomy of the ideological and political. Such a reductionism makes it impossible to understand the limits imposed on social action by the structure itself, the political being seen as 'the simple principle of social totality and the principle of its development' through which ideology realises itself, instead of being seen as a '*specific level ... in which the contradictions of a formation are reflected and condensed*' (PPSC, pp. 38, 40, 60, 195–206, 208).

Poulantzas tries to get beyond these complementary reductionisms by refusing to privilege a particular level, instead making the structure itself into the developmental principle. That this represents simply the replacement of 'normative' functionalism by 'structural' functionalism becomes clear as soon as Poulantzas discusses transition. The structure which is the developmental principle cannot be identified with the concrete, actually existing, structure, but is rather the 'not-yet-given' structure, a principle as metaphysical as the 'forces of production' or 'class consciousness'. The point at which this developmental principle is inserted into the concrete structure is the state, which becomes the privileged centre of integration of the structure, subject to no limits. The result is that Poulantzas reproduces the 'historicist' overpoliticisation, but this time to the advantage of the state, rather than of class consciousness. Instead of seeing structures as the product of practice, as 'historicism' does, Poulantzas cannot see practices as anything but expressions of the structure.<sup>40</sup>

The political implications of this theory are disastrous from the point of view of the critique of revisionism, for the revolution is to be made by the state (the appearance of a new form of state presaging the appearance of a new mode of production) and not by the activity of the exploited classes, so

<sup>39</sup> Poulantzas's treatment of functionalism is rather inconsistent, largely because he identifies normative functionalism with structural functionalism (c.f. PPSC, p. 198). It is only the former which can be assimilated to 'Marxist historicism'.

<sup>40</sup> In his early review of Althusser (1966) Poulantzas interprets Althusserianism as an attempt to reconcile Sartre's reduction of structure to practice ('historicist') with Lévi-Strauss's reduction of practice to structure ('functionalist gestaltist'). In the review Poulantzas concludes that Althusser does not get beyond the latter functionalist reductionism. For some reason *Reading Capital* blunted Poulantzas's critical faculties.

that the justification of revisionism is simply reproduced on a new basis. At the same time the inflated importance given to the state devalues all attempts at mobilisation within a social formation which continues to be dominated by the capitalist type of state in the face of the omnipotence of that state.

## **Poulantzas's Later Revisions**

This is quite explicitly the conclusion which Althusser has drawn from his work, and is quite in accordance with his political position (Althusser, 1973, pp. 48–9). Poulantzas is clearly uneasy about the political implications of his theory, and has subsequently attempted to revise the theory in order to eliminate them, without realising that they are inherent in the theory itself. Hence his revisions have not been fundamental, consisting in the abolition of the radical separation of structure and practice, to integrate class struggle back into the structure (Poulantzas, 1973). This is based on a modification of the concept of production on which this distinction is founded, without breaking with the bourgeois concept of production.

Poulantzas has followed the Althusserians in altering the relation between the 'relation of real appropriation' and the 'property relation', but not the conception of these relations themselves. It is now recognised that the labour process 'exists only in its unity with certain relations of production' so that the relation of real appropriation is no longer an unmediated relation between man and nature, but becomes a social relation with political and ideological dimensions (CCC, pp. 18, 20, 21).<sup>41</sup> This does not represent a transformation of the concept of production itself. Rather it represents the observation that production only takes place within society, so that social relations constituted outside production, on the basis of relations of distribution, invade production itself. Hence the intervention of the social in production is conceptualised as the overdetermination of the relations of real appropriation by the political and ideological levels, production is not itself seen as the primary, and inherently social, relation. The basic theoretical framework is, therefore, unaffected by the change (CCC, p. 21, 227–8). The most significant effect is that the state now assumes functions in the reproduction of the relation of real appropriation, and especially in the reproduction of the labour force, in which the 'ideological state apparatuses' have an important part to play.

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<sup>41</sup>This reformulation of the relation between the property and real appropriation relations is closely associated with the work of Bettelheim. It was adopted by Balibar (1973). It leads to an examination of modes of production in terms of the 'consistency' of particular 'property relations' with particular 'real appropriation relations', which is in fact an examination of the technical conditions under which different relations of distribution are possible. Bettelheim has concentrated on the post-capitalist mode of production. Hindess and Hirst (1975) do exactly the same for pre-capitalist modes.

The result of the change is largely rhetorical. The level of practice is reintegrated with that of structure, so that the levels of the latter are all called levels of the 'class struggle', and the functioning of the structure is now the product of the class struggle. However, insofar as Poulantzas is not simply abandoning his structuralist theory in favour of a purely voluntarist theory of class struggle, the class struggle is still subordinate to the 'hidden hand' of the functional requirements of the structure which governs its course. The modifications to the theory in no way help to resolve its difficulties.

The juxtaposition of a structural theory and a class theory of the state in Poulantzas's work is no doubt the basis of its appeal to Marxists. The concept of 'conjuncture', which marks the junction between the two, is also the most ambiguous concept in Poulantzas's work. The concept expresses the impact of the structure on the field of the class struggle, and so the apparent possibility of reconciling the revolutionary potential of the latter with the limits of the former. Since Poulantzas never offers a serious analysis of a conjuncture, nor an account of the way in which one might conduct such an analysis, but rather concentrates on the relation between classes and the state in a conjuncture which he takes as given, his theory is open to many interpretations. In *Fascism and Dictatorship*, for example, a descriptive account of the conflicts which underlay the development of fascism is complemented by a very ambiguous rhetoric. On the one hand, it is not clear whether fascism was the creation of the dominant class or of the state as functional level of the mode of production. On the other hand, it is not clear whether the success of fascism was the product of the theoretical weakness of the proletariat or of the necessary functioning of the mode of production. This ambiguity enables Poulantzas's work to be interpreted as a class-based instrumentalist theory of the state in which the conjuncture is simply the institutional *context* in which class struggle takes place,<sup>42</sup> or as a structural-functionalist theory in which the conjuncture describes the *limits* within which the class struggle is confined,<sup>43</sup> despite the fact that the two theories are quite inconsistent with one another. The result is that Poulantzas's work can provide the authority for almost anything one wants to say about class, politics and the state. Hence we find ourselves in a situation in which almost all 'Marxist' discussion of the state is wrapped in a terminology derived from Poulantzas which

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<sup>42</sup>This is the interpretation of Althusserian purists who regard Poulantzas as an instrumentalist (A. Cutler, 1971 pp. 7–8; Hindess and Hirst, 1975, pp. 37–9). It is the way in which elements of Poulantzas's work have been absorbed by many Marxists in Britain. For example, it is easily assimilated to neo-Weberian analyses in which the 'conjuncture' can be described in institutional-ideological terms.

<sup>43</sup>This is the interpretation of Poulantzas's work which dominates neo-gramscian and neo-Weberian critiques, e.g. Miliband (1970, 1973); E. Wright et al (1975–6). This opposition of 'structuralist' to 'instrumentalist' theories reproduces that of 'subjectivist' to 'objectivist' bourgeois philosophies of history.

is devoid of any clear theoretical content. Insofar as the terminology always has an allusive content, the latter derives from bourgeois sociology. The Marxist theory of the state thus becomes parasitic on debates in bourgeois sociology.

## **Conclusion — Poulantzas and the Crisis of Sociology**

In conclusion I would like briefly to situate Poulantzas's work in relation to bourgeois sociology. This is important because many radical young intellectuals come to Marxism through sociology. Since Poulantzas has been integrated into courses in bourgeois sociology as the token Marxist, it is through his work, with that of Althusser, that many come to Marxism. In this paper I have argued that Poulantzas reproduces the theory of structural-functional sociology. From this point of view his work must be seen in relation to the 'radicalisation' of sociology, as offering a new rhetoric for a theory that has been politically discredited, but never subjected to a serious Marxist critique.

The 'radicalisation' of sociology has subjected structural-functionalism to a double criticism. On the one hand, its integrationist perspective made it unable to allow for the possibility of social change. On the other hand its 'structural determinism' left no room for the autonomy of the individual or social subject. The two criticisms were associated in the sense that the introduction of a subject also introduced the possibility of structural change. Hence the various radical currents which developed within sociology were all based on variants of the bourgeois philosophy of the subject, whether expressed in a return to 'normative' functionalism, to the work of Weber, to 'Hegelian' Marxism, and, in its extreme, to phenomenology. These critical sociologies deal with the political conservatism of structural-functionalism, while introducing theoretical problems of their own. Firstly, they are in turn unable coherently to theorise the structural limits of social action. Secondly, they eliminate any possibility of establishing sociology as a positive science.

The first criticism to which structural-functionalism was subjected was dealt with fairly easily by adding a functionalist theory of conflict according to which conflict and the associated social change are subordinate to the functioning of the structure (Coser, 1956). The second criticism was rejected on the basis of the rejection of the metaphysical character of the bourgeois philosophy of the subject and of the argument that the category of the subject, as well as the consciousness of that subject, is socially constituted (PPSC, p. 208). These responses were not enough to save structural-functionalism, for its fundamental weakness was rhetorical and not theoretical. It continued to be burdened with a rhetoric which was transparently extremely

conservative.

Althusserianism, and specifically the work of Poulantzas, rigorously reproduces the theory of structural-functionalism in the framework of a rhetoric which is apparently very much more radical.<sup>44</sup> It thus provides the means by which structural-functionalism can enjoy a renaissance, and most particularly by which it can attack its critics. By defending the subordination of social change and of the category of the subject to the functioning of the structure in the name of Marxism and of science, the philosophy of the subject can be routed by an attack which comes, apparently, from the left and from reason, despite the fact that the effect of its theory is actually to postpone the revolution into an indefinite future, and to explain the necessary failure of any political initiatives in the present. Hence it should not be surprising that under the banner of Poulantzas are assembled not only Marxists disillusioned after the immediate failures of the late 1960s and young intellectuals attracted by the radical rhetoric of a theoretician and scientific formalism, but also former Parsonian luminaries who are able to communicate with their students once again.

In this paper I have been concerned with the theory within which Poulantzas is ensnared. It is this theory which prevents him from developing his many undoubted insights into significant contributions to the Marxist understanding of the state. It is only by identifying this theory, and subjecting it to a Marxist critique, that the positive elements of Poulantzas's work can be identified and put on a firm foundation. Marxism must be able to theorise the specificity of the political, and the structural limits within which the state is constrained, to theorise forms of state and of regime, the nature of political crises and the role of the state in the transition to socialism. The merit of Poulantzas's work is that he does raise, although in a distorted form, these questions. The weakness of his work is that he does not provide the means even to begin to resolve them.

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<sup>44</sup>It is significant that all Poulantzas's criticisms of functionalism can be reduced to accusations of 'historicism' which are aimed at 'normative' rather than 'structural' functionalism, and of 'integrationism', which are disposed of with a theory of the functionality of conflict, such as is presented by Coser and reproduced by Poulantzas.



## Chapter 3

# Capital, Crisis and the State

As capitalism has moved into a period of open crisis and reconstruction, the necessity has increasingly been forced upon the working class movement to sharpen our understanding of the dynamic of capitalist accumulation and its relation to class struggle. One crucial aspect of this is the question of the relationship between capital and the state, since the state plays a vital part in the maintenance and reproduction of capital as a relation of class domination. Under the influence of reformism, revisionism and dogmatism, which for a number of reasons dominated Marxist thought from the 1930s to the 1960s, the analysis of the processes of capitalist accumulation became separated from that of class struggle and the state. The analysis of capital accumulation came to be thought of as 'economics' in a narrow sense, reified into the investigation of the relations between 'things', instead of between 'social processes appearing in a thing-like shell' ( Rosdolsky, 1974, p. 66). The contradictions of accumulation have too often been thought of as 'economic laws' operating from the outside upon political class relations. The state has been thought of as 'the state in capitalist society', rather than as being itself one aspect of the social relations of capital, and therefore stamped throughout, in all its institutions, procedures and ideology, with the contradictions of capital. Hence, there has been a constant undertow towards a reformist conception of revolution as being aimed essentially at the seizure of the existing state apparatus. At the same time, the failure to relate the developing contradictions of accumulation to the changing forms of class struggle within and around the state has made it difficult to develop a political approach to the crisis. Although, in economic terms, it has been recognised that crises are not only the effect of the developing contradictions of capital but also their temporary solution, little progress has been made in understanding the relation between the economic and political processes and

the changing forms and functions of the state through which the ruling class attempts to control the outcome of the crisis.\*

Our basic argument in this article is that a theoretical and practical understanding of the present crisis and of the role played by the state can be gained only by seeing the crisis not as an 'economic crisis', but as a crisis of the capital relation, i.e. as a crisis of an historically specific form of class domination, a crisis of accumulation which involves the totality of capitalist social relations and therefore a struggle waged on every front and through every mechanism, economic, political, ideological etc. In this view, the question of the relation between the crisis and the state is not a question of an external relation: it is not a question of how the state reacts to crisis, or of whether 'economic crisis' is accompanied by 'political crisis'. The development of the state must rather be seen as a particular form of manifestation of the crisis of the capital relation. Put more generally, the state must be understood as a particular surface (or phenomenal) form of the capital relation, i.e. of an historically specific form of class domination. In the two parts of this article, we shall try first to explain and develop this argument and then to draw some consequences for an understanding of the historical development of the state and of the current crisis.

## I. Capital and the State

### (a) The State as a Form of the Capital Relation

The starting point for a socialist theory of the state must be class struggle. 'The history of all hitherto existing societies is the history of class struggle' (*Communist Manifesto*), and the development of the state is clearly no exception. Marx's great contribution to the struggle for socialism, however, was not merely to show that social development is a process of class struggle, but to show that class struggle assumes different historical forms in different historical societies and that an understanding of these forms is essential for an understanding of class struggle and its development. In each society, the historically determining form is the form assumed by the focal relation of class struggle, the relation of exploitation. 'The specific economic form, in which unpaid surplus-labour is pumped out of the direct producers, determines the relationship of rulers and ruled . . . Upon this, however, is founded

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\*This paper is the product of discussions in many CSE dayschools and working groups. We gratefully acknowledge the contributions of participants in those discussions, and particularly of our comrades in the Coventry and Edinburgh working groups.

the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form' (*Capital*, Vol. III, p. 791). To understand capitalist development, therefore, it is not enough to think simply in terms of class struggle: it is necessary to understand the particular historical form of class struggle in the capitalist mode of production, based on the particular historical form assumed by the relation of exploitation. This is why *Capital* is such an important starting point for developing a materialist theory of the capitalist state (or any other aspect of capitalist society) — not as some economic textbook of Marxism, not because it analyses the 'economic base' to which the 'political superstructure' must be related, but because it is the work in which Marx analyses the particular historical form taken by class exploitation in capitalist societies — surplus value production — and shows that inherent in this form are certain determined contradictions and therefore tendencies of development.

It is a peculiarity of capitalist society that social relations appear not as what they are (relations of class domination), but 'assume a fantastic form different from their reality' (*Capital*, Vol. I p. 77). In *Capital*, Marx developed his analysis of surplus value production not in isolation but in the context of a critique of these 'fantastic forms', or, to be more precise, a critique of the categories of political economy — a materialist critique which did not simply show that the bourgeois political economists were wrong, but showed that the nature of exploitation in capitalist society is such as to generate certain determined forms of social relations, forms which appear on the surface and are apprehended by the economists in the categories of money, price, profit, rent etc. 'The categories of bourgeois economy consist of such like forms (value, money, etc). They are forms of thought expressing with social validity the conditions and relations of a definite, historically determined mode of production' (*Capital*, Vol. I, 1965 edn, p. 76). The task of a materialist critique of these categories was not just to decipher them as forms in which the relations of production present themselves, but also to show what it is about the relations of production in capitalist society (unlike other societies) which makes them present themselves in this way. *Capital* is thus a materialist critique of the surface forms apprehended by political economy, a critique necessarily rooted in an analysis of the historical form of class struggle in capitalist society — surplus value production.<sup>1</sup>

It is our argument that a materialist theory of the state must extend and

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<sup>1</sup> Marx distinguished his analysis from that of the bourgeois economists on precisely these grounds: 'Political Economy has indeed analysed, however incompletely, value and its magnitude, and has discovered what lies beneath these forms. But it has never once asked the question why labour is represented by the value of its product and labour-time by the magnitude of that value' (*Capital*, Vol. I, 1965 edn, p. 80).

develop this critique of the ‘fantastic forms’ assumed by social relations under capitalism. Just as the analysis of the categories of political economy must show them to be surface forms which have their genesis in surplus value production as capitalist forms of exploitation, so the analysis of the state must show it to be a particular phenomenal form of social relations which has its genesis in that same capitalist form of exploitation. This implies, firstly, that a materialist theory of the state begins not by asking in what way the ‘economic base’ determines the ‘political superstructure’, but by asking what it is about the relations of production under capitalism that makes them assume separate economic and political forms. Secondly, it follows that, in analysing the capitalist state, it is not enough to start from class struggle: it is necessary to start from the capitalist form of that struggle, surplus value production. That is why Engels’s treatment of the state in *Origins of the Family, Private Property and the State*, in which he relates the origins of the state simply to the emergence of class conflict, does not provide an adequate basis for a materialist understanding of the capitalist state. That is also why the work of Gramsci, Poulantzas and Miliband (whatever their respective merits) also fails to provide a systematic basis on which to construct a theory of the state. The problem is not simply to locate the state in the context of the relation between dominant and dominated classes, but to locate it in the context of the historical form taken by that relation in capitalist society, the capital relation.<sup>2</sup> Hence, the beginnings of a theory of the state must lie neither in the specificity of the political, nor in the dominance of the economic, but in the historical materialist category of the capital relation.

What is it, then, about class domination in capitalist society (i.e. the capital relation) that generates the ‘fantastic form’ of the state,<sup>3</sup> that makes the state assume a form apparently separated from the immediate process of production? Or to quote Pashukanis’s classic formulation:

Why does the dominance of a class not continue to be that

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<sup>2</sup>The starting point for the analysis of the capitalist state is thus capitalist society, not the state in general: on this see Müller/Neusüss, 1975 (extracts in Holloway and Picciotto, 1978). The state in pre-capitalist societies did not, in any case, exist in the same form as a particularised relation of class domination separated from the immediate process of production.

<sup>3</sup>The state must be derived from the historical form of class domination and not simply from commodity exchange or the relations between individual capitals. The latter approach neglects the essence of the state as a relation of class domination and can lead to illusions in the possibilities of bourgeois democracy. For an expansion of this point, see our criticisms of Flatow/ Huiskens and of Altvater and the ‘Berlin school’ in our Introduction (‘Towards a Materialist Theory of the State’) to Holloway and Picciotto, 1978. The combination of the two derivations of the state in our critique of Gough (Holloway and Picciotto, 1976a) now seems to us eclectic.

which it is — that is to say, the subordination in fact of one part of the population to another part? Why does it take on the form of official state domination? Or, which is the same thing, why is not the mechanism of state constraint created as the private mechanism of the dominant class? Why is it disassociated from the dominant class — taking the form of an impersonal mechanism of public authority isolated from society? (Pashukanis, 1951, p. 185.)

The important distinguishing feature of class domination in capitalist society is that it is mediated through commodity exchange. The worker is not directly subject physically to the capitalist, his subjection is mediated through the sale of his labour power as a commodity on the market. 'For the conversion of his money into capital . . . the owner of money must meet in the market with the free labourer, free in the double sense, that as a free man he can dispose of his labour-power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realisation of his labour-power' (*Capital*, Vol. I, 1965 edn, p. 169). Just as the latter freedom (the separation of the worker from control of the means of production) makes *possible* the abstraction of the direct use of physical force from the immediate process of exploitation, so the first form of freedom, i.e. the fact that exploitation takes place through the free sale and purchase of labour-power, makes this abstraction of direct relations of force from the immediate process of production necessary. The establishment of the capitalist mode of production necessarily involved the establishment of both sorts of freedom — the expropriation of the peasantry and the abolition of direct relations of dependence, sanctioned by force, on individual members of the ruling class. This abstraction of relations of force from the immediate process of production and their necessary location (since class domination must ultimately rest on force) in an instance separated from individual capitals constitutes (historically and logically) the economic and the political as distinct, particularised forms of capitalist domination. This particularisation of the two forms of domination finds its institutional expression in the state apparatus as an apparently autonomous entity. It also finds expression in the separation of the individual's relation to the state from his immediate relation to capital, in the separation of the worker into worker and citizen, in the separation of his struggle into 'economic struggle' and 'political struggle' — whereas this very separation into forms determined by capital, involves therefore an acceptance of the limits imposed by capital.

## (b) The Autonomisation of the State and the Fetishisation of Social Relations

This real, historically determined separation of the economic and the political as two forms of class domination gives rise to illusions about the autonomy of 'the state' from 'the economy'. The state, like other social forms in capitalism (rent, interest etc) is seen as a 'thing' standing apart from other 'things' rather than as an historically determined form of the social relation of capital. The so-called autonomy of the state is but one aspect of commodity fetishism. Under capitalism, social relations are continually reproduced in a fetishised form, for in commodity production (and only under capitalism is there generalised commodity production), 'the relations connecting the labour of one individual with that of the rest appear, not as direct social relations between individuals at work, but as what they really are, material relations between persons and social relations between things' (*Capital*, Vol. I, 1965 edn, p. 73). The reproduction of social relations in fetishised form, i.e. in a 'fantastic form' which conceals their reality as relations of class domination, is an essential part of the reproduction of that domination. The autonomisation of the state must be seen as part of this fetishisation, as part of the process through which reproduction imposes the dead hand of capitalist 'reality', a false reality of fantastic forms, upon the struggles of the working class. The essential inequality of the capital relation is transformed in the political sphere into the fantastic form of equality before the state: for it is a complement to the 'freedom' of the worker that in capitalism (unlike other societies) the political status of the individual is in no way determined by his place in the relations of production. The equality of political status enshrines and reinforces the inequality of its essential basis.

For, as distinct from other forms of exploitation, the capitalist form consists precisely in converting labour power into a commodity which circulates freely. The coercive character of the society consists in ensuring that the possessors of the commodity labour-power are in a position to take only its exchange-value to market. Hence the class character of the bourgeois state is also established as soon as the state does not distinguish between the possessors of different 'revenue-sources' ( Gerstenberger, 1978).

Seen through the prism of the state, the capital relation is concealed, class struggle is defused, classes are atomised into a mass of individual citizens — 'the public', class consciousness is broken down into 'public opinion' to be expressed individually through opinion polls or the ballot box.

The autonomisation of the state is, like all forms of fetishism, both reality and illusion, the reality depending ultimately on the successful struggle of the

ruling class to maintain the complex of social relations on which the illusion rests. The autonomisation of the state, which forms part of, and is a necessity for the accumulation of capital, involves not only the necessity of separate political institutions, but also a constant class practice involving the structural and ideological separation and fetishisation of economics and politics and of the private and the public. The survival of the political institutions and hence of capital depends on the success of that struggle in maintaining this separation, by channelling the conflicts arising from the real nature of capitalist society into the fetishised forms of the bourgeois political processes. Thus the very separation of economics and politics, the very autonomisation of the state form is part of the struggle of the ruling class to maintain its domination. It is thus the task of the working class constantly to combat fetishisation as a bourgeois class practice, to transcend those fetishised forms, transforming the fragmented 'economic' and 'political' struggles into a total class struggle, and through the seizure and transformation of the state, to turn state power into working class power. It is therefore not only scientifically unfounded to speak of a 'characteristic autonomy of the economic and the political' which 'permits us to constitute the political into an autonomous and specific object of science' ( Poulantzas, 1973, p. 29), it also runs counter to the task of working class theory. It has ever been characteristic of reformism that it emphasises the reality and not the illusion of the fragmentation of social relations, that it accepts as given the fetishisation of class struggle into distinct economic and political channels. The dialectic method has always been 'a scandal and abomination to [reformism] and its doctrinaire professors, because it includes in its comprehension and affirmative recognition of the existing state of things, at the same time also, the recognition of the negation of that state, of its inevitable breaking up; because it regards every historically developed social form as in fluid movement, and therefore takes into account its transient nature not less than its momentary existence; because it lets nothing impose upon it, and is in its essence critical and revolutionary'. (Afterword to the Second German Edition of *Capital*, Vol. I, 1965 edn, p. 20).

### **(c) Fetishism, 'Marxist Political Theory' and 'Marxist Economics'**

The analysis of the state as a particularised surface form of the capital relation of class domination gives us not only a basis for relating the development of the state to the development of the contradictions of capital (see Part II below), it also provides a basis for criticising both bourgeois theories of the state (which fail to pierce beyond the surface appearance of the state's

autonomy and are thus unable to understand the relation between the state and 'the economy', an inability not without its practical consequences) and other Marxist approaches. It is on these latter that we concentrate in this section.<sup>4</sup> In our view, there are two tendencies which underlie most of the Marxist analyses of the state current in this country. One tendency is to argue (or more often assume) that the actions of the state flow more or less directly from the 'requirements of capital': such analyses are sometimes accused of 'reductionism' or 'economic determinism', and their failing in our view is to overlook the necessary particularisation of the state as a discrete form of the capital relation. The other tendency, often basing itself on a criticism of the simplifications of 'reductionism', is to insist on the 'relative autonomy' of the political, denying (or more often overlooking) the need to relate the forms, functions and limits of the political to capital accumulation and its contradictions. In our view, this tendency, which may be referred to as 'politicist', falls prey to the fetishised illusions created by the real particularisation of the social relations of capitalism. What both tendencies have in common is an inadequate theorisation of the relation between the economic and the political as discrete forms of expression of social relations under capitalism, and the failure to found both the specificity of the political and the development of political forms firmly in the analysis of capitalist production.

The discussion in Britain of the Marxist theory of the state has tended to become stuck in the rather infertile rut of the Miliband- Poulantzas debate. This debate has given rise to an illusory polarity between the approaches of these two writers, between what has sometimes been called the 'instrumentalist' and the 'structuralist' approach (c.f. Wright et al., 1975; Poulantzas, 1976), a false polarity which has done much to delimit and impoverish discussion. From our perspective it is quite wrong to regard Miliband and Poulantzas as representing polar alternatives in the Marxist analysis of the state: for all their real differences, that which Poulantzas and Miliband have in common is at least as significant as that which separates them. Both authors focus on the political as an autonomous object of study, arguing, at least implicitly, that a recognition of the specificity of the political is a necessary pre-condition for the elaboration of scientific concepts. To some extent, this is a matter of emphasis: clearly neither Poulantzas nor Miliband would deny the validity of Marx's dictum that 'political forms' can be understood only on the basis of the 'anatomy of civil society' ( Marx, 1971, p. 20), but neither of them considers it important to analyse this relation with greater precision. An important consequence of this is that neither tries to build *systematically*

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<sup>4</sup>For a much fuller discussion of Marxist theories of the state current in Britain, see our Introduction to Holloway and Picciotto, 1978.



on the historical materialist categories developed by Marx in his analysis of that ‘anatomy’ in *Capital* in order to construct a Marxist theory of the state. On the contrary, for Poulantzas (explicitly) and for Miliband (implicitly), *Capital* is primarily (although not exclusively)<sup>5</sup> an analysis of the ‘economic level’ and the concepts developed there (value, surplus value, accumulation etc) are concepts specific to the analysis of that level. In the same way as *Capital* analysed the economic as an ‘autonomous and specific object of science’ (Poulantzas, 1973, p. 29), the task of Marxist political theorists, in this view, is to take the political as an ‘autonomous and specific object of science’ to elaborate new concepts specific to the ‘political level’ (concepts such as ‘hegemony’, ‘power bloc’, ‘governing class’ etc.). In so far, therefore, as these authors base themselves on Marx’s writings, they consider it necessary to develop not the ‘economic concepts’ mentioned above, but the ‘political concepts’ developed in fragmentary fashion in Marx’s ‘political writings’ and the more ‘political’ parts of *Capital* (the discussion of the ‘Factory Acts’ etc.). Such an approach rests, in our view, on a misunderstanding of Marx’s great work, which is not an analysis of the ‘economic level’ but a materialist critique of political economy, i.e. precisely a materialist critique of bourgeois attempts to analyse the economy in isolation from the class relations of exploitation on which it is based. The consequent failure of both Miliband and Poulantzas — and much the same can be said of Gramsci — to base their analyses of the state in the contradictions of the capital relation leads, it can be shown,<sup>6</sup> to two consequences of fundamental importance: firstly, they are unable to analyse the development of political forms, and secondly they are unable to analyse systematically the limitations imposed on state action by the relation of the state to the process of accumulation.

It should not be thought that what we have termed ‘politicism’ (i.e. overemphasis on the autonomy of the state from the process of accumulation) is peculiar to those who consider themselves to be ‘political theorists’. The distinction between the two tendencies which we mentioned at the beginning of this section depends not on the starting point of the analysis but on the conception of the social totality which underlies it. The superficiality (i.e. the failure to go beyond the surface and analyse social forms as forms of the capital relation) which is characteristic of Miliband and Poulantzas is equally the hallmark of the ‘Neo-Ricardians’. The ‘Neo-Ricardian’ approach is characterised above all by an emphasis on surface categories such as price,

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<sup>5</sup>It is seen by Poulantzas as being also a more general work embracing the overall articulation of the capitalist mode of production and the development of basic concepts such as mode of production, relations of production, etc. Our point of criticism, however, is that the categories developed specifically in *Capital* (value, surplus value, accumulation etc) are seen as being concepts specific to the analysis of the *economic* level.

<sup>6</sup>On this, see our Introduction to Holloway and Picciotto, 1978.

profit, wage etc. The materialist categories developed by Marx to explain the movement of these phenomenal forms are either rejected completely or considered to be 'mere abstractions', of no practical significance for concrete analysis. Starting as they do from surface categories, it is not surprising that the 'Neo-Ricardians' accept as a positive datum the distinction between economics and politics. It is symptomatic that Ian Gough, in his article on 'State Expenditure in Advanced Capitalism' (1975b), probably the most elaborate treatment of the state from this particular perspective, begins with an economic analysis of state expenditure and then turns for an understanding of the general character of the state to the expert political theorists, Miliband and Poulantzas. He quotes them as authority for emphasising the autonomy of the state:

For both Poulantzas and Miliband the capitalist state is a relatively autonomous entity representing the political interests of the dominant classes and situated within the field of class struggle (1975b, p. 64).

Since the state is thus liberated, on the authority of theorists of the political, from the exigencies imposed by capital accumulation, Gough is also liberated from the need to analyse the limits imposed on state action by its structural relation to the process of capitalist production. For him (and for the 'Neo-Ricardians' in general), the determinants and limits of state action arise not from the contradictions of the capital relation, but from 'the impacts of both sets of factors . . . : the "demands" of contemporary capitalism and the state of the class struggle' (1975b, p. 73). As with Poulantzas, Miliband and their followers, so too for the Neo-Ricardians class struggle is a process extraneous to capital accumulation: the latter is seen essentially as economic, the former as political. Since the relation of the economic and the political is never systematically derived from their unity as forms of the capital relation, the determinants of state action can never be understood except as an eclectic combination of 'factors'.<sup>7</sup>

If those approaches which start from the autonomy of the political are to be rejected as necessarily failing to provide an understanding of the determinants and limits of state action, does this bring us back to the 'iron economic determinism' ( Gramsci, 1971, p. 223) which these authors criticise? If we insist on starting with the category of capital because it is the contradictions of the capital relation (as the basic form taken by class antagonism in

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<sup>7</sup>Thus, for example: 'So the interaction of long-term socio-economic trends, the political strategy of the capitalist state and the ongoing class struggle rule out any simple, single-factor explanation of social policies' ( Gough, 1975b, p. 76). Superficially, this is of course true, but the interconnection of these three 'factors' and how they relate to the contradictions of the capital relation remains unexplained.

capitalist society) which provide the basis for understanding the dynamic of social and political development in capitalism, the problem of the nature of the relation between the actions of the state and the accumulation of capital remains. Or should this problem simply be dismissed as being no problem, the autonomy of the political denied, the correspondence between the actions (and structure) of the state and the requirements of capital accumulation taken for granted? Certainly this assumption is present in the work of many Marxists, among them the so-called 'Fundamentalists'.<sup>8</sup> Thus Yaffe, for instance, has correctly laid great stress on the role of state expenditure in the present crisis; in criticising the 'Neo-Ricardians', he has correctly pointed out that state expenditure is not a panacea which will cure the ills of capitalism, that there are limits to the extent and effect of state expenditure which result from its unproductive nature and hence the requirements of accumulation. This is important and a great advance on the common 'leftist' view which gets no further than pointing to the capitalist content of state action without considering the limitations inherent in the form of that action. What is significant, however, is that, although he attributes great importance to state expenditure, Yaffe does not find it necessary to consider further the analysis of the state. What results is a rather monolithic view of the state in which the growth of the state apparatus is attributed simply to the state's post-war commitment to full employment, and in which the effect of state expenditure is seen as being adequately grasped by its classification into the categories of 'productive' or 'unproductive' expenditure.

While Yaffe's analysis may be valid in crude outline, it leaves many problems unsolved. The question of the way in which the interests of capital are established through the political system is not even posed. For him, 'the intervention of the bourgeois state arises directly from the needs of capital' (Bullock and Yaffe, 1975, p. 33). But then how are we to understand the role of bourgeois democracy, and how are we to see individual state actions which apparently do not correspond to the interests of capital? Again, the problem of contradictions within the state apparatus is not posed: 'This apparatus is simply an increase of unproductive expenditure' (1975, p. 34). Yaffe's great advance on the analyses of the Neo-Ricardians is to point out that, although the actions of the state favour capital in their content, there are certain limitations inherent in the form of the state, limitations imposed on state action by the nature of its relation to the process of accumulation. However,

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<sup>8</sup>C.f. Fine and Harris, 1976a. We do not use the term in a derogatory sense. We might also have cited Mandel's work as an example of the 'reductionist' tendency. This is particularly clear in his treatment of European integration, in his argument that the future of European integration depends entirely on the form taken by the centralisation of capital. For a discussion of Mandel's theory which points in this direction, see Holloway, 1976.

Yaffe focuses exclusively on one aspect of these limitations, namely on the fact that state expenditure represents a deduction from total social surplus value and is thus limited by the competing claims of private capitals on that surplus value which must be met if accumulation is to continue. Within these limits it is assumed that the state acts rationally in the interests of capital. However, this is surely only one aspect of the limitations on state action: for a fuller understanding of the state, it is necessary to analyse the other limitations arising from the nature of the state's structural relation to, and separation from the immediate process of exploitation — limitations which greatly restrict or render impossible state action in the rational interests of capital, irrespective of the limits of state expenditure.<sup>9</sup>

Fine and Harris attempt to transcend the Neo-Ricardian-Fundamentalist debate and to take the analysis of the state a step further in their critique of Gough (1976a) and their review of recent debates (1976b). Correctly they criticise Gough for not starting from the category of capital; correctly too, they nevertheless emphasise the specificity of the political and the importance of developing a materialist theory of the state. They do not progress very far, however, in analysing the relation between capital and the state, basically because they appear to see capital as an economic category and adopt a simple base-superstructure model of society in which the economic base is determinant. Capital and the economic are thus posited a priori as being separate from the political, so that it is not clear how the unity (and inter-relation) of the separate spheres can be analysed. We would argue that this starting point is incapable of yielding a solution: what is required is not an economic but a materialist theory of the state. The economic should not be seen as the base which determines the political superstructure, but rather the economic and the political are both forms of social relations, forms assumed by the basic relation of class conflict in capitalist society, the capital relation, forms whose separate existence springs, both logically and historically, from the nature of that relation. The development of the political sphere is not to be seen as a reflection of the economic, but is to be understood in terms of the development of the capital relation, i.e. of class exploitation in capitalist society. The starting point must be not the specificity of the political nor the reduction of state action to the 'logic of capital', but an analysis which founds the specificity of the political in the nature of the capital relation.<sup>10</sup>

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<sup>9</sup>For a fuller discussion of the limitations on state action, see particularly Blanke/Jürgens/ Kastendiek, 1978 and Hirsch, 1978a.

<sup>10</sup>The great merit of the debates in West Germany, whatever their own limitations and blind-alleys, is that they have started from the capital relation and sought to found the specificity of the political in that relation. For a translation of some of the major contributions to the German debate and a discussion of the main strands of argument, see Holloway and Picciotto, 1978.

Without taking this as a starting-point, it seems to us impossible to progress beyond the inherent failings of 'politicism' and the over-simplifications of 'economic reductionism'.

## **II. The Development of the Form and Functions of the State**

In the first part of this article we emphasised the importance of seeing the state as a form of the capital relation, i.e. as a particular surface form of an historically specific form of class domination. It is essential, however, to understand the capital relation as an historical materialist and not just a logical category. To emphasise the importance of starting from the analysis of the capital relation is not to reduce the analysis of the state to the analysis of the 'logic of capital'. The failing of the so-called 'capital-logic' approaches to the state<sup>11</sup> is that, while they emphasise the importance of seeing capital as a social relation, they do not stress sufficiently that this is a relation of class struggle; or, in those cases where capital is presented as a relation of class struggle, class struggle tends to be subsumed totally into its form. This over-estimates the possibilities of form analysis and consequently leads to an over-determinist and one-dimensional view of social development. It is important, however, to understand the limits of form analysis: while the class struggle cannot be understood except in relation to its contradictory form (capital), this does not mean that it can simply be reduced to its form. Form analysis is essential to give us an understanding of the limits and dynamic of class struggle under capitalism, but if we are to understand the actual development of that struggle (of which the state is but a form), this must be complemented by conceptually informed historical research. As Hirsch (1978a) puts it:

The investigation of state functions must be based on the conceptual analysis of the historical course of the process of capitalist accumulation; It must be borne in mind, however, that this is not a question of the logical deduction of abstract laws but of the conceptually informed understanding of an historical process.

As Rubin points out, Marx's method consisted in analysing the totality of social relations in a *logical-historical* manner, working from the most basic and elemental category to relations of increasing complexity. 'Marx's system examines a series of increasingly complex "economic forms" of things or

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<sup>11</sup>Here we have in mind particularly the work of Altvater, Müller/Neuss and Blanke/Jürgens/ Kastendiek. It is by no means justified, however, to regard all the recent German work as following a 'capital-logic' approach.

“definitions of forms” (*Formbestimmtheiten*) which correspond to a series of increasingly complex production relations among people’ (Rubin, 1972, p. 37). Rubin correctly emphasises two crucial aspects of Marx’s method: first, that it is a logical analysis, beginning with the most basic category (carefully isolated, of course, by a prior process) and proceeding to categories which are logically dependent and express relations of increasing complexity (Rubin, 1972, p. 31 ff); but also that ‘the power of Marx’s theory does not reside in its internal logical consistency as much as in the fact that the theory is thoroughly saturated with complex, rich socio-economic content taken from reality and elucidated by the power of abstract thought’ (p. 91). Marx’s categories are thus not to be treated as mere logical abstractions but as attempts to elucidate ‘by the power of abstract thought’ the changing forms of class struggle as they develop historically:

Marx’s logical mode of conceptualising the economy, as Engels says, ‘is ultimately an historical one, stripped of its historical form and disturbing accidents’. It provides therefore — albeit abstractly — a mirror image of the real historical process, a corrected mirror image, but corrected according to principles which permit us to grasp the real historical processes so that every moment can be viewed at the developmental point of its full maturity, at the moment of its classical perfection (Rosdolsky, 1974, p. 65).

In developing the analysis of the state from the contradictions of capital, therefore, we are not concerned with a purely logical exercise of ‘derivation’, nor are we putting forward a metaphysical view of capital: capital is a social relation of exploitation, and the accumulation of capital is the form taken by the class struggle to recreate, develop or destroy that relation. But this relation has certain contradictions and therefore tendencies of development inherent in its form and a proper understanding of these tendencies is important for the outcome of that struggle. ‘Men make their own history, but not in circumstances of their own choosing’.

In the remainder of this part of the article, we try to outline a framework for analysing the development of the state and its relation to the changing forms of capital. The development of the struggle to accumulate capital itself takes on particular historical forms, conceptualised by Marx in the categories of absolute and relative surplus value production: we suggest that it is on the basis of these succeeding dominant forms of surplus value production that the development of the established capitalist state should be understood. Before that, however, it is necessary to establish the theory of the state at the general level of commodity production, historically the original and logically the most general determination of capital as a social relation.

### (a) The Generalisation of Commodity Production: the Establishment of the Preconditions of Accumulation

The first moment of the capitalist state, and therefore its first limitation, is the establishment and maintenance of generalised commodity production. The centralised state, in which political status is separated from economic activity, results from and reinforces or reproduces the fetishised social relations which are produced by commodity production. The capitalist state results from the separation of production and consumption;<sup>12</sup> its first function therefore is to *guarantee exchange* as the mediation of production and consumption. Exchange in developed commodity production (as opposed to the peripheral trade of petty commodity production) exhibits a basic contradiction: it involves on the one hand reciprocal *advantage* but also the *compulsion* deriving from the need to exchange. This contradiction is overcome by the separation of the 'political' aspect of the exchange relationship and its control by a central power — the state. So it is the state through which the general terms on which exchange is conducted are established, leaving the individual 'economic' bargain to be struck by individuals. The separation of production from consumption also involves the creation of individuals as economic subjects and therefore the establishment of a *system of private property*. This individualisation of private property historically consisted of the dissolution of the various 'feudal' systems of communal property, and thus the separation of the labourer from the means of production (mainly the land), whereby the labourer is left with only labour power to sell.

Historically, the spread of commodity production was from the 15th and 16th centuries dominated by the European Absolutist states, which in fact developed to contain the political conflicts created within feudalism by the very growth of commodity production and mercantile trade.<sup>13</sup> It was during this period that the broad framework of the state system, national and international, was initially established. The establishment of a political unity as a result of and in order to further the development of production for exchange occurred historically within different defined social, economic and geographical conditions. Thus the history of different nation states is initially

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<sup>12</sup>This is not simply a logical point but an actual historical movement. See E.P. Thompson's famous article on 18th century food riots (Thompson, 1971) for an excellent account of the class struggles surrounding the commercialisation of bread production and how these were reflected in changes in the form of the state, state action and ideology.

<sup>13</sup>Thus there is only an apparent contradiction between Anderson (1974) who insists on the feudal nature of the political structure of the capitalist state and Gerstenberger (1973) who stresses that during the mercantile period all the basic *functions* of the capitalist state and the preconditions for accumulation were established, but that the liberal *forms* of the classical *Rechtsstaat* remained to be fought for in the bourgeois revolutions.

strongly influenced by the different particular circumstances of their origins — geography etc. It is with the increasing accumulation of capital that there begins to occur some convergence: as a result of the effects on the political system of combined and uneven development, as well as of the effects on the pattern of economic activity of conscious political direction resulting from imitation.<sup>14</sup> The political unity is defined in terms of geographical boundaries, since these are what is left after exchange has dissolved the social unities based on production for use over a settled geographical area. The abstracted political processes become dominated by the particular power emerging from conflict as the best able to secure such a political unity over a social space defined geographically. This, then, is the origin of the nation-state system, dominated from its inception by the European states.

We have said that the initial moment of the formation of the capitalist state is dominated by the spread of commodity relations. However, until commodity production becomes fully established (when labour power becomes a commodity and primary accumulation of capital achieved), social relations and state forms are by no means dominated by equal exchange, but rather by its opposite: compulsion. Thus the mercantile state is structured around trade privileges, monopolies and regulations of commerce. It facilitates the commercialisation of agriculture and the consequent expropriation of the labourer from the land. A major feature is the direct management of the 'surplus population' thus created as a labour force, by various systems of direct and forced labour: vagabondage laws, houses of correction, deportation to the colonies etc. All the forms, policies and ideology of such a state exhibit the startling contradictions of a state power purporting to be the state of society as a whole, but continually exercised to favour commercial privilege and the accumulation of property. The mercantile state, therefore, is characterised not by equal exchange but by unequal relations of appropriation backed by authority and force.

We differ here from Heide Gerstenberger's view that the mercantile/absolutist state represented a conflict between form and function, in that the functions of the state were bourgeois but its form was not yet. In our view, both form and functions represented the first moment of development of the capitalist state, imperfectly developed. The transformation of the state does not stem from the developing conflicts between form and functions, but derives from the contradictions of the mode of production driving beyond the limits of the

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<sup>14</sup>This point is well made by Gerstenberger, 1975. This should be borne in mind in relation to European integration, which is in some ways the institutionalisation of a process of transplanting or coordinating political structures in response to or in order to foster combined economic development. For an elaboration of this, see our earlier paper relating much of the argument presented here to the process of European integration: Holloway and Picciotto, 1976b.



forms in which it had so far developed, and the emergence through struggle of capitalist production on a more adequate basis. It is as part of this that we must see the struggles over the changing forms and functions of the state. We must also emphasise here that the analytical moments remain an aspect of the capitalist state, since they remain an element of the capital relation, although overlaid and dominated by its subsequent development. It is because these moments cannot be analysed as purely abstract concepts logically deduced from the capital relation that we trace their development as an historical movement, but in terms of a conceptually informed, stylised analysis of that history. Hence, since the primitive accumulation of capital continues to be an element of the movement of capital, in combination with other generally more dominant elements, aspects such as the paternalistic and authoritarian state form, the very national basis of the state and functions such as the privatisation of property continue to be elements of the state form. This is not to say, however, that specific institutions, such as the monarchy for example, established as part of an earlier historical movement, remain unchanged, nor that they alone embody these more primary and now dominated moments of the capital relation.

### **(b) The Primary Contradictions of Accumulation and the Liberal Moment of the State**

Where the preconditions for capitalist accumulation are established, the more rigorously equality of exchange can be enforced the more effectively will accumulation itself reproduce social relations, or so it appears. Capitalist accumulation is marked by the unification of the opposition of production and circulation, and from the point of view of accumulation the circulation of commodities is simply the sphere in which commodity-capital is realised as money-capital and returns to the sphere of production, in the shortest possible time. Thus it is no accident that classical economics as well as liberal political theory were formulated in Britain from the end of the 18th century overtly to reform the policies and structures of that dominant capitalist state in such a way as to give the freest scope for accumulation. This completes the separation of politics and economics. 'The organisation of the capitalist process of production, once fully developed, breaks down all resistance ... The dull compulsion of economic relations completes the subjection of the labourer to the capitalist' (*Capital*, Vol. I, 1965 edn, p. 737).

We pointed out above that the emergence of the liberal ideal of equal exchange was only possible through the application of its opposite: compulsion. And of course, the application of this ideal of equality produces its opposite: inequality. The principle of equality operates only in the sphere of

circulation:

This sphere ... within whose boundaries the sale and purchase of labour-power goes on, is in fact a very Eden of the innate rights of man. There alone rule Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, say of labour-power, are constrained only by their own free will. They contract as free agents and the agreement they come to is but the form in which they give legal expression to their common will. Equality, because each enters into relation with the other as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to himself. The only force that brings them together and puts them in relation with each other is the selfishness, the gain and the private interests of each (*Capital*, Vol. I, 1965 edn, p. 176).

Things look very different when we venture into the realm of production, for there we see that:

the laws of appropriation or of private property, laws that are based on the production and circulation of commodities, become by their own inner and inexorable dialectic changed into their very opposite ... The ever-repeated purchase and sale of labour-power is now the mere form; what really takes place is this — the capitalist again and again appropriates, without equivalent, a portion of the previously materialised labour of others and exchanges it for a greater quantity of living labour (*Capital*, Vol. I, 1965 edn, p. 583).

The contradictions of accumulation derive from the need to extract surplus-value from living labour. The immediate contradictions of this process consists of the continual undermining of the appearance of equality of exchange in the sphere of circulation by the inequality in the sphere of production. These are the contradictions of liberal capitalism and of the liberal moment of the state. Marx's analysis of the struggles over the length of the working day provide the classic insight into the nature of these contradictions. He points out (*Capital*, Vol. I, 1965 edn, p. 510) that it was only after the capitalist mode of production in the developed form of modern industry became the generally dominant form of production that the rapaciousness of capital took the form of a thirst for absolute surplus-value and the excessive prolongation of the working day. The struggle between capital and labour

over the length of the working day (absolute surplus-value) exposes most clearly the contradictions of exchange equality (*Capital*, Vol. I, 1965 edn, pp. 234-5); the social relations of production having been established on the basis of wage-labour and the apparent equality of exchange of wages for labour-power, the working class finds capital pressing to the limits of extraction of absolute surplus value from that labour-power. The class struggles of that period resulted in the integration of the working class and the recomposition of capital in forms, including forms of state, which permitted the continuation of accumulation of capital while inevitably leading to a further heightening of the contradictions of capitalism. The forms of the liberal moment of capitalism essentially involve the attempt to overcome the contradictions deriving from capitalist production by resolving all conflicts in the sphere of circulation and in terms of relations of exchange.

The liberal capitalist state is therefore engaged in a continual process of upholding the principles of freedom and equality, while constantly modifying their application in practice, in order to overcome the contradictions continually created by the central contradiction at the heart of the relations of production.

Hence its ideologies and institutions, based on the equivalence of exchange in the sphere of circulation, are constantly riven by the contradictions engendered by the lack of any such equality in the sphere of production. One example of the constantly renewed liberal dilemma: does the 'freedom of the individual' entail unrestricted rights to form trade-union combinations?<sup>15</sup> Small wonder that liberalism generally shrinks into the pragmatism of ideologies such as the 'shopkeeper's philosophy' of utilitarianism. However, so long as politics can be confined to the sphere of circulation and separated from the 'economic' spheres of production, liberalism has achieved its object.

Liberal state structures exhibit the same basic contradictions as liberal ideology. The mechanism which most clearly reflects the contradictions of commodity exchange is the juridical process. In the pre-bourgeois period this apparatus developed as part of the process of fostering the generalisation of commodity exchange under the domination of the increasingly mercantile centralised autocracies of the Absolutist period: in England the 'King's justice' in its various ramshackle ramifications; elsewhere the Reception of a glossated so-called 'Roman' law which combined the ideals of petty commodity production with a procedural and ideological guarantee

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<sup>15</sup> Marx gives one example where equal-exchange ideology was oddly pressed into service: the legislation attempting to limit child labour was apparently at one point rationalised in Parliament as the prevention not of the 'free' sale of labour, but because the selling of children's labour by their parents is not 'free' but equivalent to a form of slavery. Cf. *Capital*, Vol. I, 1965 edn, p. 397. This clearly shows the limitations of liberal ideology.

of the dominance of a 'Sovereign' central state power (see Anderson 1974, p. 26 ff). The Napoleonic and early-Victorian reforms of juridical procedures bring them closer to reflecting the ideal of equivalent exchange which becomes dominant as the sphere of circulation becomes the sphere of realisation of industrial capital rather than the sphere of primary accumulation of mercantile capital. The juridical process serves to provide procedures and ideologies for the recuperation of market transactions that have failed: the availability of adjudication of a dispute between two individual 'parties' by a judge 'neutral' to that dispute. This also serves to establish general conditions to facilitate circulation by preventing breakdown in individual transactions: the parties themselves must carry through or reconstitute the terms of disputed transactions in anticipation of the probable outcome of the recourse to the available procedure (Weber gives appropriate emphasis to the characteristics of predictability etc which make juridical procedures appropriate to 'market' capitalism). However, from the very start of the domination of capital accumulation the basic contradiction of inequality in production creates contradictions in the sphere of circulation. Thus there begins at the same time the development and propagation of juridical procedures under the banner of the 'rule of law' simultaneously with their progressive breakdown and recuperation. The reference of social conflict situations to adjudication cannot be left to individuals, but is supplemented by the growth of bodies of *state officials* who can selectively initiate state intervention to impose exchange equivalence (notably in the growth of the Inspectorates — Factory, Education, Poor Law etc. in Britain).<sup>16</sup> Furthermore, legal ideology can no longer be elaborated on a case-by-case basis from general principles such as 'justice', 'reasonableness', 'foreseeability' etc. Increasingly what is required are *specific codes*, i.e. legislation. Parliamentary legislation is thus the classic form of liberal state action, utilising the individualistic but 'egalitarian' institutions of bourgeois representative democracy to establish generally applicable but specifically formulated regulations ensuring social welfare: i.e. the containment of the immediate contradictions of accumulation.

We see therefore that the forms of state are re-established, supplemented or reformed as part of the process of containment of the new contradictions created by the new stage of development of capital, to re-create or re-compose the capital relation in new forms. Equally, the *functions* of the state are also revised and supplemented, since they too are inflected by the dominant contradictions of each moment of capitalism. For instance, we have seen that the control of money and systems of commensuration was first centralised in the state as a means simply of fostering commodity exchange and primary accumulation. In relation to the accumulation of capital these

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<sup>16</sup>On this, see Roberts, 1960

functions are transformed, since industrial capital requires the closer control of money-capital and credit to minimise speculation and facilitate the rapid realisation of commodity-capital on the basis of equivalence of exchange.

### (c) The Socialisation of Production and the Tendency of the Rate of Profit to Fall

From the last part of the nineteenth century onwards, accumulation becomes increasingly dependent upon relative surplus value production as the dominant form of exploitation. The extraction of absolute surplus value had rapidly come up against natural limits — the exhaustion of the latent reserve army and the danger of physical destruction of the labour force. Historically, this created conflicts which led to the imposition on individual capitals of restraints necessary in the interests of capital in general, and the undertaking through the state of activities which would permit the continued reproduction and accumulation of capital. But accumulation based on relative surplus value is no less contradictory than accumulation based on absolute surplus value: it tends not to destroy the labour force physically, but relatively to expel living labour from the process of production. Again, capital tends to eliminate (not physically, but from the valorisation process) the basis of its own accumulation. This contradiction expresses itself in a tendency for the rate of profit to fall.

Those who read *Capital* as an economic text rather than as a materialist critique of political economy (and of the ‘discipline’ of economics as a fetishised form of thought) often fail to grasp that the tendency of the rate of profit to fall is not an economic law: it is not the same as a ‘falling tendency’, as it is sometimes referred to (e.g. by Gough, 1975a, p. 57), nor does it necessarily manifest itself as an empirically observable decline in the rate of profit due to a measurable increase in the value-composition of capital (c.f. Mattick, 1959). The law of the tendency of the rate of profit to fall is nothing but the value-theoretical expression of the contradictions inherent in the form taken by class exploitation in advanced capitalist society.<sup>17</sup> In capitalism the ruling class is compelled, in the pursuit of relative surplus value, constantly to expel from the production process the class whose exploitation is the essential pre-condition of its own existence, constantly to undermine its own basis. This expresses itself as a tendency for the organic composition

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<sup>17</sup>We do not intend here to examine the whole controversy surrounding the tendency of the rate of profit to fall. It seems clear that once the relations between  $c$ ,  $v$  and  $s$  are understood as social and not just mathematical relations, there is little difficulty in establishing that there is indeed such a tendency. The actual movement of the rate of profit will depend on the outcome of the class struggle focused on what Hirsch terms the ‘mobilisation’ of the counter-tendencies to the falling rate of profit. C.f. Hirsch, 1978a.

of capital to rise and a consequent tendency for the rate of profit to fall. In order to survive the consequences of this tendency, capital must unceasingly strive to reorganise and intensify the relations of exploitation of labour, and also to reorganise the distribution of social surplus value among individual capitals and other capitalist instances. For the purposes of understanding class struggle and the development of the state, it is this unceasing and crisis-ridden (and in essence unplanned and unconscious) struggle by capital to erode or counteract its effects which is the significant manifestation of the tendency of the rate of profit to fall.

It is wrong, therefore, to think of the tendency of the rate of profit to fall as an 'economic law': it is merely the economic expression of a process of class struggle — a process inherent in, and structured, by, the form of capital, a form-determined process of class struggle. What worries the bourgeoisie about the tendency of the rate of profit to fall, says Marx, is that the historical, relative nature of the capitalist mode of production '*comes to the surface here in a purely economic way* — i.e. from the bourgeois point of view, within the limitations of capitalist understanding, from the standpoint of capitalist production itself' (*Capital*, Vol. III, p. 269 — our emphasis). If, then, the contradictions of capitalist class conflicts come to the surface in an economic way as the tendency of the rate of profit to fall, and if class relations in capitalism necessarily assume, as we have argued, two particular forms — an economic and a political — the question necessarily arises as to how the contradictions of capital express themselves in political form and what is the relation between the tendency of the rate of profit to fall (and the underlying crisis tendency of the capital relation) and the dynamic of political development.

This problem is often approached through a discussion of the relation between 'economic crisis' and 'political crisis'. Many authors argue against the widespread but simplistic assumption that economic crisis leads more or less automatically to a crisis of the political system (c.f. especially Gramsci's critique of Rosa Luxemburg: 1971, p. 233). In countering this view, however, these authors either evade the problem by emphasising the relative autonomy of the political or, in the better cases (c.f. Autorenkollektiv, 1976), suggest that whether the crisis in the economic base gives rise to a 'political crisis' and 'ideological crisis' will depend on the organisation and militancy of the class struggle, an organisation and militancy which cannot be derived from the capital form. Superficially, of course, that is correct. It does, however, lead to a voluntarist notion of political and ideological crisis, which is apparently precipitated by working class struggle, unlike economic crisis which is inherent in the nature of capitalist domination and is, in this sense, precipitated by capital. This seems unsatisfactory in a number of ways. The crisis (i.e. the periodic crisis of capitalism) is neither an economic nor a

political crisis: it is a crisis of the capital relation, a crisis made inevitable by the inherent contradictions of that relation. The crisis inevitably involves a restructuring of the capital relation, a restructuring which necessarily takes on economic and political forms. What is involved on both levels is an *assault by capital* to maintain the conditions of its own existence. Whether this process manifests itself in open crisis depends on the *resistance* of the workers, the degree of its organisation and militancy etc. The precise form taken by the restructuring of the political system will of course depend on the nature of working class resistance, but the impetus to political reorganisation arises not from working class struggle (detached from the 'economic base') but from the dynamic forces of capital accumulation as form-determined class struggle. It is not a question of seeing class struggle as providing a mediating link between economic base and political superstructure, but rather of seeing the economic and the political as separate forms of the single class struggle, a single class struggle informed and bounded by the exigencies of capital accumulation.

The question of the relation between political development and the contradictions and crisis of the capital relation seem to us to be best approached not through a discussion of the relation between economic and political crisis but through a development of the notion of restructuring. The contradictions of relative surplus production impose on capital the constant necessity to reorganise or restructure the social relations on which its existence is based — a process of reorganisation which brings into play the counteracting tendencies to the falling rate of profit. To some extent this process is a continuous one, but the inherent anarchy of capital ensures that it cannot be a planned, rational process, that it must take place essentially through a process of fierce competition where capitals meet as 'hostile brothers' (*Capital*, Vol. III, p. 253), and in response to a crisis of profitability. Periodic crisis is inevitable not because of the inherent weakness of the counter-tendencies, but because it is the only way in which the counter-tendencies can operate effectively. As Marx says of the counter-acting tendencies:

These different influences may at one time operate predominantly side by side in space, and at another succeed each other in time. From time to time the conflict of antagonistic agencies finds vent in crises. The crises are always but momentary and forcible solutions of the existing contradictions. They are violent eruptions which for a time restore the disturbed equilibrium (*Capital*, Vol. III, p. 249).

How is the equilibrium restored? What is involved in the restructuring of the capital relation? From the formal analysis of capital and the tendency of the rate of profit to fall we can derive the basic, formal conditions for

the restoration of 'equilibrium', i.e. of the process of accumulation. The crisis of accumulation results from the inability of the rate of surplus value to rise sufficiently rapidly to counteract the effect of the rise in the organic composition of capital. It follows that the two elements essential for the restoration of the total social rate of profit are the lowering of the organic composition of capital (e.g. by the devalorisation of constant capital) and the raising of the rate of surplus value. Further, since the effect of the crisis of surplus value production on individual capitals and on capital accumulation will be affected by the distribution of social surplus value, particularly as between the centres of accumulation (productive capitals) and those instances which will not employ the surplus value for further accumulation (the state, unproductive capitals etc.), the restoration of accumulation may be affected by the redistribution of surplus value to the centres of accumulation.

This tells us, however, only the formal requirements for the restoration of accumulation. Even if, for the sake of exposition, we leave aside the myriad extraneous circumstances which affect the way in which the crisis presents itself and may provide escape routes for particular national capitals — analysis of the world market is particularly important here — even if we leave these aside, it is clear that the basic, formal requirements cannot realise themselves automatically. The outcome of the crisis cannot be read off from the requirements of capital in general. It is clear that what is involved is a process of struggle, a struggle primarily between capital and labour but, flowing from that, also between different capitals and fractions of the capitalist class. It is on the outcome of these struggles that the restoration of accumulation, and the new pattern of accumulation relations, will depend. The struggle is not just an economic struggle but a struggle aimed at the reorganisation of the whole complex of social relations of production. As Hirsch puts it (1978a):

Mobilisation of counter-tendencies means in practice the re-organisation of an historical complex of general social conditions of production and relations of exploitation in a process which can proceed only in a crisis-ridden manner.

Thus, to take an obvious example, it is clear that the present attempt by British capital to raise the rate of surplus value does not simply mean the introduction of new technology or the announcement of wage cuts by individual employers; what is involved is rather a very long and extremely complex struggle conducted at all levels, embracing such elements as the repeated attempt to restructure the relations between trade unions and the state and within the trade unions themselves (Donovan Commission, *In Place of Strife*, Industrial Relations Act, Social Contract), massive ideological campaigns (on productivity, inflation etc.), changes in state expenditure and



taxation, the complex interplay of political parties, plans to introduce worker directors, etc., etc.

The ramifications of the restoration of accumulation thus go far beyond what is immediately apparent from the analysis of the formal requirements of this restoration. Firstly, the fulfilment of those requirements will normally require far-reaching changes in the patterns of social organisation. Secondly, such changes can be wrought only through class struggle, the outcome of which can never be predicted with certainty. But if social and political development cannot simply be derived logically from the formal analysis of capital, this does not mean that the formal analysis is irrelevant: for it explains not only the inevitability of class struggle, it provides also the point of reference and framework for that struggle. What is required for an analysis of restructuring is thus not just a formal analysis of capital, nor an empirical analysis of the course of class struggles, but an analysis which embraces both moments, which tries to understand social development in the dialectical interaction of the form and content of class struggle.

It is in this context of the ever-renewed reorganisation of the social relations of capital that the development of the state must be situated. The 'mobilisation' (to adopt Hirsch's expression) of the counter-tendencies to the falling rate of profit takes place increasingly through the state form. As the forces of production develop under the impulsion of the contradictions of capital, as the working class grows and the structurally intensified conflict of classes expresses itself in growing difficulties of accumulation, capital is less and less able to reproduce directly its own existence as class rule: increasingly that reproduction must take place through the mediation of the state, and the state apparatus must grow to ensure that reproduction. We cannot here trace the growth of state activity (c.f. Gough, 1975a and esp. Hirsch, 1978a), but it would be necessary to trace historically how each crisis imposes on capital a new relation between its economic and political form of domination, a new relation shaped in practice by concrete class struggle. This changing relation was discussed already at the turn of the century by Bukharin, Lenin and Hilferding, and it has clearly undergone major changes since then, most notably under the slogan of Keynesianism. It is important to realise however, that this is not a smooth or unilinear process, nor clearly does it represent the growth of either a neutral state or an 'instrument' of capital; it is, rather, a shift in the form of capital's rule imposed upon capital by the pressure of class struggle expressing the contradictions of its own domination, a shift in the form of capital's crisis-ridden struggle to accumulate and one which is by no means necessarily irreversible.

If the growth of state activity is seen merely as a shift in the form of capitalist domination (and in no sense a shift away from capitalist domination), it is clear that it can do nothing to escape from the fundamental contradictions

of that domination. The difficulties of capital accumulation arise not from capitalist anarchy but from the capital relation itself; even if capital could 'organise' itself through the state, the basic contradiction of capital accumulation would remain — the fact that the pursuit of surplus value implies the tendential destruction or elimination of the basis of surplus value production — the productive worker. Far from solving capital's problems, the growth of state expenditure diverts an increasing amount of surplus value away from the centres of accumulation, making it unavailable for the direct exploitation of more labour power (c.f. Bullock and Yaffe, 1975). But although surplus value production marks the final bounds to capital's domination (whatever form it takes), this is not the only limitation on the effectiveness of state intervention. Firstly, the state does not do away with the anarchy of capitalism: its political form is as anarchic as the economic — here too capitals meet as 'hostile brothers' when social surplus value is scarce. In so far as the state intervenes in the equalisation of the rate of profit, it does not simply negate competition, it acts merely in a different manner to redistribute surplus value among individual capitals. The inherent antagonism of individual capitals in the market place necessarily duplicates itself, reproducing itself within the state apparatus. In the liberal state of the nineteenth century, where monopolisation had not yet developed to any great extent and the 'dull compulsion of economic relations' had not been sufficiently established to make possible the political integration of the working class through parliamentary means, the ideal forum for reconciling competing capital interests was parliament. With the extension of the franchise to the working class, the growth of monopolies and the growing intervention of the state in the reproduction of capital — increasingly by means of individual, discriminatory measures of the bureaucracy — the competition between capitals reproduces itself in more intense form and increasingly within the bureaucracy itself, in such 'political' forms as lobbying, pressure group activity, institutional ties with specific ministries and departments etc. The increased intervention of the state in the reproduction of capital necessarily creates closer ties between capitals and the state, thus providing the material basis for theories of state monopoly capitalism. However, in so far as they assume that this makes capitalism more organised, more capable of being planned, such theories clearly overlook the fact that the development of closer ties between capital and state does not replace capitalist anarchy, it merely ensures that capitalist anarchy is increasingly reproduced within the state apparatus itself.<sup>18</sup> One consequence of this is that even within the bounds set by surplus value production, it cannot be assumed that the state will act rationally in the interests of capital in general.<sup>19</sup>

<sup>18</sup>On this and much of the argument here, see Hirsch, 1978a. Hirsch's approach seems to us one of the most fruitful to have emerged from the German debate.

<sup>19</sup>This does not mean, however, that the development of the state's functions can

On the contrary, the reproduction of competition within the state apparatus ensures an inevitable dislocation, an inevitable tension between state activity and the interests of capital in general — an inevitable arbitrariness and imbalance in the way that the state ensures the reproduction of capital. This reproduction of antagonistic relations within the state apparatus comes to the fore in time of crisis when the bourgeoisie bemoan the ‘inefficiency’ of the state and attribute the contradictions to a failure of the techniques of public administration. The problem is perceived as a technical one and the solution (Fulton, Redcliffe-Maud, Bains Reports etc.) presented as a technical one.<sup>20</sup> in fact the problem is a necessary reflection of the antagonistic relations of capitalist society and the ‘solution’ necessarily plays a part in the struggle between individual capitals as well as between capital and labour.<sup>21</sup>

The other major limitation on state activity results simply from the separation of the political and the economic. If this separation gives the state more freedom of action than an individual capital (since it is not directly

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be understood solely in terms of an interplay of competing groups or fractions, can be reduced to a Marxified pressure group analysis in which one fraction simply battles it out with another. Firstly, the political influence of the competing capital groups will be established in large measure by their place in the process of capital reproduction. Secondly, there are limits (established in practice through class struggle) to the extent to which the state can pursue the interests of any particular group or function over against the requirements of the reproduction of capital as a whole. The analysis of conflicts between fractions of the capitalist class (and also of the structure of the ‘power bloc’) is important, but only if placed very firmly in the context of the analysis of the form-determined struggle between capital and labour to accumulate, to exploit. Hence the development of state functions will be determined not by competition between powerful capitalist interests, nor simply by the logic of capital, but by the contradictory tension between the partial interests of capital groups and the reproduction demands of capital as a whole. Moreover, in considering contradictions within the capitalist class, it is important not to confuse competing ‘capital groups’ with class fractions. In the very brief fragment on Classes at the end of Vol. III of *Capital*, Marx makes it clear that one cannot constitute an analysis of social classes by establishing ‘the identity of revenues and sources of revenue’. In the remainder of that section of Vol. III, he had shown that nothing can be understood about the relationship and movement of profit, rent and wages if they are treated at the fetishised level of ‘revenues’: ‘They have about the same relation to each other as lawyers’ fees, red beets and music’ (p. 814). So equally he began to demonstrate in the unfinished fragment that it is not possible to understand social classes by establishing an external relationship between the revenues as they appear in the narrow ‘economic’ sphere and social groups constituted by the social division of labour as owners of different revenue sources.

<sup>20</sup>The apparent inefficiency or wastefulness of much of state activity thus results not only from the fact that the labour process is not directly subject to the law of value, but also from the inherent anarchy of the state apparatus. Perhaps one should distinguish between the two sorts of ‘inefficiency’ by referring to it as ‘inefficiency’ in the former case, ‘irrationality’ or ‘inconsistency’ in the latter.

<sup>21</sup>This suggests that a materialist critique of the discipline of ‘Public Administration’ might throw considerable light on conflicts within the bourgeoisie and on changing forms of class rule.

subject to the constraints of profitability (c.f. Altvater 1973)), it also imposes constraints in that the state must remain essentially external to the process of accumulation. While the purpose of state action must be to promote the accumulation of capital, it must, by reason of its form, remain external to that process. Its action on accumulation is essentially of a mediate nature — mediated basically through the forms of law and money.<sup>22</sup> This imposes a certain bluntness on state measures to restructure capital: the lack of specificity of the effects of the restriction of credit and of the money supply in the present crisis situation in Britain provides a good illustration of this.

Both the necessity and the limits of state activity are inherent in the state form. As capitalism advances, the state develops through the contradictory interaction of the necessity and limits arising from the contradictions of capitalist reproduction. This contradictory development is expressed not in a smooth, even growth of state activity, but in the constant crisis-ridden attempts to overcome the limits of state activity and render it more 'functional' for capital accumulation.<sup>23</sup> What is significant in the present 'cuts' in state expenditure is not so much any reduction in state activity as the attempt to 'functionalise' the state for the accumulation of capital. The denunciation of state expenditure by the bourgeoisie goes hand in hand with demands for more aid to industry. The cuts involve not only a reduction of unproductive expenditure: this is an important element in the analysis, but it is not sufficient, for the necessity of the state form implies the necessity of unproductive expenditure: what is involved is the attempt to make this unproductive expenditure serve more closely the reproduction needs of capital. The restructuring of capital thus involves a necessary struggle to restructure the relation between state and society and to restructure the state apparatus itself: a struggle that involves a major offensive not just on the working class but also on sections of capital, a struggle whose bitterness is well evidenced by the reactions to each announcement, by the repeated attempts of the Chancellor 'to get it right' and by the repeated reactions of the press — 'Always Too Little' (*Times*, December 16, 1976). This reorganisation of the state is expressed not so much in the overall figures on state expenditure, nor just in the shift of resources from, say, education to industrial aid — it is reflected also in the way each function performed by the state is remoulded. Thus the crisis has led not only to an increase in aid to industry, but also

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<sup>22</sup>This point is argued at length by Blanke/Jürgens/ Kastendiek, 1978. While their argument is not totally convincing, the generally mediate nature of state activity is a very important limitation on its effectiveness.

<sup>23</sup>What is 'necessary' or 'functional' for capital in general (or a particular national capital) can, of course, be derived only in the most general terms. What is perceived as being in the interests of capital in general, the strategies actually pursued to achieve those interests, and a fortiori the actual performance of functions by the state are all established through class struggle.

to a reorganisation of the way in which such aid is administered — a move away from blanket assistance to selective aid based on specific needs. And of equal importance to the cuts in education expenditure is the attempt to gear education more closely to the needs of industry — by condemning ‘progressive methods’, encouraging industrial scholarships etc.

‘Crisis is the forcible establishment of unity between elements that have become independent’ (Marx, *Theories of Surplus Value*, Vol. II, p. 513). The autonomy of state action from the immediate demands of the valorisation process, implicit in the particularisation of the state as a distinct form of capitalist domination here comes up against its barriers. As capital is forced, in the struggle for accumulation, to strive to overcome the limitations of the state form, it tendentially undermines that particularisation of the state which is a precondition of its own existence. Increasingly the state intervenes directly in the production process, taking over particular industries and reorganising the actual process of value creation and exploitation (c.f. Fine and Harris, 1975, 1976c). Increasingly the state breaks through the generality implicit in its form in its attempts to respond to the necessity of and limitations on its activity by complementing general measures (e.g. the restriction of credit) by selective measures to exempt or assist the chosen few (industrial aid, tax concessions etc.) — thus giving rise to intensified political competition as each section of capital seeks to identify the ‘general interest’ with its own particular interests, to growing animosity on the part of the many less favoured capitals towards the state and ‘socialism’, to heightened tensions between the executive and the judiciary as upholders of the rule of law and generality. This trend finds its expression too in apparently technical, administrative changes in the state apparatus in the interests of ‘efficiency’ as the state apparatus adapts its structure to the new pattern of closer ties with monopoly capital.<sup>24</sup> It is in this context, i.e. in the light of the development of the state through the contradictory tension between the necessity and limits of state activity (rather than in the context of any view which suggests a unilinear growth of state activity in support of a declining capitalist industry) that we must approach a critique of theories of corporatism and state monopoly capitalism.

The tendential undermining of the separation of state from society does not mean that that separation is overcome: even in the most extreme forms of corporatism, there has not been a fusion of state and monopolies, and indeed there cannot be such a fusion as long as social reproduction is based on the production of surplus value. The undermining does, however, pose a threat to the mystification of the political, to the fetishised appearance of the neutrality of the state. The state is increasingly identified with capital, reformism —

<sup>24</sup>See in particular the interesting discussion of the introduction of PPBS in O’Connor, 1973, ch. 3.

the strategy of using the state against capital — is increasingly abandoned, even as a justificatory ideology used by the traditional reformist parties (c.f. Callaghan's speech at the Labour Party Conference, 1976). The appeal for popular support is no longer based on a claim to gradually transform social relations, end inequality etc., but on the assertion that there is just no alternative to capitalism (communism being ruled out and identified with Russia, loss of human rights, etc., 'socialism' being identified with state intervention, thus establishing a phoney alternative). The problem is to assess the importance of this erosion of the basis of reformism. It is now clear that those who saw bourgeois domination as being largely dependent on the apparent neutrality of the state (e.g. Flatow/ Huisken, 1973; Müller/Neusüss, 1975) held, as Gerstenberger (1978) has pointed out, an inflated view of the importance of that apparent neutrality. Its erosion has clearly not dealt a death blow to capitalism, but it does place new problems on the agenda.

## Chapter 4

# The Fordist Security State and New Social Movements

### I

This essay deals mainly with the possibility for a further development of Marxist political theory that has been stagnating in West Germany since the end of the so-called 'state derivation debate'. It presents a very abridged version of the propositions and results of my book *Der Sicherheitsstaat* (1980), which combine the structuralist categories of 'state derivation' with a theory of the historical development of capitalist society. This combination has enabled me to proceed from general (and therefore abstract) political theory to a concept useful for the analysis of actual changes in the political apparatus, essential for the political usefulness and relevance of theory.

This essay is also bound to a political problematic that is to some degree specific to the West German political scene: the transformation of the Social Democratic Party from a reformist, worker-based organisation to a highly bureaucratised state party; the emergence of an authoritarian non-liberal political form; the growth of surveillance apparatuses; and the failure of the traditional workers' movement. Emerging at the same time were new forms of social movements and social conflicts such as the environmental movement, the feminist movement, and the so-called 'alternative' movement, which did not fit into the traditional Marxist scheme. At the beginning of this development, in the sixties, the Marxist debate was highly concentrated around a critique of ideology aimed at uncovering the material foundations of prevailing illusions of a class-neutral state and at explaining the ongoing transformation of the liberal democratic system. Ironically, all this happened not under a conservative but under a social democratic regime.

The West German 'state derivation debate' is mainly located within this context (see Holloway and Picciotto, 1978). The shortcoming of this theoretical approach is that it focuses almost exclusively on the general, structural characteristics of a capitalist society. It is therefore unable to account for some of the fundamental historical transformations of this society, the changes in the forms of surplus production, of class structure, of internationalisation of capital, and of societalisation in general.

The present outline tries to determine the political structure during the 'fordist' phase of capitalist development which mainly established itself after World War II. This phase is marked by an intensified mode of capital accumulation and a change to the production of relative surplus value. It is based on Taylorised mass production of durable consumer products (e.g. Henry Ford's assembly-line automobile production); relatively high wages; the emergence of a sharp polarisation between skilled and deskilled, 'Taylorised' labour; expanded state intervention including a high degree of administrative regulation of the reproduction of labour (social security, health, education). Fordism thus denotes a secular long wave of expanded capitalist accumulation by which the reproduction of labour becomes a central sphere of the valorisation of capital. A consequence of this is a sharp, thorough capitalisation of the whole society (commodity-form of social relations, individualisation, and social disintegration). Politically, this includes the emergence of social reformism, Keynesianism, and mass regulative bureaucracies. Fordism, therefore, refers to more than a form of material production and reproduction (as Taylorism does). It is a historically distinct form of capitalist social formation with its own economic, political and ideological characteristics. At present, fordism is faced with a deep economic and political crisis. The aspects of this crisis and the political structure that might develop out of a 'neo-fordist' mode of socialisation will be discussed separately.

## II

In order to understand the current changes concerning the state's character one must keep in mind that although the fundamental structures of capitalism have been historically consistent, several changes or modifications have occurred in the mode of production within this formation. The historical reality of capitalism cannot be understood as a mere existence of a structure, but as a process of *realising* this structure. This process has not come to an end yet, and will not end as long as capitalism exists. Therefore, 'the' bourgeois state can only be referred to in a very abstract way.

A theory of the state has to be based on a historical theory of the formation of society and its changes. Such a theory does not exist in a developed form. Even Marx's criticism of political economy can only be



seen as a basis for that. Regarding contemporary Marxist thought, it seems reasonable to use some approaches concerning the internationalisation of capital, as developed within the French debate (see Aglietta, 1976; Palloix, 1977; Lipietz, 1982; and Davis, 1978). In this debate there is no theory of the state in a strict sense, but an analysis dealing with Marx's theory of accumulation and crisis concerning secular trends in conditions of production, reproduction and socialisation. This can be helpful for an analysis of the state, and thus will be described briefly.

Basically we must start from the principle that capital can never reproduce itself under identical social conditions. Due to the tendency of the rate of profit to fall, capital is continually forced to reverse this trend. As shown by Marx, the dynamics of relative surplus value production are essential in maintaining exploitation. This is not only a permanent development of the forces of production, but also, at the same time, a thorough revolution of social structures within the capitalist way of production. In particular, there is a permanent capitalisation of all spheres of life, a revolution of the division of labour on a world scale, and a generalisation of wage labour. This results, for example, in the abolition of handicraft and home production and of pre-capitalist ways of life and social relations, with forced mobility and urbanisation. Production mainly for individual need is replaced on an expanding scale by goods and services produced by means of the capitalist system. This results in a commercialisation of social relationships, as the way of life becomes mainly determined by commercial offers for goods and services. Moreover, the capitalist rhythm of time and work discipline become dominant factors in the sphere of reproduction.

The context of socialisation in advanced metropolitan capitalism, which in French theory is called 'fordism', results from the forced development of capital due to crises and class struggle. It is mainly based on the fact that the Taylorised production of mass commodities has become an important sphere of realisation for capital, that social work takes on the form of wage labour, and that material and psychic reproduction become further dependent on capitalistically produced goods and services. Only prevalent in Western Europe since the middle of the twentieth century, this development has been an essential precondition for a high increase in labour productivity, for a relative decrease in the value of labour power and the resulting long-term stability of the profit rate. The social consequences of this mode of accumulation can hardly be over-emphasised.

This resulted in a tendency toward a thorough social disintegration, throughout many different social spheres. The destruction of traditional ways of production and ways of life replaced a well-functioning social community by a conglomeration of isolated and atomised workers and consumers (the desolation of the suburbs can be taken as an example). Forced geographical

and professional mobility, together with permanent de- and re-qualification processes, led to a disintegration of relationships concerning neighbourhood, profession and kinship. The intensification of work, together with simultaneous structural unemployment, caused social marginalisation, such as constant unemployment, pressure into peripheral labour markets, sickness, and a forced dropping out of the achievement-oriented society. The nuclear family, isolated and at the same time overburdened with compensatory emotional demands, not only lost its ability to secure material reproduction for old age and sickness; it also failed as an agency of socialisation to help adolescents come to terms with their increasingly difficult roles as flexible and usable workers and consumers.

This indicates an essential difference from previous phases of capitalist development. At the beginning of industrialisation, capital could evolve by growing into existing 'pre-capitalist' social structures and environmental conditions (rural population as a reservoir for labour, family as social security, nature as a free force of production). By developing further, capital dissolves and destroys these free conditions. This means that the establishment of basic conditions of production, of man and nature, must become a concern of organised social regulation. This is illustrated by the replacement of traditional forms of family-, neighbourhood-, or community-based social reproduction, such as self-help in the case of sickness or unemployment, or the care for children or the elderly, by social security systems, pension schemes, hospitals, schools and the whole network of commercialised or bureaucratic social and therapeutic services. Another example is the growing necessity of state regulation of the exploitation of natural resources such as water and air.

This concerns the provision of the material context of reproduction, where not only the process of immediate capital realisation has to be politically regulated and administered, but also to a large extent the reproduction of the labour force. In this case the network of social security certainly does not have the character of a benefit, but is rather a structural necessity due to the changed conditions of socialisation. Therefore the welfare state is not only a result of class struggle, but is also a structural constituent of the fordist form of socialisation. In a similar way, this is also true for the social adjustment of individuals and their social conditioning, and the prevention of 'deviance' with the help of a host of bureaucratic means. The genesis of the modern education system, under tight political control, can be taken as an example to demonstrate this relation: social disintegration and the establishment of wage labour require a special controlling agency that not only teaches certain qualifications, but also controls the social conditioning of adolescents. As family, community, and neighbourhood lose their influence, they are replaced by institutions such as police, school, and social work.

Further capitalist development leads to a disintegration of social relationships that formerly were founded and maintained in a quasi-natural way by the market and traditional ways of life. They now have to be generated by bureaucratic control and regulation. *This is the most essential basis of the 'fordist security state'. It is a security state in a double sense, as it guarantees both the material survival of its social members as well as their functional adjustment and regulation, their social conditioning and surveillance.* Inherent in this development is the enormous extension of the central bureaucratic network of regulation, supervision, and control. With the help of these controlling agencies the state apparatus extends deeper into the social organism and connects closer to the social structure. This 'statification' of society is the other side of fordist disintegration. Therefore, not accidentally, the so-called crisis of the family is followed by an increasing network of helping and punishing, educating and supervising institutions, from social work to juvenile police, from schools to courts.

The historical emergence of the security state in that double sense as 'welfare state' and 'surveillance state' within the advanced capitalist countries, however, has developed in a highly uneven fashion. It is more developed in Western Europe, especially in West Germany, than in the United States or Japan. This is due to differences in a whole series of historical conditions: the traditional predominance of the state administration, the form and intensity of class conflicts, the political organisation of labour, the availability of natural resources, and so on. A decisive factor in this uneven development could be the relatively weak position of the West European countries within the context of inter-imperialistic competition after World War I. This forced a strong state-organised development of productive forces, including the reproduction of labour and the regulation of social conflict.

The term 'security state', therefore, means a mode of social organisation which cannot be sufficiently described by traditional terms such as 'interventionist state' or 'welfare state.' It is less true now than ever that the state intervenes from the outside into an otherwise self-regulating process. To imagine such a relation between the state and society already is an anachronism. The state has become an essential moment of operation and a central component of social reproduction, penetrating society in all its divisions. This also means that traditional political and state institutions have undergone profound changes in character as well as in social meaning. Today, parliament, state bureaucracies, and political parties do not represent what they did several decades ago.

To summarise what has been said so far: in order to secure the realisation of capital, the need to capitalise society is inherent in the historical process of accumulation. This does not only mean a development of the forces of production in capitalist terms; it also requires a profound change in the

division of labour, in class relations, and generally in social relations. Within the capitalist framework, therefore, we have to acknowledge a change in the mode of production. It is based on the destruction of the natural, as well as the social, conditions of capitalist production. To attain these conditions (in capitalist terms), a social organisation (a particular form of state) is now necessary. The resulting statification of society changes the state's character thoroughly, as it no longer can be regarded as a repressive and ideological superstructure. It becomes a main constituent of the 'basis' of social life itself. This also means, however, that old ideas of a revolutionary 'destruction' of the state have to be revised. The process of revolution has to be thought of in a different way. At the same time, old notions which previously described forms of the bourgeois state, such as parliamentarism, fascism, etc., are no longer sufficient. The 'security state' has emerged as a new form in history. In a certain sense it is simultaneously a post-fascist and a post-democratic state, and therefore class struggle is now taking place within a very different arena.

### III

This process of historical change in the capitalist mode of socialisation has to be taken into account in order to understand the autonomisation of the state or the organisation of capitalist class relations via the state apparatus (Poulantzas, 1978), and to realise the resulting contradictions that are politically relevant. It is very difficult, however, to combine the propositions of the growing 'statification' of society with the concept of 'autonomisation' in the state derivation debate. As Poulantzas has emphasised, and the West German state derivation debate has carried out, the 'relative autonomy' of the state apparatus, respectively its 'partialisation,' is a fundamental presupposition of the reproduction of every capitalist society. Only, each partialised state apparatus is able to produce the general prerequisites of capitalist production and reproduction outside the immediate sphere of competition and exploitation. This means that the state apparatus cannot have fixed connections or an identity with particular classes or class fractions. (The theory of state monopoly capitalism has its greatest error in this point.) The tendency of statification, that is, the penetration of society with state or quasi-state apparatuses, seems to be in contradiction with that structural necessity.

However, this should not be seen as an inadequacy of theory, but as an expression of contradictory social tendencies that must manifest themselves in specific social conflicts, which in turn cannot be understood without this contradiction. One can expect then that the mode of forming compromises between fractions of capital, as it is mediated via the state apparatus, and of integrating the exploited and oppressed classes, will take on new forms

in this historical process and will therefore produce new levels of social conflict. Furthermore, it would be interesting to analyze, along these lines, the contradiction concerning partialisation and homogenisation of state apparatuses as indicated by Poulantzas. This contradiction, which assumes the shape of increasing supervision and control by security agencies, leads to major conflicts within political apparatuses.

The capitalist state apparatus as a whole maintains partialisation by segmenting itself into a multitude of different bureaucratic relations and political organisations, each with specific interrelationships to particular classes and class fractions. The state's partialisation is based on a rather loose coordination of this segmented multitude. The emergence of the security state comes together with a strong homogenisation of the state apparatus, resulting in a decrease of the relative autonomy of the particular organisations of the political system. Consequently, for example, security agencies become increasingly 'states within the state,' and, in the parliamentary system, structural conflict emerges between the 'party within government' and the 'member party' especially in the case of social democratic parties, which produce strong and permanent inner-party conflicts. However, the main aspect concerning current changes on the level of the political system should be illustrated: the transformation of the unions and parties and the concomitant development of a new corporative structure, as well as changes in the arena of social conflicts. Although there is no room for a detailed analysis, an outline shall be drawn with questions that might lead to further research. Whereas I am mainly referring to developments in West Germany, certain aspects are typical for all advanced capitalist countries.

The transformation of political parties into quasi-state apparatuses is mainly based on the fordist restructuring of society. Because of the increasing capitalisation of society, resulting in social disintegration, the destruction of the traditional workers' community, the differentiation and fragmentation within the working class, the rise of a 'new middle class,' and forced mobility, the parties have changed from organisations for political class interests to bureaucratic and mass-integrative apparatuses. In contrast to traditional political parties (bourgeois as well as labour parties), these new parties are characterised by a distinct detachment from social relations and of experience (decreasing activities of members on the lower levels of organisation, disappearance of 'party social life,' especially in labour parties), and a simultaneous increase of bureaucratisation. The modern mass parties appear as quasi-state apparatuses with a high degree of centralisation, dominated by bureaucratic elites, and at the same time are characterised by a very nebulous social basis and programme ('people's parties'). Typical traits include increasing juridical privileges (raising them to the level of constitutional organs) as well as increasing public financing, which in turn leads to a further

alienation from their members. This development cannot be explained in the narrow sense of the sociology of formal organisations; rather it is based on the above mentioned fordistic changes in socialisation and class structure.

This change in the structure of the party system is further based on the fact that due to a growing competition on the world market, processes of social and economic restructuring have to be accomplished by administrative means. The goal of state politics in most advanced capitalist countries is to gain competitive advantages on the world market for their national economies. The efforts made in this regard do not only concern certain sectoral policies (e.g. the promotion of technology), but to a large degree become similar to structural policies encompassing the whole society. Changes in the international division of labour and in conditions of the realisation of capital therefore influence national political decisions more directly on all levels; and dominance of the world market leads to a reduction in the realm of decision-making for 'national' governments.

Thus, the changed function of the modern 'mass integrative parties' seems to be clear: they no longer function in the traditional sense, articulating and mediating different and opposing interest groups to the political decision-making agencies. Rather they operate as regulative transmission agents between the state bureaucracy and the people affected by their measures. In order to stabilise dependency on a world market, mass integrative parties mediate the apparent constraints to the affected people as they filter and channel people's demands and interests, making them compatible with the system's conditions. The fordistic change of society is reflected in the parties as modern mass integrative agencies in a double sense: their main social basis consists of rather disintegrated social relationships, while at the same time they are constituent parts of an administrative regulation apparatus which reaches deeper and deeper into the social fabric (parties actually are an essential form of the stratification of society).

However, while their controlling function increases, their scope of action becomes more economically restricted. Consequently, the intensified competition of national capitalist formations on the world market narrows the scope for national, class-related politics. This refers for example to the preservation of social security systems, or to costly environmental protection measures, within a world-wide tendency toward austerity politics. In this way, mass integrative parties are forced to control the articulation of interest groups, to manipulate public opinion, to forestall free forms of interest-group organisation, or to obstruct plebiscitarian forms of politics. These mass integrative parties tend to strengthen their political monopoly and work more and more as state apparatuses.

Unions, as well, are characterised by similar structural changes. Because of identical social developments they also become, in a modified way, mass

integrative agencies. This transformation of unions and political parties is the basis of a political structure recently raised as a topic in the 'neo-corporatism' debate. Their statification, and their ability to strongly control interest-group articulation, makes both unions and parties able to tie together to form a sort of bureaucratic regulation cartel and to establish a highly organised form of social contractual politics. With the rise of a corporative regulation cartel consisting of the integrative mass parties, the bureaucratic unions, employers' associations, and a state administration with broad social and economic regulating functions, a new structural mode of controlling capitalist class conflict has emerged. Within its frame, political and economic interest groups have grown into bureaucratic agencies to administer life chances. They focus on a more or less explicit working out of guidelines for a systems politics, the results of which have to be mediated with the respectively affected people. Representation of interests therefore gains a new form and a new content: even by merely articulating certain interests, representation is integrated into the imperatives of system stabilisation, and gets deflected on various levels through the integration of the interest organisations within the context of central administrative regulation.

Regarding the successful social and economic stabilisation within the advanced capitalist system, the proposition can be made that this 'neo-corporative' mode of social regulation is an essential precondition to achieve this end. For example, the rise of West Germany as a dominant imperialist center in the sixties (*'Modell Deutschland'*) seems to have been related to the successful establishment of the appropriate institutional and political structures. These structures facilitated the social and political management of a fordist transformation. There is no time here to refer in detail to the historical conditions which were relevant for this change: the destruction of the labour movement by fascism, and the existence of a traditionally strong and efficient bureaucratic state. These structures allowed for several achievements to occur.

First, the continuity of production was secured against unplanned work stoppages, or strikes. This was important, as the technology of production was developed rapidly and the condition of the international social division of labour had become a complicated one. Second, economic crises could be dealt with by political/administrative manipulation, e.g., by the shifting of crises of realisation into the sphere of reproduction. For example, one could mention the advancing destruction of nature and environment with state aid in order to bring about profitable changes in the technology of production. This strategy was supported by unions, as it guaranteed a basis to negotiate for higher wages. The question concerning the totality of material living conditions was thereby excluded. Unions have proven to be important assisting agents in achieving the fordistic model of production and reproduction.

Third, a relative stabilisation of mass consumption was achieved, with a simultaneous limitation of wages and a stabilisation of profits (mass consumption being the basis of a fordistic way of realisation of capital). The modern corporative regulation cartel actually was the political basis for the Keynesian policy suitable for realisation, which could not have been established without disciplined unions. And finally, the economic processes of restructuring, defined by the world market, were carried through and led to intensification of labour, structural unemployment, dequalification, etc. These consequences were accepted by unions out of an interest in the economic stability of the general system, and were supported with certain social modifications. As this kind of 'social-contractual' form of social regulation became the essential political precondition for capitalism, highly advanced in technological terms, the importance of social-democratic parties (or similar parties) increased. The crisis of these social-democratic parties (in a broad sense) therefore coincides with the crisis of the fordist form of socialisation. They have supported this mode of socialisation and of accumulation from the New Deal in the United States to the era of reform in West Germany in the late sixties, and with it, are now facing profound difficulties.

#### IV

The development which began with the world-wide economic crisis in the mid-1970s leads to the hypothesis that the fordistic phase of capitalist development is coming to an end. This is indicated by the crisis of Keynesianism, the dismantling of the welfare state, strong reprivatisation tendencies, as well as the abandonment of demands for social equality. The social and economic shifts that might result from this development, and the possible consequences for the institutional structure and function of the state, cannot be dealt with in this brief essay. I will focus here on specific critical moments of the fordist political system which might indicate a disintegration and transformation of this mode of socialisation.

These moments of crisis mainly result from the fact that the corporatist system of mass integration excludes various interests which can no longer be handled within the political system. A major factor is the separation of mass integrative apparatuses from their social basis as well as their bureaucratic centralisation. The system of political apparatuses therefore becomes rather insensitive and unresponsive to social interests and problems. Thus, larger parts of the population no longer feel truly represented. Hence social conflicts and problems unfold outside of the bureaucratic sphere of control and perception. While the political apparatus's capacity to regulate is strengthened by the bureaucratisation and statification of parties and unions, the capacity to process problems and the ability to perceive and mediate



opposing social interests drastically decreases. Such problems and conflicts are systematically neglected, which means they remain virulent, even if in a new form.

Furthermore, the establishment of the corporatist regulation cartel brings about a tendency to split and fragment society. Individuals and interests which are deemed irrelevant for economic purposes are systematically excluded from society: old and sick people, people who do not adjust, adolescents and immigrant workers. The form of political organisation described above increases and intensifies this division of society — mainly caused by its strong integration into the world market — into a ‘modern’ section, on the one hand, and a marginal section or an internal periphery on the other hand. In the first section we find a social core with economic privileges that finds itself represented by the corporatist system and consists of technologically advanced capital, part of a new middle class, and skilled workers. In the marginal section we find unskilled workers, disabled persons and drop-outs, those capital fractions which are threatened by structural change, the physically and psychically handicapped, and those who are worn out by the labour process. At the same time, non-productivist interests — like those in a healthy environment or in natural ecology — are marginalised within and across individual people. An example would be the justification for the destruction of the cities and of the natural environment by pointing to secure employment (as is the case in the nuclear and automobile industries). Here lies the material basis for the recent discussion of the so-called ‘change of values’ (see Inglehart, 1977). Because of this development, social conflicts still result from the context of capitalist exploitation, yet they do not manifest themselves along traditional class lines. Nor can such conflicts find expression within the system of political apparatuses, because they are structurally excluded. The political system is very limited in its ability to deal with social problems, and a frequency of social and political crises might easily overstrain this capacity despite the system’s apparent external stability.

As a consequence of this changed structure of social and political conflict, the oppositions between the established apparatuses (i.e. between parties, administrative bureaucracy, and unions) seem to decrease. Dull political public debates and uninteresting election campaigns are indications. Moreover, new levels of conflicts come to the fore.

First, conflicts occur between the bureaucratic apparatus and between members within the mass integrative parties. These conflicts become more frequent and more significant as these apparatuses are increasingly forced to oppose the interests of their members and constituencies as they attempt to stabilise the system. Arguments within the party’s wings become more important than the opposition between the parties; conflicts over internal democracy in unions and the right to strike become more important than the

ritualised and bureaucratically mediated negotiations between union elites and employer associations. The more such conflicts are suppressed within the hegemonic institutions, and the more mass-integrative institutions do not tolerate open dissent, the more significant these conflicts become.

Second, it follows then that a new level of conflict develops between the corporatistically unified political apparatus as a whole and extra-institutional social movements forming in opposition. The rigid and opaque structure of the political system promotes the rise of these movements, which try to articulate and accomplish neglected needs and interests. As they do not correspond to the established system's notion of functional logic, they necessarily (and frequently without intention) are in opposition to it. These 'new social movements' find expression in several citizens' initiatives, in the ecology movement, as well as in spontaneous strikes or the occupation of factories.

The changed structure of the political system of domination (as a product of the changed form of the capitalist mode of socialisation) implies new ways of expression and new possibilities of opposition between relevant parts of the population and the state apparatus. In advanced capitalist countries this opposition is expressed by an anti-bureaucratic sentiment and a 'discontent with the political system,' but also by several radicalising grass-roots movements ('second society').

In reaction to these emerging social movements, new modes of ideological legitimisation have to be found (such as possibly a reactionary anti-bureaucratic mass mobilisation) which paradoxically are brought about by the agents and executives of the political apparatuses themselves (such is an essential element in the strategy of Reagan, Thatcher and Strauss). The repressive protection of the established apparatuses therefore becomes increasingly important. From this point of view, one can understand the suppression and criminalisation of ultra-democratic, extra-institutional movements, the rigid surveillance of all kinds of social and political 'deviants' as well as *Berufsverbote* (which means the systematic and legalised keeping of 'radical' persons out of the civil service). Although highly developed in West Germany, these tendencies are not only due to particular national characteristics and traditions, but are also a result of the advanced fordistic form of political and social organisation, which also occurs elsewhere.

One has to keep in mind, however, that it was just this transformation of social structures and the corresponding form of political organisation that has led to the rise of these new social movements, and which allows for new ideas of politics and of social emancipation and development to unfold. The security state therefore is not as strong as it seems to be. However, these movements are quite ambivalent and diffuse in ideology, and difficult to assess in their social character. One cannot refute that alternative

movements might function as a moment in the integrative stabilisation of the fordistic division of society and hence prove to be a functional correlate for corporatist regulation. Just as well, one might argue that their inherent tendency for destatification, self-management, and direct representation of interest might be regarded as a stabilising counter-movement to guarantee the autonomisation that otherwise might be threatened by the advancing process of fordistic statification.

There are no safe predictions to be made concerning revolutionary certainties — today even less so than previously. However, we must acknowledge that with the development of capitalist society and its structural changes, the inherent conflicts and antagonisms have changed their form, their agents, and their course. Therefore, we have to bid farewell to some anachronistic conceptions of politics and class struggle. Furthermore, we must come to a clear understanding of the trends in social development and of changes within capitalist formations. Only then can we realise the relevance of movements and conflicts and the conditions for social-revolutionary politics in today's society, and only then will we be ready for political action.

## Chapter 5

# Accumulation Strategies, State Forms and Hegemonic Projects

Despite the burgeoning literature on the state in capitalist societies, we are still ill-equipped to deal with some fundamental theoretical problems. The search for solutions has often led Marxists quite properly to draw on non-Marxist concepts and approaches but this sometimes involves the risk of dissolving a distinctively Marxist analysis into a broadly pluralistic, eclectic account of the state.<sup>1</sup> Among the more problematic issues in the field of state theory are the alleged ‘relative autonomy’ of the state, the sources of the class unity of state power, the periodisation of the state, its social bases, the precise nature of hegemony and its articulation with coercion, and the role of the nation-state in the changing world system. No doubt a much longer list could be compiled. But these issues alone are more than enough to occupy us in the present paper. I approach them through the more general topic of form analysis and its implications for the economic and political spheres of capitalist society. In particular I will argue that the value form and state form are indeterminate and must be complemented by strategies that impart some substantive coherence to what would otherwise remain formal unities. It is in this context that I will elaborate the concepts of ‘accumulation strategy’ and ‘hegemonic

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<sup>1</sup>In part this constitutes a self-criticism. The conclusions to my own recent work tend to neglect the fundamental importance of the value form in Marxist analysis and thereby run the risk of eclecticism. C.f. Jessop, 1982, *passim*.

project'.<sup>2</sup> Let us begin with the fundamental concept of any serious Marxist economic analysis by considering the implications of the value form.

## **The Capital Relation and the Value Form**

Capital is a form-determined social relation. The accumulation of capital is the complex resultant of the changing balance of class forces in struggle interacting within a framework determined by the value form. The value form is the fundamental social relation that defines the matrix of capitalist development.<sup>3</sup> It comprises a number of interconnected elements that are organically linked as different moments in the overall reproduction of the capital relation. In the sphere of circulation these elements include the commodity, price, and money forms through which the exchange of goods and services is mediated. In the sphere of production the value form is embodied in the organisation of the labour process as a process of valorisation ('value-adding') and its subordination under competitive pressures to the requirements of reduced costs and/or increased output. In relation to the work force the value form is associated with the commodification of labour-power, its subordination to capitalist control in the labour process, and its remuneration and reproduction through the wage-form. More generally, the value form is linked to the law of value. This is the mechanism governing the allocation of labour time among different productive activities according to the fluctuation of market prices around prices of production which reflect the socially necessary labour time embodied in different commodities. In capitalist economies this mechanism is mediated through fluctuations in profits (market price less cost price) and the uncoordinated decisions of competing capitals about the opportunities for profit associated with different patterns of investment and production. These interconnected elements of the value form define the parameters in which accumulation can occur and also delimit the sorts of economic crises which can develop within capitalism.

Although it is impossible to understand the historical specificity of capitalism without reference to the complex ramifications of the value form, the value form itself does not fully determine the course of accumulation. Indeed the very substance of value (the socially necessary labour time embodied in

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<sup>2</sup>The arguments presented here draw on those of another paper but modify them in some respects: see Jessop, 1983.

<sup>3</sup>The following comments on the value form are heavily indebted to two works: Elson, ed., 1979 (especially the article on 'The Value Theory of Labour' by Elson, pp. 115-180); and Itoh, 1980. Nonetheless, in compressing and simplifying their arguments for the current paper, I have modified their language and have introduced some differences of interpretation. For further discussion, the reader is urged to consult the above works.

commodities) depends in large part on the ability of capital to control wage-labour in the production process. And this in turn depends on the outcome of an economic class struggle in which the balance of forces is molded by many factors beyond the value form itself. Moreover, the complex internal relations among the different moments of the value form possess only a formal unity, i.e., are unified only as modes of expression of generalised commodity production. The substantive unity and continued reproduction of the circuit of capital depend on the successful coordination of these different moments within the limits of the value form. But this coordination is necessarily anarchic (since it is only through the competitive logic of market forces with all their unintended consequences that the essentially private economic decisions and activities of the capitalist system receive any social validation) and there are many points at which the circuit can be broken and economic crises emerge. Further, while the possibilities and forms of such dislocations and crises are inherent in the circuit of capital, their actual emergence, timing, and content depend on many factors extending beyond the matrix established by the value form. These factors include not only the vagaries of competition among individual capitals and the changing conjunctures of the economic class struggle but also the contingent provision of the various external conditions (such as legal and political systems) needed for capitalist production and market forces to operate. In short, although the basic parameters of capitalism are defined by the value form, form alone is an inadequate guide to its nature and dynamics.

This means there is no necessary substantive unity to the circuit of capital nor any predetermined pattern of accumulation. Within the matrix established by the value form there is considerable scope for variation in the rhythm and course of capitalist development. In this sense the value form constitutes a terrain for various attempts to reproduce the capital relation and the nature of accumulation depends on the success or failure of these attempts. In examining these attempts we need to develop notions for the analysis of economic strategies. Hitherto Marxist analyses have tended either to adopt a 'capital logic' approach which subsumes different patterns of accumulation under general economic 'laws' and/or to reduce them to specific 'economic-corporate' struggles among various fractions and classes. To fully comprehend this variation in accumulation patterns we need strategic-theoretical concepts that can establish meaningful links between the abstract, 'capital-theoretical' laws of motion of the value form and the concrete modalities of social-economic struggles analyzed by a 'class-theoretical' approach which neglects form in favour of content.<sup>4</sup> The concept of accumulation strategy is

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<sup>4</sup>For further analysis of the distinction between 'capital-theoretical' and 'class-theoretical' approaches, see Jessop, 1982.

particularly useful here, and it is worth considering its implications in some detail.<sup>5</sup>

An 'accumulation strategy' defines a specific economic 'growth model' complete with its various extra-economic preconditions and outlines the general strategy appropriate to its realisation. To be successful such a model must unify the different moments in the circuit of capital (money or banking capital, industrial capital, commercial capital) under the hegemony of one fraction (whose composition will vary *inter alia* with the stage of capitalist development). The exercise of *economic hegemony* through the successful elaboration of such a strategy should be distinguished from simple *economic domination* and from *economic determination* in the last instance by the circuit of industrial capital. The heart of the circuit of capital is the production process itself (in popular parlance, wealth must first be created before it can be distributed). This means that the performance of productive (or industrial) capital is the ultimate economic determinant of the accumulation process and that the real rates of return on money capital (including credit) and commercial capital taken as a whole (and thus abstracted from competition) depend in the long term on the continued valorisation of productive (or industrial) capital. *Economic domination* can be enjoyed by various fractions of capital and occurs when one fraction is able to impose its own particular 'economic corporate' interests on the other fractions regardless of their wishes and/or at their expense. Such domination can derive directly from the position of the relevant fraction in the overall circuit of capital in a specific economic conjuncture and/or indirectly from the use of some form of extra-economic coercion (including the exercise of state power).

In contrast, *economic hegemony* derives from economic leadership won through general acceptance of an accumulation strategy. Such a strategy must advance the immediate interests of other fractions by integrating the circuit of capital in which they are implicated at the same time as it secures the long-term interests of the hegemonic fraction in controlling the allocation of money capital to different areas of investment advantageous to itself.<sup>6</sup> Thus, whereas *economic domination* could well prove incompatible with the continued integration of the circuit of capital and result in the long-run

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<sup>5</sup>One of the most interesting developments in recent Marxist analysis is precisely the increasing concern with problems of socialist strategy; the field of capitalist strategies is still somewhat neglected.

<sup>6</sup>Money capital is the most elemental expression of capital in general; according to the law of value it is allocated among different areas of investment according to variations around the average rate of profit; but it is also important to recognise that this allocative process depends on the decisions of specific capitals whose choices are subject to social validation through market forces only in a *post hoc* and anarchic manner. Power over the allocation of money capital (either directly or indirectly) is an important attribute of economic domination and economic hegemony.

devalorisation of the total social capital (owing to its adverse effects on industrial capital as the ultimate determining moment in the overall circuit), *economic hegemony* is won through the integration of the circuit and the continued expansion of industrial capital even where a non-industrial fraction is hegemonic. It is only through a systematic consideration of the complex forms of articulation and disarticulation of *economic determination* in the last instance, *economic domination*, and *economic hegemony* that we will be able to understand the equally complex dynamic of the capitalist economy.

In presenting this definition of economic hegemony I am not arguing that acceptance of a given accumulation strategy abolishes competition or transcends conflicts of interest among particular capitals or fractions thereof. Nonetheless, such acceptance does provide a stable framework within which competition and conflicting interests can be fought out without disturbing the overall unity of the circuit of capital. In turn this depends on the general willingness of the hegemonic fraction to sacrifice certain of its immediate 'economic-corporate' interests in order to secure the equilibrium of compromise among different fractions that will sustain its long-term interest in the allocation of money capital to those areas of investment where its specific form(s) of revenue are maximised.<sup>7</sup> In the absence of such sacrifices on the part of a hegemonic fraction (whether due to subjective and/or objective limits), a crisis of hegemony will occur and the role of *economic domination* in the process of accumulation will increase.

There is considerable scope for variation in the hegemonic fraction. It can vary in terms of its primary function in the circuit of capital (banking, industrial, commercial), its mode of accumulation (competitive, monopoly, or state monopoly),<sup>8</sup> and its location in the international economy (national, comprador, international, interior).<sup>9</sup> But all such variation is conditioned by the determinant role of industrial capital in the overall accumulation process. Thus, even if banking or commercial capital enjoys hegemony and/or economic domination, this must ultimately be compatible with the continued valorisation of industrial capital. If such valorisation does not occur on an

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<sup>7</sup>Although all fractions of capital share in the total mass of surplus value created within the circuit of productive (or industrial) capital, it is appropriated in different forms according to the position of a specific fraction within the circuit: profits of enterprise, rent, interest, etc.

<sup>8</sup>For further discussion of the differences between these modes of accumulation, see Fine and Harris, 1979, and Jessop, 1982, pp. 32–62.

<sup>9</sup>The concept of 'interior' bourgeoisie was introduced by N. Poulantzas: it refers to a largely industrial, domestic bourgeoisie which is not directly subordinate to foreign capital (as with the comprador bourgeoisie) nor yet completely independent thereof (as with a national bourgeoisie); instead it enjoys a margin of manoeuvre for independent development within the framework of dependent industrialisation (typically under the aegis of American capital). See N. Poulantzas, 1975, pp. 69–76 and *passim*.



appropriate national or international scale, there will be a declining mass of surplus value for distribution among all capitals. In turn this will provoke a general crisis of capital accumulation and/or long-run decline that can be resolved within a capitalist framework only by the development of a new and relevant accumulation strategy. This can be illustrated from the British case. For, whereas the hegemony of the City was compatible with industrial growth in the nineteenth century when international loans could be used to finance the sale of goods produced in the principal 'workshop of the world' the rise of American and German industrial capital disrupted this community of interests. The subsequent pursuit of the 'economic-corporate' interests of banking capital has contributed to the steady de-industrialisation of the British economy.<sup>10</sup>

In general terms we can say that an accumulation strategy that is not to be merely 'arbitrary, rationalistic, and willed' <sup>11</sup> must take account of the dominant form of the circuit of capital — liberal, monopoly, or state monopoly; of the dominant form of the internationalisation of capital commercial, banking, industrial; of the specific international conjuncture confronting particular national capitals; of the balance of social, economic, and political forces at home and abroad; and of the margin of manoeuvre entailed in the productive potential of the domestic economy and its foreign subsidiaries. Within these constraints there will typically be several economic strategies which could be pursued (especially if we abstract from more general political and ideological considerations) with contrasting implications for the different fractions and dominated classes. This sort of space for conflicts over economic hegemony and/or domination exists not only for national economies (even supposing these could be completely isolated from the world economy), but also for the integration of the global circuit of capital under the leadership of one (or more) national capitals. Where various national strategies are compatible with the global hegemonic strategy, the conditions will have been secured for accumulation on a world scale.<sup>12</sup>

In this context it is worth noting that *economic hegemony* may best be secured where it is backed up by a position of *economic domination*. Just as Gramsci considers that state power is best interpreted as 'hegemony armoured by coercion', the expanded reproduction of capital is best viewed as 'economic hegemony armoured by economic domination'. The skilful use of a position of economic domination through the allocation of money capital

<sup>10</sup>For further discussion, see Pollard, 1982.

<sup>11</sup> Gramsci argues that there is a world of difference between historically organic ideologies and ideologies that are 'arbitrary, rationalistic, and willed'; the same argument can be applied to accumulation strategies. See Gramsci, 1971, pp. 376–377.

<sup>12</sup>For a useful analysis of the complementarity between national accumulation strategies, see Aglietta, 1982.

can bring recalcitrant capitals into line and/or encourage activities beneficial to the overall integration and expansion of the circuit of capital. With the transition from liberal capitalism to simple monopoly and state monopoly capitalist forms, the state comes to play an important role in this respect through the expansion of the public sector, the increasing role of taxation as a mechanism of appropriation, and the crucial role of state credit in the allocation of money capital. More generally one should also note the role of extra-economic coercion (mediated through the exercise of state power), in securing the various preconditions for an accumulation strategy.

Finally it should be emphasised that an accumulation strategy must not only take account of the complex relations among different fractions of capital and other economically dominant classes but must also consider the balance of forces between the dominant and subordinate classes. A strategy can be truly 'hegemonic' only where it is accepted by the subordinate economic classes as well as by non-hegemonic fractions and classes in the power bloc. Nonetheless, insofar as a combination of 'economic-corporate' concessions, marginalisation, and repression can secure the acquiescence of subordinate classes, the crucial factor in the success of accumulation strategies remains the integration of the circuit of capital and hence the consolidation of support within the dominant fractions and classes. Since these issues are also relevant to the elaboration of 'hegemonic projects' we return to them below.

## Some Implications of the Concept of 'Accumulation Strategy'

These general comments can be illustrated in various ways. At the level of the pure CMP (capitalist mode of production), in the monopoly or state monopoly stage, the role of 'Fordism' as an accumulation strategy needs little introduction (although its application in different metropolitan formations and at the periphery certainly shows extensive variation). Perhaps the best-known examples of accumulation strategies at the national level are the 'import substitution' and 'export promotion' growth models developed in Latin America and more recently succeeded by the so-called 'export substitution' model.<sup>13</sup> Other national examples include the fascist notion of *Grossraumwirtschaft* (c.f. Japan's Asian Co-Prosperity Sphere), the postwar West German strategy of *Sozialmarktwirtschaft*, the more recent West German development of the *Modell Deutschland* strategy, the attempt of British banking capital to subordinate industrial capital to its long-term strategy of restoring the international economic domination of 'City' interests after 1945, Japan's 'rich country and strong army' strategy from the Meiji Restoration

<sup>13</sup>On 'export substitution,' see Lipietz, 1982.

through to its military defeat in 1945, Japan's postwar strategy of peaceful export-led growth under the aegis of state-sponsored finance capital trusts, and the nationalist strategy of indicative planning and modernisation in post-war France. At the international level we can refer to *pax Britannica* and *pax Americana* and, most recently, the abortive proposals for a *pax trilateralis* or a new, international Keynesianism oriented to the North-South problem. These strategies and others certainly merit extended discussion. But for the moment I would prefer to bring out some of the theoretical implications of the concept of accumulation strategies.

Firstly, if there is no necessary substantive unity to the circuit of capital nor any predetermined pattern of accumulation that capital must follow, how can one define the interests of capital? At the most general level of abstraction we could perhaps say that the interests of capital consist in the reproduction of the value form along with its various conditions of existence such as law, money, and the state. This is clearly implied in the very definition of capitalism and might seem purely tautological. But even at this level of abstraction several ambiguities and dilemmas are apparent. It is not at all clear how the interest of particular capitals in their own expanded reproduction mesh with the requirements of the reproduction of capital in general, and there is considerable scope for conflict between what we might call the 'will of all' and the 'general will.' At the same time there is a permanent strategic dilemma confronting capital in general as well as particular capitals in the dependence of the value form upon non-value forms of social relations and the simultaneous threat to the value form posed by the expansion of non-market relations. This dilemma holds not only for the provision of material conditions of production (such as economic infrastructure), but also for the provision of labour-power and its reproduction outside the wage-form. In this sense the interests of capital even at the most general level of abstraction consist in the reproduction of a contradictory and ambivalent nexus of value and *non-value* forms whose reciprocal effects can sustain capital accumulation. The balance among these forms can be struck in various ways and is typically unstable and provisional. In this sense the capital relation actually comprises an indeterminate terrain on which different particular capitals compete to establish a definite course of accumulation which successfully articulates their own particular interests with those of capital in general. In short, the collective interests of capital are not wholly given and must be articulated in and through specific accumulation strategies which establish a *contingent* community of interest among particular capitals. Hence the interests of particular capitals and capital in general will vary according to the specific accumulation strategy that is being pursued. By drawing out all the implications of this conjunctural, relational approach to economic interests we can produce a radical break with the familiar

theoretical dilemmas posed by the choice between the 'capital logic' and 'class-theoretical' approaches.

A second enduring problem in Marxist analyses of capitalism concerns the question of stages (or periodisation), and its implications for the operation of capitalism's 'basic laws of motion.' It is now widely recognised that attempts to 'periodise' capitalism need not imply that there is a necessary, unilinear succession of stages, that stages are irreversible, or that all national economies will be at the same stage of capitalist development. Moreover, it is not clear that it is possible to periodise capitalism into distinct *stages* involving definite breaks as opposed to the gradual accumulation of specific trends or tendencies. This problem occurs not only at the level of the pure CMP viewed in isolation from the existence of different national capitals, but also at the level of the circuit of capital considered in its international dimension and/or with reference to its articulation with other modes of production and forms of social and private labour. In considering this problem of stages or trends there would seem to be at least four possible solutions.<sup>14</sup> One could deny the theoretical validity of attempts at periodisation and simply talk about different forms of articulation of the circuit of capital and their historical rather than necessary succession. Alternatively, one could argue that any general periodisation will necessarily be indeterminate (or underdetermined), and must be limited to the identification of possible changes in the form of the capital relation, its conditions of existence, and its implications for accumulation. Conversely, the factors which influence the timing, successes, and substance of any transition (including the sharpness or gradualism of any break) must be determined at more concrete and complex levels of analysis. Third, if one wanted to introduce some principles of explanation into the question of timing, it might be possible to link these potential changes to a crisis theory or long-wave theory of capitalist development. Such a crisis theory or long-wave theory would identify specific obstacles to continued accumulation and consider the areas where the circuit of capital and/or its preconditions need to be reorganised in order to restore its expanded reproduction.<sup>15</sup> Finally, one could give more weight to the restructuring of the state apparatus in the periodisation of capital accumulation. For, regardless of whether one emphasises the accentuation of specific tendencies or trends, or stresses the discontinuities linked with periodic long-wave crises, changes in the form and content of state intervention are typically required to consolidate the dominant features of succeeding stages. The political discontinuities associated with this restructuring of the state could then provide

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<sup>14</sup> A particularly useful periodisation of the pure CMP and the internationalisation of capital is found in Fine and Harris, 1979.

<sup>15</sup> A technological variant of this approach can be found in Mandel, 1975; see also Itoh, 1980.

the basis not only for a periodisation of the capitalist state but also for the periodisation of capitalist economies. What is significant in all of the latter three solutions is the crucial role played by changing accumulation strategies in periodisation. Whether one focuses on the general problem of the timing, substance, and success of transitions, on the reorganisation of the circuit of capital in response to long wave crises, or on the restructuring of the state apparatus, it would be difficult to provide satisfactory explanations without referring to shifts in accumulation strategy. Indeed, the analysis of such changes seems particularly appropriate in attempts at periodisation because it enables us to avoid both a rigid 'capital logic' determinism and a simple denial of significant alterations in the nature of the capital relation.

Posing the problem of periodisation in these terms nonetheless raises some issues about levels of abstraction. In particular, how should one identify a shift in the dominant accumulation strategy? Martin has recently argued, for example, that there is a specific dynamic to Keynesian full employment policies which requires specific changes in order to counteract the stagflationary tendencies of earlier policies. Thus we find a shift from simple reliance on macro-level demand management to incomes and manpower policies and then to the socialisation of investment funds in the Swedish case, and analogous shifts in other countries committed to full employment.<sup>16</sup> Does movement from one stage of Keynesianism to another imply a change in the nature of capitalism? Our answer clearly depends upon the level of abstraction and complexity in terms of which capitalism is defined. On one level Keynesianism is a general accumulation strategy found in various capitalist economies and marking a long wave of accumulation from the 1930s through to the 1970s. It then can be specified through introducing a more detailed account of national variations reflecting the particular balance of forces in each economy (e.g., 'military Keynesianism' in the United States as opposed to 'Butskellism' in Britain or social democratic Keynesianism in Sweden). And it can be specified in terms of stages permitting a periodisation of Keynesianism itself. But in all cases there is a clear break between Keynesian and pre-Keynesian periods, enabling us to distinguish definite stages rather than simple accentuation of tendencies or trends.

Linked to this issue is a more general problem of the variety of tactics within a given accumulation strategy and the plurality of strategies possible in a given conjuncture. It would clearly be wrong to argue that only one accumulation strategy is ever followed at one time and even more so to suggest that only one tactic is tried in its pursuit. Instead we must recognise that there are various possible strategies with different degrees of support within and across fractions of capital. This reflects different positions within

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<sup>16</sup>C.f. Martin, 1979.

the circuit of capital and/or different modes of economic calculation. Even where there is a dominant accumulation strategy we can expect to find supplementary or countervailing strategies. It is in this context that the capacity to reinforce *economic hegemony* through a resort to the structurally inscribed power of *economic domination* becomes important. At the same time it is important to recognise that there will be several tactics which can be followed in pursuit of a given strategy. The availability of alternative tactics (even if they are not all equally preferred) is essential for the flexible implementation of accumulation strategies. Indeed, insofar as the requirements for expanded reproduction are ambivalent or contradictory and the social validation of economic activities is anarchic and often *post hoc* in character, it is imperative to have a range of tactics available for use on a trial-and-error basis. Moreover, insofar as alternative tactics will have differential repercussions on the position of various particular capitals, fractions, and dominated classes, it is also imperative to have such a range available in order to manage the balance of forces and secure the provisional, unstable equilibrium of compromise on which accumulation depends. This plurality of tactics thereby creates a margin of manoeuvre for non-hegemonic fractions and dominated classes to pursue their respective 'economic-corporate' demands.<sup>17</sup> This may pose threats to the successful implementation of the dominant accumulation strategy. However, if the pursuit of these interests is conducted within the framework of the dominant strategy (thus moderating the demands of all), it is more likely to contribute to the equilibrium of compromise.

Finally, it is worth asking whether the significance we have attributed to accumulation strategies in the dynamic of capitalist economies implies a voluntarist or idealist approach. We have emphasised that capital accumulation involves a form-determined relation of forces and related accumulation strategies to the value form. In opposition to structural superdeterminism and idealist approaches alike we insist on treating capital accumulation as the contingent outcome of a dialectic of structures and strategies. Structures are given through the various moments of the value form and the emergent properties of social interaction (such as the celebrated effects of 'market forces'), whereas the development and pursuit of accumulation strategies reproduce and transform these structures within definite structural limits. There is a complex dialectic at work here. The effectiveness of strategies depends on their adaptation to the margin of manoeuvre inherent in the prevailing structures and their repercussions on the balance of forces. But it is through exploiting this margin of manoeuvre that the balance of forces and structures themselves can be changed in the medium and long term. It is for this rea-

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<sup>17</sup>This analysis of strategy and tactics is indebted to the work of N. Poulantzas: see especially Poulantzas, 1976, pp. 34–39; similar arguments can be found in work of M. Foucault, especially Foucault, 1981.

son that we insist on the relational, conjunctural approach to the analysis of capital as a form-determined condensation of the balance of class (and class relevant) forces.<sup>18</sup> In this respect it is important to consider not only the value form and directly economic forces but also political and ideological structures, forces, and strategies. Accordingly, we now turn to consider the problem of the state form and political practices.

## On the Form of the State

State power is also a form-determined social relation. This means that an adequate analysis of the capitalist state must consider not only its distinctive institutional form(s) but also how the balance of political forces is determined by factors located beyond the form of the state as such. The most important general aspect of the form of the capitalist state is its *particularisation* (its institutional separation from the circuit of capital). This is facilitated by the value form insofar as the relations of capitalist production exclude extra-economic coercion from the circuit (or subordinate such relations to the logic of market forces as the material expression of the law of value). The state is required by the value form insofar as there are certain crucial extra-economic preconditions of the circuit of capital that must be secured through an impartial organ standing outside and above the market.

At the same time this particularised state form makes the functionality of the capitalist state problematical. For, notwithstanding the loud and frequent proclamation by some Marxist theorists that the state is simply the ideal collective capitalist, it is quite clear that its institutional separation permits a dislocation between the activities of the state and the needs of capital. Conversely, although some theorists (such as Hindess and Hirst) sometimes seem to suggest that there is a necessary non-correspondence between the state and the economic region, it would seem that correspondence can occur but must be constituted in the course of a struggle whose outcome is always contingent. This follows from the fact that both the value form of the CMP and its particularised state form are indeterminate in certain respects and that any correspondence or dislocation between them or their substantive content will depend on many factors beyond purely formal mechanisms. Let us see how this problem can be specified for further study.

Although its particularisation is the most important general aspect of the capitalist state, there is much else that needs to be considered for an adequate account of the state. Three aspects of the state-as-form need exploring: forms

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<sup>18</sup>On the distinction between class forces and class-relevant forces, c.f. Jessop, 1982, pp. 242–244.

of representation, forms of intervention, and forms of articulation of the state considered as an institutional ensemble. All three aspects are crucial in the mediation of the rule of capital. Forms of political representation shape the ways in which the interests of capital in a given accumulation strategy are articulated and, through the 'structural selectivity' inscribed in such forms, can privilege some strategies at the expense of others. Different forms of intervention also have differential implications for the pursuit of particular accumulation strategies. Finally, the hierarchical and horizontal distribution of powers in the state apparatus and the relative dominance of specific branches of the state will have significant effects on the exercise of state power in the interests of accumulation. There is still much to investigate in these areas of form determination, and Marxist theories could learn a great deal here from more orthodox political analyses.

In addition to these formal aspects of the state system we must also examine its substantive aspects. As well as the specific policies implemented by the state apparatus there are two more general determinations: the social bases of support for and resistance to the state, and the nature of the 'hegemonic project' (if any) around which the exercise of state power is centred. By the social basis of the state we understand the specific configuration of social forces, however identified as subjects and (dis-)organised as political actors, that supports the basic structure of the state system, its mode of operation, and its objectives. This support is not at all inconsistent with conflict over specific policies as long as such conflict occurs within an agreed institutional framework and accepted 'policy paradigm' that establishes the parameters of public choice. It should be noted that political support of this kind is not reducible simply to questions of 'consensus' but depends on specific modes of mass integration which channel, transform, and prioritise demands, and manage the flow of material concessions necessary to maintain the 'unstable equilibrium of compromise' which underpins such support.<sup>19</sup> It should also be noted that the social bases of the state are heterogeneous and the different social forces will vary in their degree of commitment to the state. At the same time there will be considerable variation in the mix of material concessions, symbolic rewards, and repression directed through the state to different social forces. These variations in support and benefit are typically related to the prevailing hegemonic project (if any) and its implications for the form and content of politics.

In broad terms hegemony involves the interpellation and organisation of different 'class-relevant' (but not necessarily class-conscious) forces under

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<sup>19</sup>The concept of 'mode of mass integration' was introduced by Joachim Hirsch: see Hirsch, 1978b.



the 'political, intellectual, and moral leadership' of a particular class (or class fraction) or, more precisely, its political, intellectual, and moral spokesmen. The key to the exercise of such leadership is the development of a specific '*hegemonic project*' which can resolve the abstract problem of conflicts between particular interests and the general interest. In abstract terms this conflict is probably insoluble because of the potentially infinite range of particular interests which could be posited in opposition to any definition of the general interest. Nonetheless, it is the task of hegemonic leadership to resolve this conflict on a less abstract plane through specific political, intellectual, and moral practices. This involves the mobilisation of support behind a concrete, national-popular programme of action which asserts a general interest in the pursuit of objectives that explicitly or implicitly advance the long-term interests of the hegemonic class (fraction) and which also privileges particular 'economic-corporate' interests compatible with this program. Conversely those particular interests which are inconsistent with the project are deemed immoral and/or irrational and, insofar as they are still pursued by groups outside the consensus, they are also liable to sanction. Normally hegemony also involves the sacrifice of certain short-term interests of the hegemonic class (fraction), and a flow of material concessions for other social forces mobilised behind the project. It is thereby conditioned and limited by the accumulation process.

But it should be emphasised here that hegemonic projects and accumulation strategies are not identical even though they may overlap partially and/or mutually condition each other. While accumulation strategies are directly concerned with economic expansion on a national or international scale, hegemonic projects can be concerned principally with various non-economic objectives (even if economically conditioned and economically relevant). The latter might include military success, social reform, political stability, or moral regeneration. Moreover, while accumulation strategies are oriented primarily to the relations of production and thus to the balance of class forces, hegemonic projects are typically oriented to broader issues grounded not only in economic relations but also in the field of civil society and the state. Accordingly hegemonic projects should take account of the balance among all relevant social forces, however these may be organised. It is in this sense that we can refer to hegemonic projects as concerned with the 'national-popular' and not simply with class relations. Lastly, given the differentiation between the value form and the form of the state as well as the differential scope and content of accumulation strategies and hegemonic projects, there is obviously room for some dissociation or inconsistency between them in specific conjunctures. In general it would seem obvious that accumulation and hegemony will be most secure where there is a close congruence between particular strategies and projects. But this is not the same as

saying that accumulation needs to be the overriding objective of a hegemonic project. Other cases worth exploring would occur where an accumulation strategy is successfully pursued in the absence of hegemony, where the pursuit of an 'arbitrary, rationalistic, and willed' hegemonic project undermines the conditions for accumulation, and where demands of continuing accumulation associated with a particular strategy override the requirements of the prevailing hegemonic project.

What exactly is involved in a successful hegemonic project? I want to suggest that the realisation of a hegemonic project ultimately depends on three key factors: its structural determination, its strategic orientation, and its relation to accumulation. The *structural determination of hegemony* involves the structural privileges inscribed in a given state form (including its forms of representation, intervention, and internal articulation), for some forces and their interests at the expense of other forces and interests. This aspect is sometimes referred to as the 'structural selectivity' of the state. At stake here is the form of political struggles and the implications of form for the strategic relations among different political forces. Within these objective limits there is nonetheless some scope for short-term variations in hegemony at the level of political practices. These could include periods of unstable hegemony, dissociation between hegemony over the power bloc and that over the popular masses, crises of hegemony, and even short-term shifts of hegemony in favour of subordinate classes such as the petty bourgeoisie or the working class (or social categories such as the military, bureaucrats, or intellectuals). But the structural selectivity of the state form means that these variations are essentially short-term and that hegemony will return in the long term to the structurally privileged class (or class fraction), provided that its strategic orientation and relation to accumulation prove adequate. This proviso is crucial. For, although a stable hegemonic position depends on the form-determination of the state, it is not reducible to structural determination.

In addition to the aspect of structural determination, attention must also be paid to the development of a hegemonic project which successfully links the realisation of certain particular interests of subordinate social forces to the pursuit of a 'national-popular' programme which favours the long-term interests of the hegemonic force. The conquest of hegemony involves three areas of political, intellectual, and moral leadership. First, it involves the integration of various strategically significant forces as subjects with specific 'interests' and the repudiation of alternative interpellations and attributions of interest.<sup>20</sup> Second, it involves the formulation of a general,

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<sup>20</sup>Interpellation is an ideological mechanism through which subjects are endowed with specific identities, social positions, and interests. The concept has been introduced into ideological analysis by Louis Althusser: see his essay on 'Ideology and Ideological State Apparatuses', in Althusser, 1971.

'national-popular' project whose realisation will also advance the particular 'economic-corporate' interests perceived by subordinate social forces. Finally, it involves the specification of a 'policy paradigm' within which conflicts over competing interests and demands can be negotiated without threatening the overall project.

It is quite possible for subordinate classes and/or social categories rooted in non-class relations to develop alternative hegemonic projects. But they will always remain vulnerable to the dissolution of any such hegemony as attempts to implement such projects run up against obstacles grounded in existing economic and political forms. It is for this reason that the conquest of ideological hegemony must be coupled in the long term with the reorganisation of a new form of state that offers structural privileges to the hegemonic force in question. More generally it should be emphasised that there is no need for the social forces mobilised behind a given hegemonic project to be directly interpellated as class forces (even though they may well have a definite class belonging and/or also have a clear class relevance). Indeed it is quite normal for hegemony to be associated with the repudiation of an antagonistic class discourse and an insistence on the primacy of individual and/or pluralistic bases of social organisation. In this sense we might suggest that 'pluralism' is the matrix within which struggles for hegemony occur.

Third, it should be emphasised that there is no compelling reason to expect that hegemonic projects should be directly economic in character or give priority to economic objectives. But it is important to recognise that successful pursuit of a hegemonic project will depend on the flow of material concessions to subordinate social forces and thus on the productivity of the economy. It follows that those hegemonic projects will prove most successful which, other things being equal, are closely linked with an appropriate accumulation strategy or, in the case of a socialist hegemonic project, an adequate alternative economic strategy.

Finally, it is worth noting that hegemonic projects also have a crucial role in maintaining the substantive unity of the state apparatus as a complex institutional ensemble. Even where there is a well-defined distribution of functions and powers within the state system and it is organised in a formal, 'rational-legal' manner, it is still necessary to translate this formal unity into substantive unity. Consensus on a hegemonic project can limit conflicts within and among the various branches of the state apparatus and provide an ideological and material base for their relative unity and cohesion in reproducing the system of political domination. The fundamental problem of articulating certain 'particular interests' into a 'general interest' favourable to capital (and discouraging the assertion of other 'particular interests'), occurs within the state apparatus as well as in the economic domain and civil society. Thus it affects not only the representation of economic and social interests

inside the state but also the *sui generis* interests of political categories such as bureaucrats, deputies, the police, and judges. Indeed the problem of avoiding a merely particularistic reproduction of competing and contradictory 'economic-corporate' interests and securing some coordination and cohesion of the state apparatus becomes more pressing with the expansion of that apparatus and the extension of its activities well beyond formal facilitation of capital accumulation to include a wide range of social reproduction and directive activities. In the absence of a modicum of substantive as well as formal unity, however, the state is deprived of the relative autonomy it needs to act as an 'ideal collective capitalist' in relation to accumulation and/or to secure social cohesion more generally in its promotion of 'national-popular' goals. In this sense we can argue that the relative autonomy of the state is bound up with its substantive unity (a concept preferable to that of class unity), and that both depend on the exercise of state power according to a specific hegemonic project.

### **Some Implications of the Concept of 'Hegemonic Project'**

So far I have implied that hegemony is typical or normal in capitalist societies, that hegemonic projects somehow manage to secure the support of all significant social forces, and that the hegemonic force itself is bound in the long term to be an economically dominant class or class fraction rather than a subordinate class or non-class force. In each case these implications are misleading or false. Accordingly, in this section I want to specify the arguments more carefully and draw out some of the fundamental theoretical problems posed by the analysis of hegemony in terms of hegemonic projects. Let us begin with the question of whether such projects gain the support of all significant social forces.

To suggest that hegemony wins almost universal support is misleading. Alternatively, this formulation creates far too large a residual category of states characterised by a crisis of hegemony (and thereby implies that hegemony is far from typical of capitalist societies). The problem can be clarified by distinguishing between 'one nation' and 'two nations' hegemonic projects. Thus 'one nation' strategies aim at an expansive hegemony in which the support of the entire population is mobilised through material concessions and symbolic rewards (as in 'social imperialism' and the 'Keynesian-Welfare state' projects). In contrast, 'two nations' projects aim at a more limited hegemony concerned to mobilise the support of strategically significant sectors of the population and to pass the costs of the project to other sectors (as in fascism and Thatcherism). In periods of economic crisis and/or limited scope for material concessions, the prospects for a 'one nation' strategy are

restricted (unless it involves a perceived equitable sharing of sacrifice), and 'two nations' strategies are more likely to be pursued. In addition, where the balance of forces permits, such strategies may also be pursued during periods of expansion and may, indeed, be a precondition of successful accumulation. In both cases it should be noted that two nations projects require containment and even repression of the other nation at the same time as they involve selective access and concessions for the more favoured 'nation'. Recent work on the *Modell Deutschland* provides particularly interesting illustrations of a two nations strategy (c.f. Hirsch, 1983).

Once we distinguish between 'one nation' and 'two nations' hegemonic projects, there would seem less reason to question the normality of hegemony in capitalist societies. But a number of problems still remain. In the first place the distinction is in certain respects 'pre-theoretical', i.e., it is basically descriptive in character and requires more rigorous definition of its various dimensions and preconditions. As with the more general concept of 'hegemony' and the attempt to clarify it through the introduction of the notion of 'hegemonic project', this definitional task poses serious difficulties concerning the appropriate level of theoretical abstraction and simplification. While questions of form can be discussed in isolation from specific historical cases (as in discussion of the commodity form, money form, or wage-form), it is difficult to discuss hegemony, hegemonic projects, or 'one nation' strategies without reference to specific examples and the substance of particular political, intellectual, and moral discourses. The solution must be sought in the combination of a *formal* analysis of discursive strategies (drawing on linguistics and similar disciplines)<sup>21</sup> and specific references to concrete differences and equivalences established in pursuing particular hegemonic projects (and their corresponding patterns of alliance, compromise, truce, repression, and so forth). In short, while it is possible to give *indications* about the nature and dynamics of hegemony at a general theoretical level, it is only through reference to specific projects that significant progress can be made.

In this context an important question is what distinguishes 'one' or 'two nation' projects from political, intellectual, and moral programmes that are non-hegemonic in character. The work of Gramsci is particularly useful here. This work suggests a continuum between an expansive hegemony (or 'one nation' project) through various forms of 'passive revolution' to an open 'war of manoeuvre' against the popular masses. An expansive project is concerned to extend or expand the *active* support of a substantial majority (if not all) of the popular masses, including the working class (whether or not interpellated as such). This is to be achieved through a combination of

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<sup>21</sup>For an example of this sort of approach, see the work of E. Laclau: 1977, 1980a, 1980b.

material and symbolic rewards whose flow depends on the successful pursuit of a 'national-popular' programme that aims to advance the interest of the nation as a whole.

Short of such expansive hegemony can be found various forms of 'passive revolution.' This involves the reorganisation of social relations ('revolution') while neutralising and channelling popular initiatives in favour of the continued domination of the political leadership ('passive').<sup>22</sup> For Gramsci the crucial element in passive revolutions is the *statisation* of reorganisation or restructuring so that popular initiatives from below are contained or destroyed and the relationship of rulers-ruled is maintained or reimposed. What is missing in 'passive revolution' as compared with a full-blown 'expansive hegemony' is a consensual programme that provides the motive and opportunity for popular participation in the pursuit of 'national-popular' goals which benefit the masses as well as dominant class forces. Instead 'passive revolution' imposes the interests of the dominant forces on the popular masses through a war of position which advances particular popular interests (if at all) through a mechanical game of compromise rather than their organic integration into a 'national-popular' project. It must be admitted that Gramsci's analyses are indicative rather than definitive of this mode of leadership. They could be extended through more detailed consideration of different forms of 'passive revolution' ranging from the transitional case of 'two nations' projects (which combine features of an expansive hegemony and 'passive revolution' but direct them differentially towards each of the 'nations') through normal forms of 'passive revolution' (as defined above) to the use of 'force, fraud, and corruption' as a means of social control (which can be considered as a transitional form between 'passive revolution' and 'war of manoeuvre').<sup>23</sup> Generally speaking we would expect to find these forms combined in actual societies and it is important to define these combinations in particular cases.

At the other extreme from an 'expansive hegemonic project' is an open '*war of manoeuvre*' against the organisations of the popular masses, especially those with close links to the working class (where accumulation is at stake), and/or those that express widespread popular support for basic popular-democratic issues and thereby threaten the system of political and ideological domination (e.g., the 'new social movements'). Such open wars indicate a crisis of hegemony but they need not be associated with corresponding crises in accumulation strategies. It should also be noted that, although open wars of manoeuvre sometimes last for many years (especially in dependent capitalist societies), they are often transitional and prepare the

<sup>22</sup>On Gramsci's analyses of 'passive revolution', see: Bucí-Glucksmann, 1979, pp. 207–236; Sassoon, 1980, pp. 204–17 and *passim*; Sassoon, 1982, pp. 127–149.

<sup>23</sup>On 'force, fraud, and corruption', see Gramsci, 1971, pp. 80, 95, and *passim*.

ground for a new period of hegemony. In this sense a war of manoeuvre may well prove to be short-term (at least as the dominant feature of ruling-class strategy) and be coupled with an ideological offensive to redefine the relationships and 'interests' of the popular masses and link these to a new (typically 'two nations') project. Or there can be a resort to normalisation through a 'passive revolution'. The emergence and consolidation of 'exceptional' forms of state, such as fascism, military dictatorship, or Bonapartism, provide numerous examples of such transitions from war of manoeuvre to more stable (albeit non-democratic) forms of political domination.

Successful hegemonic projects are noteworthy for their capacity to cement a 'historical bloc' involving an organic relation between base and superstructure.<sup>24</sup> In this sense they bring about a contingent correspondence between economic and non-economic relations and thereby promote capital accumulation. Does this mean that the hegemonic force is always and inevitably an economically dominant class or class fraction? If hegemony can only be enjoyed by those who take a leading role in the formulation of hegemonic projects, the answer must be negative. For it is typically the role of organic intellectuals (such as financial journalists, politicians, philosophers, engineers, and sociologists), to elaborate hegemonic projects rather than members of the economically dominant class or class fraction. In the case of the short-run fluctuations in hegemony within the framework of the structural determination inscribed in the state form, there is even more scope for variation in the protagonists of specific hegemonic projects. However, if a hegemonic position can derive from the net impact of a given project on the promotion of class (or fractional) interests, the answer can be affirmative. Indeed, as long as capitalism is reproduced without a transition to socialism or collapse into barbarism, an economically dominant class (but not necessarily one that enjoys hegemony), is bound to exist simply by definition. But we still need to establish whether there is a dominant fraction within the dominant class, whether capital (or one of its fractions) enjoys economic hegemony, and whether capital (or one of its fractions) enjoys political, intellectual, and moral hegemony. Given the possibilities for dislocation between economic domination and/or economic hegemony and hegemony in broader terms, these issues can only be settled in the light of specific overdetermined conjunctures. Clearly only concrete analyses of concrete situations will resolve these issues.

Finally, let us consider the implications of hegemony for the periodisation of the state. In periodising capitalism we have already stressed the role of changing accumulation strategies and their associated changes in state

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<sup>24</sup>On the concept of 'historical bloc', see Gramsci, 1971, pp. 137, 168, 360, 366, 377, and 418.

intervention. But this latter approach is too one-sided to provide an adequate basis for a periodisation of the state. For it focuses on changing forms of state intervention and executive-legislative changes and ignores changes in forms of representation, social bases, and hegemonic projects. It is not too difficult to establish theoretically how the forms of intervention and role of the executive and legislative branches of the state must change to correspond to different modes of articulation of the circuit of capital in relatively abstract terms. It is far less clear how these will change at the level of specific national economies in relation to particular accumulation strategies. It is even more problematic whether there are any necessary changes in the forms of representation and social bases of the state to ensure its correspondence with changes in the circuit of capital. Certainly the recent analyses of corporatism have a poor track record in accounting for the form of the modern state through the differential development and stability of corporatist institutions and programmes. Likewise, Poulantzas' work on 'authoritarian statism' remains indeterminate on forms of representation and social bases associated with this new state form. These theoretical problems derive from the underdetermination of the state system by the value form.<sup>25</sup> Moreover, because it is located at the level of actually existing societies rather than the pure CMP or abstract international circuit of capital, the state is necessarily the target and the site of various struggles which extend beyond economic or class issues. These arguments suggest that the periodisation of the state must also involve criteria which extend beyond economic or class issues.

Accordingly, it seems that any theoretical periodisation of the state must operate on several levels of abstraction and with different degrees of 'one-sidedness' or complexity. Just as we need to flesh out the periodisation of the circuit of capital with reference to changing 'accumulation strategies', so we also need to flesh out the periodisation of the state seen in its capacity as 'ideal collective capitalist' (e.g., liberal state, interventionist state, authoritarian state), with an account of changing hegemonic projects and/or crises in hegemony. In this context it should be recalled that hegemony has three aspects: its structural determination (which points up the need to study forms of representation and the internal structure of the state as well as forms of intervention), its relation to political practices (which points up the need to study the social bases of state power), and its relation to the prevailing accumulation strategy. Clearly there will be some variation in the relative weight to be attached to these different aspects in a given periodisation. In considering 'normal' states more importance would be attached to the prevailing forms of political representation, for example, whereas more weight would be given to the relative power of different branches of the state system

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<sup>25</sup>On 'authoritarian statism', see Poulantzas, 1978, pp. 203–249.



in considering ‘exceptional’ states. But a full account would consider both aspects in dealing with democratic and non-democratic states alike.

## Concluding Remarks

In conclusion I shall try to bring out some implications that may not be evident and which merit further exploration. First, in following the sort of analysis of the value form suggested by Itoh in Japan or Elson in Britain, I have tried to break with the final bastion of economism in Marxist analysis while retaining the fundamental contribution of *Das Kapital* to the critique of political economy. On the one hand, I have tried to show that there is no essential unity of substance to the value form or the circuit of capital and that any unity that exists — even at the purely economic level — depends on the successful implementation of an appropriate accumulation strategy oriented to all the complex economic, political, and ideological conditions necessary to accumulation in a specific conjuncture. On the other hand, I have tried to retain Marx’s account of the specificity of the value form and its implications for the dynamic of accumulation rather than dissolve the specificity of the CMP into an all-encompassing, all-flattening ‘discourse theoretical’ approach of the kind adopted in some recent analyses.

Second, in introducing this mode of analysis of the value form and the substance of value, I have attempted to prepare the ground for a parallel approach to the state form (*Staat als Form*) and state power. Far from trying to dismiss the contributions of the *Staatsableitungsdebatte*, I have accepted the importance of its analysis of how form problematises function and have suggested how we might explore this crucial insight more fruitfully. However, while hinting at three different aspects of state form and suggesting that each of these aspects can problematise state functions, I have also noted two aspects of the substance of state power that need investigation. It is in this context that the idea of ‘hegemonic project’ is crucial. For the successful propagation of a hegemonic project secures an adequate social basis for the exercise of state power and also imposes a degree of substantive unity on the state apparatus to complement its formal unity.

Third, by introducing the distinction between ‘accumulation strategy’ and ‘hegemonic project’, I have tried to provide a more satisfactory method of analyzing the dilemmas posed by the often contradictory relations between ‘accumulation’ and ‘legitimation’. The approach suggested here seems better on two counts. It emphasises that ‘accumulation’ is not just an economic issue but extends to political and ideological matters, and has a crucial ‘strategic’ dimension. It also suggests the possibility that the contradiction between ‘accumulation’ and ‘legitimation’ can sometimes be resolved

through the elaboration of 'hegemonic projects' which successfully assert a general interest in accumulation which also advances the particular interests of subordinate social forces. In turn this possibility depends on specific political and ideological activities that interpellate subjects, endow them with interests, and organise them in conjuncturally specific ways. In this way I hope to have brought out the 'relational' contingent character of power relations, interests, and subjectivities, and to have revealed the difficulties in positing 'objective' interests in an essentially abstract manner.

Fourth, by treating hegemony in terms of specific 'hegemonic projects', I have tried to overcome the tendency inherent in many uses of Gramsci to reduce hegemony to a rather static consensus and/or a broadly defined common sense. Instead I have emphasised the dynamic movement of leadership towards definite aims in specific conjunctures. This approach is hopefully more useful in capturing the nature of hegemonic crises and enables us to distinguish them more clearly from ideological crises. For a hegemonic crisis is a crisis of a specific hegemonic project and could well be resolved through a re-specification of goals and tactics within the same basic ideological matrix. An ideological crisis is more general in form and requires a more radical re-articulation of practical moralities, common sense, and ultimate values.

Finally, in locating the concept of hegemonic projects at the level of the social formation and linking it to the 'national-popular', I have tried to indicate the importance of non-class forces in securing the hegemony of the dominant class. The class character of a given hegemonic project does not depend on the *a priori* class belonging of its elements or any *soi-disant* class identity professed by its proponents; it depends instead on the effects of pursuing that project in a definite conjuncture. In many cases a bourgeois hegemonic project involves the denial of class antagonism (and sometimes even the existence of classes) and/or emphasises the pursuit of non-economic or non-class objectives, but such objectives still depend on the accumulation process (among other things), and are thus still economically conditioned as well as economically relevant. In addition it should be noted that the interpellation of classes in non-class terms means that provision must be made for the representation of such non-class interests and the satisfaction of their demands. It is in this respect that the growth of new social movements causes problems for existing hegemonic projects insofar as neither parliamentary nor corporatist forms can provide the means to integrate them into the social basis of the capitalist state. But referring to such problems is already to pose issues that demand much more detailed treatment. Hopefully enough has been said to provoke others to work along similar lines.

## Chapter 6

# State, Class Struggle, and the Reproduction of Capital

In the last few years, the Marxist theory of the state has been the focus of continuous debate. The main aim of most of the contributions to the debate has been to steer a middle way between ‘vulgar’ conceptions of the state as a mere tool of capital and ‘reformist’ conceptions of the state as a neutral institution standing outside and above the class struggle. The focus of recent discussion has been the attempt to develop an adequate account of the capitalist state as a particular historical form of social relation. The emphasis in most contributions has been on the ‘externality’ of the state in relation to particular capitals and on its ‘particularity’ as a *political* institution, standing apart from the forms of class struggle surrounding the production and appropriation of surplus value. Within this framework various solutions have been put forward, usually seeing the state as a sort of external guarantor of the conditions of capitalist reproduction, whose subordination to capital is effected through the subordination of the material reproduction of the state to the reproduction of capital; through the political and administrative systems that ensure the dominance of the capitalist class; and through the ideological subordination of the working class to capital.

Although much progress has been made in the analysis of the capitalist state, the results have been in many ways disappointing, and the political conclusions drawn from the analysis have often been insubstantial. One of the major weaknesses has been a tendency for contributions to oscillate between the extremely abstract, and often formalistic, analysis of ‘state derivation’ that too often reduces to another version of structural-functionalism, and extremely concrete, and often empiricist, attempts at historical analysis. The

failure adequately to integrate form and content perhaps indicates that something has gone wrong, both methodologically, in failing to locate correctly the levels of abstraction appropriate to particular concepts, and substantively, in the way in which the problem of the state has been posed in the first place.

The political weaknesses of our analysis are closely related to these theoretical failings, and have become especially apparent with the challenge thrown down to both social democratic and Marxist orthodoxy by the New Right. One of the most fundamental questions we have to resolve is whether the New Right is a fleeting phenomenon that will soon come up against the realities of capitalist state power, or whether it rather represents a major shift in the character of state power, and so the terms of political struggle. Should we be sitting back, waiting to resume the same old battles, or has the whole battlefield moved on? We can, of course, look to history and see in today's developments a re-run of the thirties, with a new 'fascism with a human face' as the greatest threat, implying an obligation on socialists to submerge themselves in popular democratic campaigns in defense of trade unionism, of freedom of speech and assembly, against racism and sexism, in defense of welfare rights etc. However, history never simply repeats itself, and capitalism in the 1980s is not capitalism in the 1930s.

Only an adequate theory of the capitalist state can help us to decide whether simple comparisons with the 1930s are legitimate or not, for only such a theory can distinguish between those features of the capitalist state that are essential to it as a capitalist state, those features that belong to a particular stage of capitalist development, and those features that are contingently determined by the outcome of particular struggles. The New Right has challenged many of our preconceptions about the essential features of the late capitalist state, and about the historical tendencies of capitalist development, by proposing to roll back the frontiers of the state without any regard for the supposed necessity of this or that aspect of the state, and without any consideration of the supposed contradiction between the 'accumulation' and 'legitimation' functions of the state.

In this paper I want to try to take up this challenge, as provocatively as possible, and to have another look at the capitalist state. I do not want to propose yet another theory of the state, not least because part of my argument is that the state cannot be derived conceptually. Rather, I want to raise some questions about the kinds of relationships that we should be focusing on, and particularly those between class struggle, the reproduction of capital, and the state.

## **The Problem of the State**

The problem of the state is often posed as the problem of reconciling the class character of the state with its institutional separation from the bourgeoisie: what are the mediations through which the state is, despite its apparent neutrality, subordinated to capital? This is usually presented as a problem peculiar to the *capitalist* state. However, it needs to be stressed that the state is not a peculiarly capitalist institution, it is an institution common, in different forms, to all class societies. Moreover, the institutional separation of the state from the exploiting class is a feature of all class societies, whence, for example, the confusions in recent discussion of the asiatic mode of production and of the absolutist state, in which the apparent subordination of the exploiting class to the state apparatus, in the one case, and the apparent independence of the state, in the other, have been taken as signs of the inadequacy of Marxist analysis. The mediations between class and state have to be developed in every form of class society, for in every class society the state is institutionally separated from, and 'external' to, the exploiting class. This point is very important to the extent that recent accounts have explained the particularisation of the state on the basis of properties peculiar to capital, rather than as a general characteristic of the relation between class and state.

The reason for this confusion has been the tendency to treat the two aspects of the problem of the state at the *same* level of abstraction, because the concept of the 'state' is treated at the same level of abstraction as the concept of 'class': the problem is posed as a problem of explaining at one and the same time how the state is *both* a class state *and* appears institutionally separated from the capitalist class. The basic argument of this paper is that this is to conflate levels of abstraction in the analysis of the state. The problem is not one of reconciling an immediate relationship between class and state with a manifest separation of the two, a problem that is irresolvable. It is the problem of explaining how a form of class rule can appear in the fetishised form of a neutral administrative apparatus, just as the rule of capital in production appears in the fetishised form of a technical coordinating apparatus. The apparent neutrality is not an essential feature of the state, it is rather a feature of the fetishised form in which the rule of capital is effected through the state. It is, therefore, something that should emerge at the end of the analysis, and not something that should be inscribed in the analysis from the beginning. This means in practice that the state has to be derived from the analysis of the class struggles surrounding the reproduction of capital, instead of being derived in some way from the surface forms of appearance of capital. The essential feature of the state is its class character; its autonomy is the surface form of appearance of its role in the class struggle. In the end, this is because the concept of 'class' as

the concept appropriate to the social relations of production in their most general and abstract form, and the concept of the 'state' as the institutional form appropriate to one aspect of class rule, are concepts that have to be developed at different levels of abstraction.

## The Autonomy of the State

Arguments that see the autonomy of the state as an essential feature tend to rest on the claims that (a) the state represents the general interests of capital against the particular interests of particular capitals; (b) the state rests on the abstraction of force from the immediate relations of production; (c) the state rests on the abstract character of the commodity form. Let us look very briefly at these three claims.

(a) As Marx argued in his critique of Hegel, there is no such thing as a 'general interest'. The 'general interest' of capital, as of society, is a pure abstraction. All that exists is a particular resolution of conflicting interests. The 'general interest' of capital as something standing outside the particular interests of particular capitals does not exist as a condition for the state. It is rather the result of a particular resolution of the conflicts between particular capitals and of the contradiction between capital and the working class. Explanations of the state that rest on the claim that the state expresses a 'general interest' defined in abstraction from class struggle, reduce to an abstract and tautologous functionalism.

(b) The claim that the particularisation of the state rests on the abstraction of force from the immediate relations of production and its institutionalisation in a separate body is one that rests on an assertion that quite simply is false. On the one hand, it is not true that the state claims a monopoly in the use of the means of physical violence — private citizens are permitted to use a greater or lesser degree of physical compulsion in the defense of their own person and property. On the other hand, the force on which the day-to-day reproduction of capitalist social relations rests cannot be reduced to the physical violence that is its ultimate sanction. The reproduction of capitalist social relations rests on the forcible exclusion of the working class from the means of production and subsistence, on the compulsion to work beyond the necessary labour-time, and on the capitalists' appropriation of the product. Although expressed in property rights and enforced by law, the social relations of production are not constituted and reproduced by the threat of state violence; rather, the social reproduction of capital and of the working class is the other side of the material reproduction of society. Thus, workers can violate capitalist property rights by occupying a factory, by liberating supermarkets, or by burning down banks. But this does not transform

capitalist social relations of production; for capital is a social relation that exists as a totality and that cannot be reduced to one of its forms. Capitalist property is founded not on the rule of law or on the supposed state monopoly of the means of violence, but on capitalist social relations of production. Finally, capitalists do not simply rely on the state to defend their property, a task the state and its police force are simply not equipped to perform. Rather, capitalists, like other citizens, maintain and defend their property with fences, padlocks, safes, burglar alarms, security guards, store detectives and vigilante patrols without constant recourse to the agencies of the state. While it may be true that under capitalism, as in all class societies, the state *codifies* property rights and *regulates* the use of force, it is by no means the case that the state *constitutes* property rights or *monopolises* the use of force.

(c) The abstract character of the commodity form is a feature of the surface form — it is the form in which social relations between commodity producers appear as the relations between things. To derive the abstract character of the state form from the abstract character of the commodity is to treat the state as an institution that can only relate to capitalist social relations as they appear on the surface. But on the surface these relations appear as the relations between free and equal commodity owners. This approach makes the apparent neutrality and particularity of the state into its essential characteristic — its class character being something that lies outside the state. The class character of the state then becomes a contingent fact, based on the material and ideological subordination of the working class in ‘civil society’ and not an essential feature of the state form itself. However, the essential feature of the state is not its autonomy, but its class character. Its autonomy is a characteristic of the surface forms in which its subordination to capital appears.

## The Necessity of the State

If the essential feature of the state is its *capitalist* character, how is this to be explained? The state derivation debate tended to take as its starting point the demonstration of the *necessity* of the state. But what is meant by the necessity of the state? Does the reproduction of capital necessitate a state, or is capital, in principle, self-reproducing?

For Hegel, a state was necessary precisely to represent the general interest over against the conflicting claims of private interests — a society based on pure egoism was an impossibility. Against Hegel, classical political economy claimed that a state was not necessary to represent the general interest. It was necessary and sufficient that there be a collective institution to guarantee the sanctity of private property — ‘for the defense of the rich

against the poor' (Adam Smith) — for the operation of the market to secure the best of all possible worlds. Marx aligned himself clearly with political economy and against Hegelian conservatism. In *Capital*, Marx offers an analysis of the self-reproduction of the capital relation, within which the social relations of capitalist production are regulated, albeit in a contradictory and crisis-ridden fashion, by the operation of the market. The conditions for the self-reproduction of capital are a sufficient degree of development of the forces of production, that is the historical basis of capitalist social relations, on the one hand, and the subordination of the individual to the social relations of capitalist production, on the other. This subordination is *possible*, once the capitalist mode of production is established, on the basis of purely 'economic' mechanisms, although there is no reason to expect capitalists to deny themselves the opportunity of developing collective institutions to supplement the force of imposed scarcity and necessity in securing their domination. However, the implication of Marx's analysis is that the state is not, in the strictest sense, *necessary* to capitalist social reproduction, so that none of the concepts developed in *Capital* presuppose the concept of the state while, on the other hand, the state cannot be derived logically from the requirements of capitalist social reproduction. The necessity of the state is, therefore, not formal or abstract, it is the historical necessity, emerging from the development of the class struggle, for a collective instrument of class domination: the state has not developed logically out of the requirements of capital, it has developed historically out of the class struggle.

The development of the state as such a class instrument, and the institutional separation of the state from particular capitalist interests, is also a historical development as 'private' institutions acquire a 'public' character, and as 'public' institutions are subordinated to 'private' interest. This does not, however, mean that it is a purely contingent development; it is a development that is governed by historical laws that have to be discovered on the basis of Marx's analysis of the historical laws governing the development of the capitalist mode of production.

## The Reproduction of Capital and the Class Struggle

The crucial question in developing the Marxist theory of the state is that of the level of abstraction at which it is appropriate to introduce consideration of the state. It should go without saying that the state cannot be analyzed at the same level of abstraction as capital. The state does not *constitute* the social relations of production, it is essentially a *regulative* agency, whose analysis, therefore, presupposes the analysis of the social relations of which the state is regulative. The analysis of the capitalist state conceptually pre-



supposes the analysis of capital and of the reproduction of capitalist relations of production, despite the fact that in reality, of course, the state is itself a moment of the process of reproduction.

We have also seen that the state is not logically *necessary* for the reproduction of capitalist social relations, however important it might have been historically in securing that reproduction. It is possible to analyze the process of capitalist reproduction through the production, appropriation, and circulation of commodities in abstraction from the state, as Marx does in *Capital*. The state is *not* a hidden presupposition of *Capital*, it is a concept that has to be developed on the basis of the analysis already offered in *Capital*. However, if the state is not necessary either for the constitution or for the reproduction of capitalist social relations, the question arises of what basis there is for a *theory* of the state. Is the concept of the 'state' a concept that can be derived analytically at all, or is it merely a concept that describes a particular institution that has no inner coherence, but only a contingent, if universal, historical existence? This seems to me to be the dilemma that has frequently confronted Marxist discussion of the state.

The way out of the dilemma, it seems to me, is through the concept of class struggle, a concept that makes it possible to make the transition from the level of abstraction of the concepts of *Capital* to their historical application to the real world. *If there were no class struggle, if the working class were willing to submit passively to their subordination to capitalist social relations, there would be no state.* The development of the state is an essential aspect of the development of the class struggle, and has to be seen as an essential form of that struggle. Thus, it is the class struggle that is the mediating term between the abstract analysis of capitalist reproduction and the concept of the state. The problem of conceptualising the problem of the state is then the problem of conceptualising the class struggle, and, in particular, the problem of conceptualising the variety of forms of the class struggle and the relationship between those forms. The starting point for the analysis of the class struggle has to be Marx's analysis of the contradictions inherent in the reproduction of the capitalist mode of production, on the basis of which the class struggle develops.

Against the recent vogue for structuralist interpretations of Marx, that tend to lead to functionalist accounts of the state, I think it is important to stress that capitalist production is not a *structure* with a given foundation, it is a *process* whose reproduction depends on its reproducing its own foundation. It is, moreover, a contradictory process in the sense that its reproduction involves the repeated suspension of its own foundations, which is why reproduction is necessarily marked by class struggle. In reproducing itself capital also reproduces the working class, but it does not reproduce the working class as its passive servant, it reproduces the working class as

the barrier to its own reproduction. This is the fundamental contradiction of the capitalist mode of production, whose concrete unfolding constitutes the history of capitalism. Let us look briefly at the moments of the reproduction process of capital in this light, in order to identify this relationship between contradictions and class struggle a bit more concretely.

The class relation between capital and labour is reproduced only through the production and reproduction of surplus value. If we start the circuit of capital with the exchange of money capital for labour-power, we find a relationship between the owner of capital and the free labourer, free from imposed obligations and free from the means of production and subsistence. This relationship *presupposes* the separation of the labourer from the means of production and subsistence, but from the point of view of this exchange such a separation is an *external* presupposition: it remains to be seen whether it is a presupposition that is external to the process as a whole (in which case it would have to be guaranteed by the state and enforced by the law). Within the exchange relation itself the two parties really do stand as free and equal commodity owners. However, in exchange the foundations of this relationship are immediately suspended: the labourer receives the means of subsistence, and is given access to the means of production. During the time of production the dispossession of the labourer is no longer the dominant feature of the class relation. On the other hand, in the hidden abode of production the labourer is no longer free, for the reproduction of capital depends on the capitalist controlling the process of production and compelling the labourer to work beyond the necessary labour-time. However, the relations of production, defined by the subordination of labour to capital, come into contradiction with the forces of production, within which labour is the active agent of production, a contradiction expressed in the struggle for control over the process of production. Although the capitalist can appeal to his 'property rights' — his right to hire and fire — as the ultimate sanction against individual workers, more subtle mechanisms have to be used to secure the subordination of the collective labourer. Such mechanisms include: the incorporation of the means of regulating the labour process into the means of production; the construction of divisive hierarchies within the collective labourer (especially the separation of mental from manual work and the subordination of the latter to the former); and the development of gender, ethnic, and cultural divisions within the collective labourer which are superimposed on occupational hierarchies. The technical and managerial stratum comes to play a special role as the capitalist requirement to maximise the amount of surplus labour-time and to minimise the turnover time of capital is translated into the 'technical' norms of productivity and efficiency.

Once production is completed the labourer is once again free, but in the meantime has consumed his or her means of subsistence and so is compelled

once more to sell his or her labour-power. Thus, the external pre-supposition of the circuit of capital has become its result. The capitalist, on the other hand, has to assert his 'rights' acquired through the free purchase of means of production and labour-power, to appropriate the entire product, and then has to realise his capital in the form of money, if the circuit is to reproduce itself, by selling his commodities to other capitalists or to workers.

The question we now have to ask is, what is the foundation of this class relation between capital and labour? Does the reproduction of capital *require* some external agency to guarantee that foundation? I argued above that there is no such external requirement, that capitalist social relations do not *presuppose* a state either to constitute or to guarantee them. However, we have also seen that the circuit of capital does have certain presuppositions — in particular it presupposes the separation of the labourer from the means of production and subsistence that provides the material basis for the subordination of the working class to capital. However, this separation is not an externally given circumstance; except in the phase of 'primitive accumulation' when it is created by the dissolution of feudal society, it is a relation that has constantly to be reproduced. In the sphere of exchange the workers appear as free individuals, separated from the means of production and subsistence. But in the sphere of production the workers appear as a collective force, united with the means of production and in possession of means of subsistence. This is the material foundation of the counter-power of the workers against capital. The reproduction of capital depends on the capitalists' ability to maintain the subordination of the workers in production and to limit their ability to organise as producers, creating and sharpening divisions and hierarchies within the working class in order to assert the claims of capital as the necessary agent of coordination and direction. It is only on this basis that capital, and the reproduction of the separation of the workers from the means of production and subsistence, can be reproduced. Therefore, the subordination of the working class to capital is not given by the external presupposition of the separation of the workers from the means of production and subsistence. It involves more fundamentally the ability of capital to use the material, ideological, and political means at its disposal to maintain effective power over the working class in the class struggle so that the working class, in reproducing itself, is compelled also to reproduce the chains that bind it to capital.

Although in principle, as Marx shows in *Capital*, it is *conceivable* for capital to be self-reproducing, the reproduction of capital is, as we have seen, a process beset with contradictions in which the foundations of that process are constantly suspended and have constantly to be reproduced. Capital sets up barriers to its own reproduction that can only be broken down through its successful conduct of the class struggle. In waging that struggle there is no

reason why capital should rely only on its material power. Thus, in seeking to overcome the barriers to the expanded reproduction of capital, capitalists use every weapon at their disposal, and one such weapon, of course, is the power of the state. However, the contradictory foundation of capital means that the reproduction of capital can never overcome the barriers that it confronts, but can only suspend them provisionally. As a result, the state is not a functional agency that can resolve these contradictions. It is rather a complementary form through which capital attempts to pursue the class struggle in a vain attempt to suspend its contradictory character.

## **The Reproduction of Capital, Class Struggle, and the State**

Capital did not create the state, either logically or historically. Just as capital developed out of the contradictions generated by the emergence of commodity production within feudal society, so the capitalist state developed through the class struggles that accompanied this development, on the basis of the feudal state form. The period of transition saw a revolution in both the mode of production and its associated state form as capitalists sought to seal their dominance over civil society by assuring the subordination of the state to the reproduction of their own class. However, this subordination was not direct, even in the period of transition. To secure its political victory over the feudal ruling class, capital had to present itself as the representative of society as a whole. From the very beginning the subordination of the state to capital was mediated in particular ways that serve to define the specificity of the capitalist state form and that underlie the apparent autonomy of the state. These are the mediations through which the domination of capital over civil society is translated into its domination over the state.

Just as capital originally confronted the working class as an external presupposition, created by the dissolution of the feudal order, so too it originally confronted the state as a legacy of the old mode of production. In the development of capitalism, however, the state comes to be subordinated to the reproduction of capital so that the state comes to complement the direct power of capital in achieving the always provisional subordination of the working class. On the one hand, though, the subordination of the state is not to be understood in the sense of the subversion of an institution that has some kind of functional existence in abstraction from the class struggle between capital and labour. It is not another level of society, ‘relatively autonomous’ from the reproduction of capital, it is a moment of that reproduction and so an integral part of the class struggle. On the other hand, capital and the working class do not directly confront one another *as classes* in the form of the state, any more than they directly confront one another *as classes*

in the exchange of capital for labour-power or in the immediate process of production. The state form of the class struggle is merely one moment of the class struggle, complementary to the other moments of that struggle. Thus, the class struggle does not appear immediately in the state form any more than it appears immediately in the exchange of capital for labour-power. The crucial question is how to define the mediations through which political struggles are, nevertheless, determined as moments of the class struggle.

It is important not to underestimate the extent to which the capitalist class seeks directly to impose its class interests on the state, and indeed such direct political intervention by sections of the capitalist class is a normal aspect of the functioning of the state. Direct political intervention can acquire decisive importance in periods of crisis that call for a restructuring of the forms of political domination. There is a tendency for sophisticated intellectual Marxists to turn their backs on the evidence of such direct interventions in order to concentrate on more subtle mechanisms. The development of the capitalist state form is not a spontaneous unfolding of the logic of capital, it is something arrived at through trial and error in the unfolding of the class struggle, conditioned to a considerable extent by the direct agency of sections of the capitalist class and so, incidentally, conditioned by the outcome of struggles within that class. However, behind the direct representation of the interests of the capitalist class lie the more fundamental, if less immediate, relations between capital and the state that serve to secure the domination of the capitalist class over the state.

Within capitalist society the production of use-values takes place only as the means for the production of surplus value. The reproduction of the state as a material force therefore depends on the reproduction of the capitalist social relations on the basis of which the use-values appropriated by the state are produced. On the other hand, the state can only intervene in directing the material reproduction of society by modifying the conditions for the production and reproduction of surplus value. These are the fundamental ways in which the material relations between capital and the state are mediated. Both its existence as a material force and the forms of its social intervention are subordinated to the need to secure the expanded reproduction of capitalist social relations of production. Moreover, this is not simply a passive constraint, for the emergence of barriers to the reproduction of capital impose themselves as barriers to the reproduction of the state and so of its ability to carry out its designated tasks. However, the subordination of the state to the reproduction of capital, which determines the state as a moment of that reproduction, is not simply given by the logic of capital. As a moment of the reproduction of capital the state is also a moment of the class struggle and the forms and limits of the state are themselves an object of that struggle. The growing social character of capitalist production, and particu-

larly the increasing internationalisation of capital, certainly narrow the limits within which the state can intervene to modify capitalist social relations of production without precipitating an interruption in the material reproduction of capital. Such an intervention would undermine the conditions for the production and appropriation of surplus value. But the state, nevertheless, has the power to intervene within those limits, and indeed has the power to violate those limits at the cost of precipitating a crisis. The mediations between capital and the state do not determine that the state will intervene to act in the 'best interests' of capital, or even that a particular government will not use the levers at its disposal to undermine altogether the reproduction of capital. Thus, the state is not simply a tool of capital, it is an arena of class struggle. But the form of the state is such that if the political class struggle goes beyond the boundaries set by the expanded reproduction of capital, the result will be not the supersession of the capitalist mode of production but its breakdown, and with it the breakdown of the material reproduction of society.

While the material relations between capital and the state are the material basis of the subordination of the state to capital, this subordination is in turn mediated by the forms through which the class struggle is waged politically. Accompanying the rise to dominance of the capitalist mode of production, the bourgeois political revolution sealed the transfer of state power from the feudal aristocracy to the capitalist class. However, the bourgeois revolution was not carried out in the name of capital, it was a more or less popular democratic revolution, in which capitalists often played a minor part. As a revolution against feudal restriction, feudal privilege, and feudal exploitation in the name of freedom of the person and of property and of equality before the law, it mobilised demands that did not simply express the surface appearance of the capitalist form of exploitation, but also expressed the popular resistance of petty commodity producers to feudal tyranny. The capitalist class has always represented a small minority of the population, and could hardly be expected to be able to secure and maintain state power in its own name. Nor could its rule be expected to persist if it rested merely on ideological mystifications corresponding to the appearance of freedom and equality. The key to the political dominance of the capitalist class lies in its ability to represent its own interests as the interests of 'society' or of the 'nation'. However, this ability is no mere ideological fiction; it rests on the dominance of capitalist social relations of production and on the material relations between capital and the state that together determine that the condition for the material reproduction of the state and of society is the expanded reproduction of the capitalist mode of production.

In its struggle with the feudal ruling class, the basis on which the capitalist class can identify its own interests with those of society is the progressive

character of the capitalist mode of production in developing the forces of production. With its political triumph, it can identify its own interests with those of society on the basis of the identification of the conditions for its own class rule with the conditions for the material reproduction of society and of the state. Thus, the interests of the capitalist class are not only represented directly, as capitalists act as 'technical' 'managerial' and 'financial' advisers, and as their political representatives formulate strategies and policies designed to secure the expanded reproduction of capital, but also in the mediated form of a 'national' interest in the material reproduction of society and of the state, behind which the dominance of capital is concealed as the silent presupposition. The state, therefore, *appears* as neutral and autonomous for the same reasons as capital *appears* as a mere technical factor of production, on the basis of the identification of the conditions for the material reproduction of capitalist society with that of its social reproduction (an identification that, incidentally, becomes more precarious as the internationalisation of capital is not matched by a breakdown of the nation state).

However, the relationship between the material and the social reproduction of capital is essentially contradictory. This contradiction is the basis of the class struggle; it has various qualitative aspects, corresponding to the variety of barriers that capital establishes to its own reproduction and defining the various qualitative forms of the class struggle. Thus, for example, the subordination of the working class to capital contradicts its active role in production; the homogenisation of labour-power as a commodity contradicts the need for a differentiated working class and contradicts the conditions of the reproduction of labour-power; the socialisation of production contradicts the private appropriation of the product; the restriction of resources contradicts the inflation of workers' needs; the subordination of the daily life of the worker to the reproduction of labour-power as a commodity contradicts the human aspirations of the worker. It is on the basis of these contradictions that the concrete reality of the class struggle develops. But the contradictory foundations of capital mean that the reproduction of capital can never surmount the barriers it confronts, it can only suspend them provisionally, and this applies as much to the political forms of the class struggle as it does to those in which capitalist and worker confront one another directly.

The powers appropriated by the state are powers that correspond to the tasks that devolve to it and the means with which it is endowed to fulfil those tasks. Thus, the powers of the state are not determined independently of its functions. However, these functions are not abstractly defined and then imposed on the state as determinants of its 'essence'. They emerge historically out of the barriers to the reproduction of the capital relation, on the basis of the class struggle through which capital is reproduced. Moreover, the fact that

these barriers express the contradictory foundations of capitalist production means that capital does not impose unambiguous 'needs' on the state, since the needs of capital are themselves contradictory. The need to force down the value of labour-power contradicts the need to reproduce labour-power; the need to educate the working class contradicts the need to reduce to a minimum the drain on surplus value; the need to break down all non-capitalist social relations contradicts the need to sustain the family as the unit for the reproduction of labour-power; the need to introduce administrative regulation contradicts the need to maintain the discipline of the market; in short, the need to secure the material reproduction of society contradicts the need to secure its social reproduction. Moreover, these contradictions also underlie contradictions between particular capitals and groups of capitals, as moments of social capital, that find expression not only in economic competition but also in political conflict.

The needs of capital at every point come into conflict with the aspirations of the working class, so that the state is not simply a form of capital, it is a form of the class struggle. Like production, however, although it is an arena of struggle, it is a form through which the subordination of the working class to capital is reproduced. Thus, the form and the content of the state are the result of an always provisional resolution of the contradictions of the capitalist mode of production, but never of their supersession. For the latter to be achieved a political revolution is not enough — the overthrow of the state can only be on the basis of a social revolution through which the working class expropriates the expropriators and transforms the social relations of production.

## **The Working Class and the State**

The class character of the capitalist state, represented by its material and political subordination to capital, means that the working class is always the object of state power. The judicial power of the state stands behind the appropriation of labour without equivalent by the capitalist class, while preventing the working class from using its collective power to assert its right to the product of its labour. The administrative regulation of the material reproduction of capitalist society is mediated through the reproduction of the exploitation of the working class. Thus, the working class confronts capital not only directly, in the day-to-day struggles over the production and appropriation of surplus value, but also indirectly, in the struggle against state power.

The forms which the working class has developed to further its collective resistance to the exercise of state power have varied, but the historical



tendency of the capitalist mode of production has been for a provisional incorporation of working-class resistance into the state apparatus through the system of political representation. The incorporation of the working class tends to replace the direct resistance of the working class to the power of the state on the basis of its own collective organisation by the mediated relation channelled through the political representatives of the working class. This development was again no spontaneous evolution of the logic of capital, but marked a particular phase in the development of the class struggle. Faced with the threat that both capital and the state would be overwhelmed in a confrontation with the collective power of the working class, capital progressively widened the franchise to include larger and larger sections of the working class. Thus, the incorporation of the political representatives of the working class into the state apparatus represented a change in the form of the class struggle that in turn had important consequences for its content and for its subsequent development.

The framework of parliamentary representation is one in which social power is expressed as an abstract collectivity of individual interests, not as the concrete expression of collective power, so that the development of the aspirations of the working class is not matched by the development of any power to satisfy those aspirations — but this occurs so long as the working class is prepared to subordinate its challenge to the power of the state in the parliamentary form. Thus, the aspirations of individual workers to improve their conditions of life are transformed, through the alienated form of parliamentary representation, into a political pressure on the state to increase the rate of accumulation. This occurs because the material subordination of the state to capital dictates that the only means the state has of improving the workers' conditions of life is by intensifying the subordination of the working class to capital and intensifying the rate of exploitation — with the result of advancing one section of the working class at the expense of another. Since the interests of individuals appear as their individual interests in the conditions of sale of the particular commodity that serves as their 'revenue source' the alienated form of parliamentary representation serves to divorce the interests of individual workers from those of the class. For within the working class the relations between individual workers as owners of labour-power come into conflict with one another as they compete on the labour market. Moreover, their aspirations as workers within the process of production come into conflict with one another on the basis of the hierarchical organisation of the labour process. Thus, the parliamentary form of representation serves to reinforce the divisions within the working class in expressing the competition between groups of workers, divisions which are further fostered and exploited by the political representatives of capital as the latter seek to establish an identification between groups of workers and

'their' capitalists. On the other hand, the parliamentary form demobilises the working class in substituting the state for their own collective organisation as the means proffered for realising their class aspirations. The parliamentary form of representation serves to divorce the political representation of the working class from the source of its power and to deflect the opposition of the working class from capital in order to turn it against itself. The development of parliamentary representation for the working class, however much scope it may provide for improving the material conditions of sections of the working class, far from being an expression of collective working-class strength, becomes the means by which it is divided, demobilised and demoralised.

However, the development of parliamentary representation does not mean that the working-class abandons its resistance to capitalist state power, or channels such resistance solely through 'political' channels: it is important not to identify parliamentary politics with the political class struggle, or to treat the illusions of the parliamentary form as corresponding in some sense to the essence of the capitalist state. The working class does not simply abandon its collective aspirations in accepting admission to the franchise, and it continues to wage the class struggle through other than parliamentary channels as it confronts state power directly in the day-to-day conduct of the class struggle. The working class does not simply accept the division between economic demands, to be pursued legitimately through trade unions which mobilise the collective power of workers, and political demands, to be channelled through the political party and parliament. The boundaries of the 'economic' and the 'political', the definition of the 'rights' of capital and of the working class, and the forms of class mobilisation are a constant object of class struggle, with the working class constantly pressing beyond the limits accorded to it by capital and the state. Thus, workers occupy factories; encroach on the rights of management; mobilise against state policies as workers, as unemployed, as women, or young people, as tenants; and they take to the streets to confront the repressive arm of the state directly. Moreover, the inadequacy of the parliamentary form to the aspirations of the working class has meant that the state has to concede a growing political role to the collective organisations of the working class, as expressed in the political role played by the trade union movement and by a wide range of other working-class organisations. In this context, both 'corporatist' and 'pluralist' developments represent responses to the inadequacy of the parliamentary form.

## **Conclusion: The Capitalist State, the Class Struggle, and Socialism**

In this paper I have tried briefly to argue that recent Marxist discussion of the capitalist state has failed to integrate form and content sufficiently to achieve an adequate account of the state. I have tried equally briefly, and very roughly, to indicate the ways in which a better integration of form and content might be achieved by developing Marx's analysis of the contradictory character of capitalist reproduction as the basis of an analysis of the developing form and content of the class struggle. Within this account, several features that some have seen as essential to the capitalist form of state — in particular its autonomy, its externality and its particularity — turn out to be features of the form of appearance of the state and not its essential determinants. Political struggle is one moment of the class struggle, and cannot be analyzed in isolation from the other moments of that struggle.

I have also paid particular attention to the subordination of the state to capital and to the various mediations through which this subordination is achieved. Further discussion would involve more detailed historical investigation of the development of these mediations, rather than any attempt to elaborate the remarks above into a systematic 'theory of the state.' However, it is more appropriate, in conclusion, to raise the question of the political implications of the analysis developed here.

My central argument has been that the class struggle is as much about the form as about the content of politics. The state cannot be isolated from other moments of the class struggle, for those different moments are complementary to one another, and the relationship between them is itself determined in the course of the class struggle. This is the context within which we can begin to locate the distinctiveness of the New Right. Since the end of the nineteenth century the historical tendency has been for liberal reformers to respond to the threat of working-class self-organisation and extra-parliamentary activity with a programme of social and political reform that replaced or modified the discipline of the market, relying instead on political regulation through the state, and involving the political incorporation of the working class. The distinctiveness of the New Right lies in

its attempt to alter the balance of the class struggle in the opposite direction, replacing state regulation by regulation through the commodity form and removing the working class from its 'privileged' political position. However, this development cannot be seen simply as a reactionary return to nineteenth-century politics, nor as a more humane version of the fascism of the thirties, for it is a strategy that is firmly rooted in the class struggles of the 1980s, and in particular it is one that capitalises on the divisions, the demobilisation, and the demoralisation of the working-class movement that has been the price paid for decades of sheltering under the wing of a paternalistic state. For the bulk of the working class the activities of politicians and trade union leaders alike are matters of indifference, scorn, or contempt. Few of them are seen as working-class heroes, or even as representatives of the working class. Indeed, the activities of the working class's self-proclaimed representatives make many sections of the working class — blacks, women, the young and the old — reluctant to identify themselves with their class at all. The relative success of reaction throughout the capitalist world can be put down as much as anything else to the demobilisation of the organised working class that developed as the workers were first lulled into trusting their political representatives to achieve their liberation and then, losing faith in its leaders, the working class was left demoralised and divided.

The need to mobilise resistance to reactionary governments has led many on the left to acquire a renewed faith in the parliamentary system, seeking to democratise working-class parties and to broaden their appeal in order to secure electoral victory and a reversal of past defeats. But such a response is to focus on the content of politics at the expense of its form. For many of us the lesson of the 1960s and 1970s was precisely that questions of form are more fundamental than questions of content. It is not simply petty-bourgeois individualistic romanticism that leads us to reject traditional parties and sects (though no doubt we do draw on the one good feature of petty-bourgeois culture in this way!). It is much more a belief that socialism is not simply about such quantitative matters as the distribution of income and wealth, pressing as such matters are, it is most fundamentally about the creation of an alternative society, against capital's insistence that (in Margaret Thatcher's immortal words) 'there is no alternative'. It is about making qualitative changes, about *transforming* social relations, about replacing the alienated forms of capitalist political and economic regulation by new forms of collective self-organisation and democratic control; and it is only on the latter basis that the state, and the power of capital, can be effectively confronted. Thus, a *socialist* response to the rise of the New Right cannot be reduced to a defense of statism and welfarism; it can only involve the building and rebuilding of collective organisation. This means not only organisations such as trade unions, which organise workers at work, but also

organisations of tenants, of young workers, of black and migrant workers, of women workers, so that the divisions within the working class and the fragmentation of working-class experience can be broken down through the development of a united movement. In the last analysis, as the experience of the 'socialist' countries shows only too clearly, the building of socialism can only be on the basis of the self-organisation of the working class .

## Chapter 7

# A Note on the Theory of Capitalist States

In *Capital and Class* 2, John Holloway and Sol Picciotto (hereafter H & P) published an important contribution to the ongoing debate on the Marxist theory of the state.<sup>1</sup> The Note that follows criticises their article on a couple of points, so I should remark that their argument, taken as a whole, has very significant merits. In particular, its insistence that the capitalist state-form cannot be considered separately from the capital relation is exceptionally valuable.

To summarise my argument: I suggest that there is a very significant weakness in H & P's article, a weakness which is however anything but peculiar to them. Their treatment of the state remains at an inappropriate level of abstraction, in particular in that it treats the state as if it existed only in the singular. Capitalism, however, is a world system of states, and the form that the capitalist state takes is the nation-state form. Any discussion, therefore, of the capitalist state form must take account of the state *both* as an apparatus of class domination *and* as an apparatus of competition between segments of the bourgeoisie. The failure of H & P, together with most other Marxist writing on the state, to integrate this perception into their account of the state is connected with a second problem in their article: their insistence on a conceptual separation between 'state' and 'capital', such that state economic intervention seems to be utterly problematic for the capitalist state. Indeed, their account rules out as theoretically impossible (or at least

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<sup>1</sup>My thanks to the following for very helpful comments on an earlier draft.: Claudia von Braunmühl, Simon Clarke, Ian Gough, Peter Green, John Harrison, Bob Jessop, Doreen Massey, John Ure. They will agree that my responsibility is total.

very difficult) what has actually been happening historically — namely, the tendency within 20th century capitalism for capital to be organised directly by nation-states, thus taking the form of state capital.

Throughout their article, H & P refer to ‘the state’ and ‘the capitalist state’ in the *singular*. One might get the impression, from H & P as from a mass of other Marxist writing on the state, that capitalism has but one state. Where it is acknowledged that the beast is numerous, the implications of that very concrete fact are not developed at all. In fact, however, the very multiplicity of capitalist states is of great importance to the theory of the capitalist state form.

H & P quote Marx’s *Capital*, Vol III:

The specific economic form, in which unpaid surplus-labour is pumped out of the direct producers, determines the relationship of rulers and ruled. Upon this, however, is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form.

Now the central thrust of their argument (with which I agree) is that an adequate theory of the state depends on comprehending the form of the fundamental social relations of production. But, if we take Marx seriously, what is the ‘economic community that grows up out of the production relations themselves’? Taken as a whole, it is the world market, international capitalism, the global system of social relations that has grown up — for the first time in human history — on the foundation of the capital relation. And if we ask too, what is the ‘specific political form’ that this economic community takes, we must answer that it is the set of nation-states that make up the ‘international political community’ of world capitalism. The *nation-state system* is a product of capitalist development, and is global in scope in just the way that capital as a social relation is.

In this light, we should conclude that some of Marx’s summary accounts of the relation between capital and the state are, at best, misleading. Thus the *Communist Manifesto*:

The modern state is merely the executive committee for managing the common affairs of the whole bourgeoisie.

Take the last phrase: ‘the whole bourgeoisie’. The whole bourgeoisie is an international class, like the proletariat: both are formed as elements of a system of production relations that, from their commencement, were international in scope. The ‘common affairs’ of the *whole* bourgeoisie cannot be managed by any single nation-state, yet this is the form that the capitalist

state takes.<sup>2</sup> (Were this not so, the whole Marxist discussion of imperialism and nationalism would rest on thin air.)

H & P suggest correctly that the problem in the Marxist theory of the state is to locate the state in terms of the basic social relations of capitalist production, in the capital relation: 'The starting point for the analysis of the capitalist state is thus capitalist society, not the state in general'. Capitalist society, we've suggested, is not coterminous with the geographical space occupied by any one nation-state, but is rather the world. The problem is, how do we relate the form of the capitalist state to the society of which it is part and expression? To answer this, we need to understand the capital relation properly. There is a tendency within Marxism to treat the 'social relations of production' as being only the relations formed at the moment and point of production itself: in other words, to identify a mode of production with the immediate relations of exploitation in the productive process itself.<sup>3</sup> This, even if we restrict our discussion to capitalism alone, will not suffice. Marx's critique of bourgeois political economy rested on an analysis of the forms of alienation developed within capitalism, one crucial aspect being the characteristic division of labour within commodity production, in which social production is out of the control of the associated producers. Social relations within commodity production are governed by mutual competition and antagonism among the producers. The materialist critique is aimed at capitalist relations, not simply as alienated exploitative relations, but also and simultaneously as alienated competitive relations. The capital relation is a summary expression for the whole nexus of social relations, *founded* in the production of surplus-value, but embodied in the whole circuit of capital. That is, the capital relation is more than the moment of capitalist production: it is also the other moments of the capital circuit (exchange, realisation, price-formation, etc.).

Capital, according to Marx, can only exist as many capitals; through the inter-action between the many capitals the principles of capital-in-general are realised. A single universal capital is a contradiction in terms.<sup>4</sup> It is thus characteristic of capitalism that it develops through competition, which

<sup>2</sup>It is very odd what an 'absence' there is in Marxist theorising on the state in this respect. To my knowledge, the only Marxist who has explicitly called attention to the matter is von Braunnmühl (1974, 1976, 1977). Even Marxists whose other theoretical positions ought to have sensitised them to this aspect of the capitalist state seem not to remark on it. For example, Martin Shaw (1974) produced a very useful critical review of some problems in the development of the Marxist theory of the state without even mentioning the state's national form: yet his view, that Russia and Eastern European countries are state capitalist formations, depends theoretically on exactly this conception.

<sup>3</sup>There is a very useful discussion of this in Banaji, 1977.

<sup>4</sup>E.g. Marx, 1973, p. 421: 'Since value forms the foundation of capital, and since it therefore necessarily exists only through exchange for *counter-value*, it thus necessarily repels itself from itself. A *universal capital*, one without alien capitals confronting it,



competition is the source and expression of the anarchy of capitalist production. Hence, Marx argued, the social relations of capital have a dual form: anarchy and despotism. Between the many capitals there is anarchy; within each capital, despotism. Each relation, anarchy and despotism, is the condition of the other.<sup>5</sup>

Now if the capital relation has this form, and if the state is an aspect of the capital relation, we might expect to find in the state form elements of this dual determination. As we do. The nation-state, capitalism's state form, is itself *both* a structure of despotism vis-a-vis its 'subjects' *and* a structure of competition vis-a-vis its rivals. Its very form expresses the fact that the capitalist state is not something above and separate from the relations of capitalist production, but is itself directly part of those relations. Being anything but a state of the 'whole bourgeoisie', each nation-state is never more than a state of *some* capital(s), of a *segment* of the whole bourgeoisie. Moreover, to insist on the partial, national character of the capitalist state-form is not merely a matter of adding on another 'factor' to the discussion of the state. The dual determination of the state is a permanent presence in all aspects of state policy and activity. In a capitalist world, it becomes ever more the case that 'forgetting' the international dimension of the capitalist state system puts the theorist in the position of a one-handed violinist.

This is not the place to consider how the various nation-states were formed. All we need to note is that each separate nation-state represents an achieved fusion, or mobilisation, of a particular segment of the whole bourgeoisie and other classes into a nation, and a nation formed moreover in opposition to other nations. It may well be that the nation-state is a committee for managing the common affairs of *its* bourgeoisie — however we define 'its bourgeoisie' and 'its common affairs'. But it is a structure that is shaped, *inter alia*, by that bourgeoisie's competitive struggles with other bourgeoisies, other nations, other capitals. More than an instrument of inter-class domination, the modern state is also an instrument of intra-class competition. That competition takes many forms, including trade, transnational investment, imperialist domination, war, diplomacy, etc. And each nation's ability to compete depends on the relative size of the capital(s) that fall(s) within its orbit, however we define that orbit.

In H & P's account, however, the state appears one-sidedly as a relation of force directed principally at the working class:

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with which it exchanges — and, from the present standpoint, nothing confronts it but wage-labourers or itself — is therefore a non-thing. The reciprocal compulsion between capitals is already contained in capital as realised exchange-value.'

<sup>5</sup>E.g. Marx, 1976, p. 477: '... in the society where the capitalist mode of production prevails, anarchy in the social division of labour and despotism in the manufacturing division of labour mutually condition each other ...'

This abstraction of relations of force from the immediate process of production and their necessary location (since class domination must ultimately rest on force) in an instance separate from individual capitals constitutes (historically and logically) the economic and the political as distinct, particularised forms of capitalist domination (p. 79, above p. 100.)

The state must appear in this one-sided form, since their whole article is concerned with an abstraction called 'the state' whose connection with the actual states of the capitalist system is not adequately developed. It is as if we were to try to account for capital and its laws of motion without reference to its existence as many capitals.

The above quotation illustrates a further problem in H & P's article. Their argument centres on the idea of the 'separation' of the economic and the political as instances and forms. This 'separation' is a point of principle with them: the concept of 'state', though they argue it is founded in the capital relation, is so separated in their analysis from 'capital' that 'state' and 'capital' are two opposed notions. In their treatment, the state always stands outside the immediate valorisation process, and must stand outside:

...the state must remain essentially external to the process of accumulation. While the purpose of state action must be to promote the accumulation of capital, it must, *by reason of its form*, remain external to that process (p. 96, above p. 123, my emphasis CB.)

That permanent externality of the state seems to me exceptionally dubious. Given the national form of the capitalist state, there is no 'reason of its form' why it must be thus external to capitalist production and accumulation. H & P actually come close, in the last part of their article, to belying their own assumption about the separation of the 'political' and the 'economic', the 'state' and 'capital'. For in their own account, it seems that 'the autonomy of state action from the immediate demands of the valorisation process' is itself threatened by the development of capital, even though that autonomy of the state is crucial to their account and is 'implicit in the particularisation of the state as a distinct form of capitalist domination'. As they note, the British state 'intervenes directly in the production process, taking over particular industries and reorganising the actual process of value creation and exploitation'. For H & P this kind of development (in no way peculiar to Britain) is a fundamental contradiction in the state's situation, for it threatens the 'generality implicit in its form'. It is exactly this idea, that there is 'generality implicit' in the capitalist state form, that I suggest is inadequate. In the sense in which H & P use the term, capitalism has no organised institution with generality implicit in its form. No state can have this implicit

generality, for each state is merely a national state. Within capitalism, the only source of 'generality' consists in its blind laws of motion, produced by the movements and interactions of the world's constituent capitals and constituent nation-states. Capitalism in this sense is ungoverned, anarchic. No central institution governs it, only the movement of its parts. Its 'generalities' are only outcomes of anarchic relations between competing capitals.

H & P are not, of course, alone in the view that 'the state is not capital', which is repeated by numbers of writers, including Altvater,<sup>6</sup> Offe and Habermas. In all cases, for the purpose of analysing the capitalist state, the bounds of capitalism are treated as coterminous with the national frontiers. That is, rather than seeing capitalist society as a global 'social formation', as a real totality, the world is seen as a set of capitalist societies, a mere agglomeration and not a unity.

If we hold firmly to the merely national character of the capitalist state, and reject the (residual Hegelian?) idea that the state has some principle of generality implicit in its very form, then we can abandon the highly restrictive assumption that 'state' and 'capital' are mutually exclusive terms. In which case, the discovery that some particular state is becoming more and more directly involved in the valorisation process is not in itself an implicit threat to its own logic or anything of the sort. And the kind of developments to which H & P refer can be accounted for in simpler and altogether more straightforward terms.

Consider for example the limitations on state action to which H & P very properly draw attention. These limitations they derive simply from 'the state's structural relation to, *and separation from* the immediate process of exploitation'. Yet these limitations also derive, surely, more simply from the inability of any single nation-state to manage the world economy. In this respect it is notable that David Yaffe's account (cited by H & P) of the growth of the state apparatus in terms of 'the state's postwar commitment to full employment' is subject to just the same limitations as Keynesianism, in that

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<sup>6</sup>In the case of Elmar Altvater, who is extremely explicit in theorising a conceptual gap between 'capital' and 'state', the problem is rooted in a misreading and misinterpretation of Engels' *Anti-Dühring*. In all cases, the strict demarcation line drawn between 'state' and 'capital' rests on an account of the state form in which the state is treated in the singular. Engels, who admittedly did not theorise his point fully, wrote of the possibility of the centralisation and concentration of capital reaching the state itself, and gave a clear affirmative answer to the question, would such a national state capital still be capital? (Engels, 1959, p. 384). The modern state, he explained, is 'essentially ... the ideal personification of the total national capital.' Altvater does not notice that Engels is talking of a total *national* capital, and reads him as referring to the absurd notion of a completely centralised 'capital in general'. Had Engels meant any such thing, he would — as Altvater suggests — have been uttering a nonsense. But he wasn't: Altvater was misreading him, seemingly because he himself forgot that national limits do not coincide with capitalist limits. See Altvater, 1973, esp. p. 99; Barker, 1977.

it fails to explain how the British (or any other) state goes about encasing its 'commitment to full employment'. Roosevelt in the 1930s seems to have been as subjectively committed to full employment as were Attlee and Churchill after the war, but he failed. What brought 'full employment' to western capitalism was not simply the separate 'commitments' of the various national governments, but also — and crucially — the global situations which, while it was the outcome of their various national decisions, was yet more than the sum of the parts. *War*, we should perhaps remember, restored full employment

In their last section, H & P do make reference to the phenomenon of the system of capitalist states, but without recognising the problem it poses for Marxist theory. Their only theorisation of the question refers to processes of 'convergence' affecting capitalist states, through processes of combined and uneven development and inter-state imitation. As presented, their 'convergence thesis' is rather dubious. There may well have been elements of 'imitation' in, say, German or Japanese capitalist development in the 19th century, but that imitation occurred not in contemplative isolation but as a response to pressures exerted on them by the more highly developed capitals of Britain and the USA. The term 'imitation' suggests mere repetition, sameness, and is inappropriate: the German and Japanese 'imitations' were *competitive* responses, whose character dictated to their states more centralised and less 'liberal' political frameworks than existed in the states they were supposedly 'imitating'. In any particular branch of capitalist production, some capitals are 'ahead' and others 'behind'; the 'backward' experience the law of value as a coercive force dictating *different* methods of 'catching up' from those adopted by the already 'advanced' capitals. So too with the relations between nation-states. Latecomers and laggards, to succeed, seem to require a greater degree of centralisation than their more advanced rivals.

If we asked, what forces move the states of Western Europe towards 'planning' and 'nationalisation' in the present period, our answer would have to include the massive weight of US capital in the world economy. The shift towards national 'planning', a marked feature of West European states since the late 1950s, is not an *imitative* response to the USA, where such processes have gone least far. It is a *competitive* response, an attempt to mobilise capital resources for competition in the world market.

In H & P's article, though, the world market appears only as an occasional afterthought (as p. 93, above p. 119). It is not central to their analysis of the state and its relation to capital, but is just one of the 'myriad extraneous circumstances which affect the way the crisis presents itself, and may provide escape routes for particular national capitals'. But, what is an 'escape route' for one capital is thereby a source of major disruptive pressure for another. Overseas investment by US multi-nationals like IBM may be, for them,

an ‘escape route’: it’s hardly been that for the British domestic computers industry.

When H & P very properly suggest that state intervention does not do away with the anarchy of capitalism, they propose only that the inherent antagonisms of the market, where capitals meet as ‘hostile brothers’, reproduce themselves *within* the state. They certainly do. But they also reproduce themselves *between* states, who also meet as ‘hostile brothers’ whether in the IMF vaults or in the United Nations soup queue. The internal forms assumed by nation-states are shaped, not only by domestic class struggle, but also by the movement of capital on the world stage, a movement that includes themselves.

The clear implication of my argument is that there is no abstract, theoretical reason why history should not have happened as it has: no reason, that is, why particular nation-states should not have become ‘capital personified’. ‘State’ and ‘capital’ can become a unity. Indeed, there are structural aspects to the state’s form which suit it to this purpose: it has aspects of a homology of form with every individual capital, being doubly determined by the capital relation as anarchy-plus-despotism. In most Marxist writing on the state, it is the second determination — the repressive aspect of the state — which is stressed. To that extent, Marxist understanding of the state has tended to continual one-sidedness.

When Marx wrote *Capital*, any tendency to the assimilation of ‘state’ and ‘capital’ was still in its infancy. Yet in *Anti-Dühring* (1878) Engels was already discussing such developments. In any case, *Capital* itself stands incomplete in two respects vital to the present discussion: the planned volumes on the state and the *world market* seem never to have been even sketched out. What Marx did give us, however, was a clear account of the real historical tendency to concentration and centralisation of capital into the joint-stock company form and — by mere extension — into the form of ‘state capital’.<sup>7</sup>

The development of state capital is a predominantly 20th century phenomenon, its emergence within world capitalism being characteristically un-

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<sup>7</sup> It is sometimes argued, against the validity of the very concept of state capital itself, that capitalist production rests on a particular form of *private* property relations. Far from disputing the point, I would only point out that ‘private property’ is not necessarily limited to ‘personal property’. The private conduct of surplus-value production is in no sense logically opposed to nation-state capitalist production. ‘Private’ means simply ‘not-social’, that is, not under the collective will and control of the associated producers. Whether capitalist production is carried out under the aegis of personal owners, churches, joint-stock companies, trusts or baboon colonies, or nation-states within a world market, is an important but secondary question. To treat it as the primary question is to reduce the concept of the social relations of production to the vulgar bourgeois sphere of concern with relations of distribution, and to add another ‘Marxist’ head to the Hydra of reformism.

even. At one extreme are those states where the means of production are more or less totally centralised into one national-state capital, whose development is only comprehensible in terms of their competitive interactions with the rest of world capital, and not simply in terms of their domestic class relations considered in isolation.<sup>8</sup> At another pole stand the nation-states of western capitalism, around which are formed more or less articulated and enlarged blocks of capital, which are either the direct legal property of the states (nationalised industries, etc.) or are increasingly effectively state property (given their dependence on the state for investment capital, orders, etc.). Capitalism in the last quarter of the 20th century can no longer be described as if 'capitalism' were synonymous with personal private property. The erosion of the apparent neutrality of the state, to which H & P refer, is a real erosion: crucial to it are all those processes, including capital concentration, which press in the direction of a fusion of state and capital.

Any such fusion of state and capital, achieved either partially or totally, in no sense abolishes the conditions of capitalist production, nor resolves its contradictions. There are of course ideologues of late capitalist development who conceive that *socialism* is precisely national, single-state capital unified and concentrated into one block, a view of socialism shared of course by the bourgeoisie. The view of socialism as equivalent to single-state nationalisation, the equation of capitalist nationalisation with the Marxist idea of the socialisation of production, is widespread still within the workers' movement. That such a conception of socialism should continue with such strength, despite all the experiences of the working class in this century, is witness to the under-theorised condition of Marxist state theory. It is, seemingly, a characteristic of the 57 varieties of reformism that their conception of socialism stops at the local frontier posts. If the critique of political economy is to advance its attack on the capitalist state form, we must critically discuss the conceptions of 'state' and 'capital' that we've received, half unconsciously, from previous generations. I'm aware that this Note raises more problems than it solves. Nonetheless, today more than ever we should remember that

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<sup>8</sup>The conception of Russian society as a 'state capitalist' formation, which cannot be defended here for reasons of space, rests essentially on the view that — from the inception of the First Five Year Plan and the forced collectivisation of agriculture — the Russian revolution must be regarded as decisively 'lost'. Thus, far from being viewed with Trotsky as a 'degenerated workers' state', or with others as a 'transitional formation', or a 'bureaucratic collectivism', or a 'statist socialism', Russia is seen as a single state capital, whose form of economic and social development under Stalin and his successors was conditioned above all by the accumulation needs of competition with the rest of world capitalism. If the theory — extended also to Eastern Europe and other 'socialist' countries — has been left in a rather undeveloped state, I find it still the most promising approach to the notorious 'Russian question'. The most easily available accounts are to be found in Cliff, 1970 and Harman, 1974.

the working class has a world to win.

## Chapter 8

# The Internationalisation of Capital and the International State System

The purpose of this paper is to try to renew the debate about the interrelationship of the internationalisation of capital and changes in the capitalist state system. It is now over 10 years since Robin Murray pointed to the growing 'territorial non-coincidence' between an increasingly interdependent international economic system and the traditional capitalist (or socialist) nation-state. Robin Murray based himself on the then nascent research on multi-national corporations which proved a growth industry in the 1970s and even spawned its very own U.N. specialised agency, the Commission on Transnational Corporations. Paralleling the famous remark by Kindleberger, 'the national state is just about through as an economic unit' ( Kindleberger, 1969, p. 207), Murray posed the question 'whether ... national capitalist states will continue to be the primary structures within the international economic system, or whether the expanded territorial range of capitalist production will require the parallel expansion of coordinated state functions' ( Murray, 1971, p. 86). He received a rapid, perhaps over-hasty reply from Bill Warren who, as well as making some good points about some of the limitations of Murray's theoretical and empirical treatment of the internationalisation of capital, was rash enough to prophecy that since the contradictions between capital and the state are essentially non-antagonistic, new international regulatory measures would quickly be forthcoming: 'the tax authorities are rapidly getting control of the internal transfer price problem and it is clearly not going to be long before the central bankers, international organisations and State policy-



making bodies chain down the Euro-dollar monster so that it is no longer available to do the bidding of the large firms' (Warren 1971 p. 88).

Murray's provocative question sparked a considerable amount of subsequent analysis and discussion, both on the nature and the implications of the internationalisation of capital, as well as the theory of capital and the state. It was readily apparent that Murray's essentially structural-functionalist view of the relationship between capital and the state was responsible for the starkness of the alternative he posed: either capital would outgrow the nation-state and lay the necessary basis for new coordinated inter-state or supra-national state structures, or its growth would be contained within the boundaries of existing or merged nation-states. Nevertheless, much of his work on multinationals has been seminal, and his raising of the question of territoriality has not been followed up adequately.

Subsequent debates have emphasised that there is a contradictory process in which the national state is increasingly involved in intervention to ensure the social and economic processes of expanded reproduction of capital, yet at the same time these processes are increasingly transcending the nation-state. The internationalisation not only of the circuits of commodity-capital and money-capital but also productive-capital is creating an increasingly internationally integrated world economy and social structure. However, this does not take place as a smooth process of symmetrical interpenetration of capitals to be followed eventually by a merging of social patterns and political superstructures. The internationalisation of production itself entails an internationalised socialisation of productive labour as well as new international patterns of commodity circulation, both of which are as much social as economic processes. These processes entail developing patterns of international class formation and conflict which must be analysed (see Van der Pijl, 1979 and 1984). These developments and the specific forms they take often owe as much to ideological, legal and even military interventions by states and through international state structures as they do to technological or economic factors. For instance, as I have discussed elsewhere (Picciotto 1983), the specific way in which US antitrust law was interpreted and enforced after 1940 played a major part in shaping the characteristic form of US multinational capital using wholly-owned foreign subsidiaries. Thus the state has been a contributor to the process of internationalisation and to shaping the form it takes, as well as being affected by it. In Europe, where the international state system originated and which has also been the impetus for many of its subsequent transformations, the development of the European Community involves new and unique processes for interstate integration; yet the national states still play a vital role, inter-state conflicts continue, and the creation of a single unified super-state is not envisaged even by the most dedicated Europeanist. Yet the impulse to European integration has been as

much political as economic ( Holloway and Picciotto 1980).

To summarise, the changes in the international system involve a contradictory and conflictual process of internationalisation *both* of capital *and* of the state; and the crisis of international capital is also a crisis of the international state system.

## State Sovereignty and Jurisdiction

In another paper ( Picciotto, 1983, on which much of the present paper is based) I have examined the recent and growing problems of jurisdictional definition and conflicts between the main capitalist states, especially the United States and Europe. Specific and well-publicised conflicts have taken place over quite contentious political issues, such as the US embargo over the Soviet gas pipeline, and the policies to be adopted over technological embargoes to the Soviet bloc, as well as a plethora of politico-economic cases where US antitrust laws have been applied, e.g. to shipping and airline cartels, in ways damaging to the interests of other capitalist states. The application of US economic sanctions against Iran during the hostage crisis through the freeze of Iranian holdings in the Eurodollar system also raised serious issues about political controls over international financial markets, although the US's allies discreetly avoided creating a conflict over this while the hostage crisis was continuing. Underlying all these specific conflicts has been the general issue of increasing overlap and conflicts of jurisdiction to regulate capital. It is not surprising that jurisdictional conflicts have occurred mainly between the most powerful states, and in relation to economic regulation, for it is through such forms of regulation that the main capitalist states have been involved in shaping the patterns of internationalisation of capital. These assertions of national state power in relation to the structuring of international capital, and the attempts at accommodating the conflicts of jurisdiction that have ensued, have been in many ways more important than the other more prominent and formalised mechanisms of international law. The increasingly dense network of international organisations of various kinds and powers, as well as the proliferation of treaties and international arrangements and agreements covering thousands of matters major and minor, have grown in the last 30 years both to express and to mask the increasing powerlessness of the dominated peoples of the world. However, in many ways the problem of jurisdiction is more clearly symptomatic of the crisis of international law and of the international system.

The principle of territoriality of jurisdiction is the corner-stone of the international system based on the nation-state. The transition from the personal sovereign to an abstract sovereignty of public authorities over a defined

territory was a key element in the development of the capitalist international system, since it provided a multifarious framework which permitted and facilitated the global circulation of commodities and capital. The independent and equal sovereign nation-state is therefore a fetishised form of appearance, for the world system is not made up of an aggregation of compartmentalised units, but is rather a single system in which state power is allocated between territorial entities. This is important, since exclusive jurisdiction is impossible to define, so that in practice there is a network of overlapping and interlocking jurisdictions. With the increasing international integration of capitalist social relations, the extent of overlap and potential conflict becomes greater.

While Marxist economics has generally been more apt to grasp and analyse capital as a global phenomenon than have bourgeois economists who tend to focus on the national economy (see Murray, 1971, p. 85), there has been a tendency for Marxist analysis of the capitalist state to focus on *the* state, the individual state. This is perhaps a greater tendency in Marxist than in non-Marxist writing, since the Marxist emphasis on the class nature of the state makes it necessary to discuss the state in relation to the structure of society, and it becomes convenient to assume a correlation between the society and the classes within it and the state within that society. However, the Marxist state theory that emerged in the late 70s had as one of its strengths the possibility of a different approach, based on its different starting point, which was class relations seen as formed by the process of capital accumulation. Simon Clarke, in his seminal critique of Poulantzas (Clarke, 1977) rightly emphasised the dangers of interposing between the relations of production and the state a realm of 'civil society' composed of ideological and institutional relations which is no more than the sphere of interacting social groups of bourgeois sociology. The starting point for state theory should not be 'society' but class relations dominated by the relations of production and processes of capital accumulation. The political importance for Marxists of combining an analysis of capital accumulation as a global process with an international perspective on classes and the international state system has been re-emphasised recently, e.g. by Radice's critique of Aglietta (Radice, 1984) and van der Pijl's important analysis of international class formation (1984).

## **Historical Development of the International State System**

As I have stressed, seen from the viewpoint of the capital relation, it is clearly wrong to think of the capitalist world system as an aggregation of

individual societies and their states. Both logically and historically, the first moment of the capitalist state is the establishment and maintenance of generalised commodity production. Thus the capitalist state originated as an international system of states establishing a framework for the increasing generalisation of commodity production based (initially) on petty commodity production and a world market. However, as Brenner pointed out in his critique of Wallerstein, ( Brenner, 1977) it is important to avoid what seems to be Wallerstein's mistake in attributing a determinant role to the market and the international division of labour. In Wallerstein's schema it was the world market and the consequent international division of labour that allocated a particular role to each region, from which flowed the relationship of exploitation and hence the form of state. Brenner emphasises that it was not trade that transformed production relations, but the contradictions of feudal and post-feudal production relations that led to transformations both of the world market and of the form of state. Thus, in taking a global perspective it is not necessary to start from the market — it is both possible and necessary to start from relations of production and exploitation and how they interact internationally through circulation. Again, Brenner emphasises that the origins of imperialist underdevelopment of the periphery must be sought not in the 'unequal exchange' of raw materials for manufactured goods, but in the class character of production relations in the periphery, where the extension of absolute surplus labour (based on forced labour) contradicted the need to improve profitability through developing the productive forces by investments in fixed capital and improvement of skills ( Brenner, 1977 p. 85).

Historically, the development of the notion of the sovereign state with exclusive powers within its own territory and unable to exercise jurisdiction within the territory of others was also strongly influenced by ideas embodying an overriding universality of law. The classical international jurists, notably Grotius, saw state sovereignty as defined and limited by natural law, divine law, and the Roman-law-based notion of the *jus gentium* (law of peoples). Recent legal writers and international relations theorists have pointed out that this Grotian view of national sovereignty entailed a duty to honour and assist in the enforcement of a valid regulation of another state, the doctrine of 'comity' which some now argue should be revived in a new form. This was not in accordance with absolutist versions of national sovereignty however, and was eventually eclipsed by 19th century positivism. In its naïve version (e.g. Bentham) positivism holds that since there is no sovereign above the state there can be no international law. More sophisticated versions accept that reciprocity and mutual agreement provide the basis for obligation in international law. However, this is still open to the voluntarist interpretation which found expression in the famous International Court judgment in the

*Lotus* case (1927), which held that since rules of international law emanate from the free will of independent states, no restriction by denial of a claim of jurisdiction over acts taking place abroad was possible unless based on explicit agreement or a universally accepted general rule.

Positivist definitions of state sovereignty and jurisdiction are more or less adequate for liberal forms of regulation, since they can rely on the separation of public and private regulation, and the separation of prescription and enforcement which characterise such liberal forms. Under the liberal international state system, it is open to the state to prescribe rules even beyond its territory, and specifically to apply them to its nationals wherever they may be. Equally, individual economic persons can be afforded a very broad freedom to determine for themselves the legal framework that may apply to their transactions. In the end however, public (especially penal) regulation, as well as the exercise of the state's power to enforce through investigation or through sanctioning, must be territorially defined. Nevertheless, it is possible through interstate arrangements based on reciprocity to co-ordinate and mutually reinforce the national enforcement powers of states. Thus from the late 19th century there was a growth both of a network of bilateral arrangements for the mutual support of national jurisdiction (e.g. extradition), as well as of specific functional multinational organisations for the co-ordination of state functions (e.g. the Universal Postal Union).

This liberal international state system comes under increasing pressure during the 20th century, both from the increasing international interdependence especially of economic activity, and from the transcending of liberal forms of state regulation to more direct interventionism, in which there is less separation of the public and the private (e.g. the growth of economic 'regulatory' law such as antitrust, trading law, provision of technical standards etc.) and less separation between the prescription and enforcement of rules (e.g. enforcement is not left to private parties if their economic interests are damaged, but entrusted to public authorities which require direct compliance by notification, registration, approval before action). Thus jurisdiction becomes less 'open', with the freedom to choose a desired forum for dispute resolution (subject to the application by it of rules to determine the 'proper law' of the dispute, and subject to the final power to enforce within a state where assets can be found and the state accepts the adjudication as valid) — the adjudication by one state is more likely to conflict, directly or indirectly, either with private rights or with public regulation in another. At the same time, as I have pointed out above, increasing international economic and social integration creates an increasing overlap of jurisdictions. Not only does it mean that more than one state is likely to be involved in an activity (typically within a MNC, although the ramifications of international capital are not necessarily confined to the internal workings of individual capitals),

it also makes it easier for a state interest in jurisdiction to be made effective through actual control within the territory of some person or property connected with the activity. Thus a MNC can be fined through a subsidiary or permanent establishment in a country even in respect of actions which it claims took place elsewhere. Conversely, it is of course possible for a MNC to arrange for particular actions, such as the signing of a contract, the location of documents and records, or the meeting of a board of directors, to take place wherever it might be convenient.

This increasing difficulty of defining national jurisdiction has led to diverse attempts of redefinition and conflicts over their effects. The US authorities have been in the forefront of the redefinition of jurisdictional competence to apply not merely to acts taking place within the territory (and nationals wherever they may be) but to activities having direct, substantial and foreseeable 'effects' within the territory. The British government has been in the forefront of resistance to this redefinition, although other regulatory bodies, such as the European Commission (especially its Competition directorate) have themselves adopted the 'effects' doctrine. It has also been pointed out that whether or not an 'effects' doctrine is accepted, the physical notion of territoriality which the British are attempting to maintain is increasingly unworkable — international financial and economic transactions cannot easily be defined as 'taking place' within any specific territory. As a consequence, international lawyers have called for radical measures : either 'a refinement of the concept of sovereignty in international law, so that it can accommodate both notions of interdependence of states and of the increasing interdependence of states, without losing its coherence as a legal principle' ( Lowe, 1981); or the total abandonment of sovereignty as an inappropriate starting point based on 'vertical' rather than 'horizontal' thinking ( Lowenfeld, 1981).

The increasing tensions and conflicts of the international state system have gone together with both internationalisation of class conflicts and internationalised class alliances. However, this internationalisation of class relations must take place within new international legal and state forms which can help to structure the political relations involved, These have been notably slow to develop.

## **New International State Forms**

As mentioned above, the postwar period has seen the rapid development of a bewildering variety of international arrangements between states, ranging from multilateral organisations (both within and outside the UN system), all sorts of treaty arrangements, but also an increasing variety of informal interstate bodies and arrangements. Many of these informal arrangements

have much greater importance and power than the formal and visible organisations that are thought of as the international system. For example, economists are familiar with the OECD, which though it lacks the explicit functions and powers of, say, the IMF, in many ways plays a much greater role in attempting to generate the co-ordination between state officials that is vital in an increasingly integrated capitalist world. Equally, bodies such as the Trilateral Commission, although their importance can be exaggerated in left-wing mythology, clearly play an important role in attempting to generate a transnational capitalist ideological consensus. The conflicts over application of technological embargoes have brought to public attention the role of COCOM, an informal committee of officials operating by consensus which, although never entirely effective, plays an important role in co-ordinating the capitalist states' policies on technological and economic embargoes of the Soviet bloc.

These informal and kaleidoscopic arrangements are far from the smooth and inevitable process of co-ordination of international state functions envisaged by Warren, and even posed by Murray as one of the possible alternatives. To take, for example, international arrangements to 'chain down the Euro-dollar monster' : although it has clearly proved a vital aspect of the process of economic internationalisation and a faithful ally of the MNC, the failure to establish any effective regulation of the Eurodollar is blatant; although in the wake of the Ambrosiano bank collapse the central bankers agreed to revise the informal Basle accord in order to agree an allocation of responsibility for oversight of international financial institutions, there was a failure to agree on allocation of lender-of-last-resort responsibility. I can also give a more extended account of the problems of national tax authorities in 'getting control of the internal transfer price problem'. As Robin Murray's own subsequent research revealed ( Murray, ed., 1981), the national tax authorities have had increasing difficulty in their attempts to 'reclaim the market' by applying the arm's length formula to non-market exchanges by international capitals. On a national level, there have been great struggles in securing the resources to set up units of national officials to give anything like adequate scrutiny to transfer pricing problems. In the UK for example, apart from oil taxation and the district tax offices in the city which handle international bank transactions, all transfer pricing problems by MNCs operating in the UK are scrutinised by a central unit consisting of only 7 people of whom only one is an accountant. They rely largely on informal negotiations, especially with the handful of major accounting firms who advise the MNCs, keeping their legal powers and sanctions in reserve (e.g. the power to direct an adjustment to a non-arm's length transfer price has hardly ever been used, and has never been legally challenged). They reckon to have 'saved' a total of \$200m by adjustments to company profits made as a result of this informal

process. So far, the international arrangements for coordination of taxation of MNCs have been largely limited to agreements between tax authorities to exchange information. A pioneering arrangement was established between the UK and the US in 1978 providing for the 'simultaneous examination' of a MNC. Although this is under secret and informal agreement, it is subject to a fairly tight bureaucratic-political control, and has been used for fewer than 100 cases since 1978. The OECD has attempted to develop co-ordination between tax officials and agreement on questions such as the treatment of fixed costs. These international bodies have remained firmly opposed to the 'unitary' or 'formula apportionment' approach to taxation, which has been strongly fought by the MNCs. Although this would pose the political problem of agreement on the criteria for the 'formula' on which apportionment should be based, in principle it provides a more rational approach to national taxation of internationally integrated economic activities.

I use these examples to show that there is by no means a sharp alternative between the total breakdown of international state arrangements on the one hand, or the development of adequately functional global forms of regulation on the other. On the contrary, what we see are ramshackle attempts to patch up the international state system by ad hoc arrangements of the most informal kind. This informality responds also to the internal development of capitalist state forms, in which the open, public, regular, rational, universally applicable and autonomous state forms of liberal ideology have (to the extent they have ever existed) been transcended by more direct, interventionist, secretive, bureaucratic forms. These may be characterised as 'corporatist'; not in the sense of tripartite state institutions, nor in the sense that the state apparatus is supinely accepting or carrying out the dictates of corporate capital, but in the sense that the attempt to regulate capital-in-general takes place through direct negotiation between state officials and corporate managers.

I have also focussed on those aspects of the state that are concerned with the regulation of capital-in-general, rather than labour and its exploitation. In this context also similar contra-dictions can be shown — e.g. in the attempt to co-ordinate employee representation structures and information requirements, through the 5th Company Law Directive and the Vredeling Directive of the EEC. Nevertheless, I think it important to emphasise the existence of a contradictory process of internationalisation of capitalist regulation, since it is sometimes said that internationalisation is unproblematic 'for capital', whereas it poses grave problems of international organisation 'for labour' (see Baldry et al. 1983). While I in no way underestimate the problems for the working class movement to organise internationally (as well as nationally), (see Picciotto 1984), I think it important to emphasise that 'capital' is a social relation, and if there are contradictions in the process of internationalisation, they are contradictions for those on both sides of the relation.



## Chapter 9

# The State and Everyday Struggle

### Introduction

The last fifteen years or so have seen the rapid development of new forms of working class struggle around the state.<sup>1</sup> The battlefield between the working class and the state has been extended far beyond what are sometimes thought of as the traditional areas of conflict — conflict over the regulation of wages and working conditions and conflict with the overtly repressive part of the state apparatus. The growth and especially the retrenchment of the ‘welfare state’ has brought an enormous growth in struggles over the state’s role in housing, health, transport, education etc. Many of these struggles have been fought outside the confines of the traditional forms of working-class organisation: party and trade union organisation have often seemed

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<sup>1</sup>This paper is the individual formulation of the outcome of many collective discussions within the framework of the CSE. In particular, it is a critical development of two earlier papers, one by the Edinburgh CSE Cuts Group on ‘The Crisis of the State and the Struggle against Bourgeois Forms’, one by myself on ‘The State as Class Practice’. It would be dishonest not to acknowledge my considerable debt to the work done in cooperation with Sol Picciotto, with the Edinburgh CSE Cuts Group (John Macdonald, Richard Paine, Olga Stassinopoulou) and with the London- Edinburgh Weekend Return Group (Cynthia Cockburn, Neil McInnes, Jeannette Mitchell, Kathy Polanshek), as well as to those who took the trouble to write substantial comments on the earlier papers: Simon Clarke, James Donald, Ben Fine, Bob Fine, the Frankfurt state group, Bob Jessop and Mike Williams. Since most of the comments were critical, it is clear that responsibility for the paper remains mine. Some of the ideas sketched here are developed more fully in Edinburgh (1978), London- Edinburgh (1979) and Holloway (1979), although the present paper is critical of the earlier versions in several respects.

peripheral to the issues involved. There has been a sense of developing new forms of struggle against the state, but often considerable confusion on how to understand the state which these struggles engage.

The development of new forms of working class struggle is the counterpart of the development of the state itself. The growth of the 'welfare state' and 'state intervention' and the rise in state employment have meant an increasing permeation of daily life by the state. Over a quarter of the working population in Britain are now employed by the state and are in everyday contact with the state as their employer. For many of these (especially those employed in the public service rather than the nationalised industries), the fact that they are employed by the state (rather than by an individual capital) is of fundamental importance for the nature of their daily activity. But clearly it is not only state employees who are affected: workers not employed by the state come into much more frequent direct contact with the state apparatus than was previously the case. This is most obviously true of the various activities affecting the reproduction of labour power: education, health, social welfare, housing — all these bring the worker into constant direct contact with the various parts of the state apparatus. This is also true of the immediate sphere of production. Although the immediate antagonist for workers employed by individual capitals is still the individual capitalist, the relation between capitalist and worker is increasingly influenced by the state: through pay policy, the granting of subsidies and loans conditional on 'good behaviour', planning agreements, safety regulations etc. *For more and more socialists, the state has become a problem of everyday practice.*

Undoubtedly it is these developments which account for the great surge of interest in Marxist state theory in the last few years. For socialists brought by their employment or political activity into direct and routine contact with the various agencies of the state, an understanding of the state is a matter of direct practical significance for their everyday lives. And yet it is hard to see what practical support they can have drawn out of the recent debates on state theory. This is not only because of the language in which the debates have been conducted, a factor making even the best theoretical contributions fairly inaccessible; it is also because of the questions which the theorists have addressed: in what way is the state a capitalist state? What are the structural limitations on state action? How does state expenditure relate to the reproduction of capital? In what way is the development of the state determined by the laws of motion of capital? All these questions are very important, but their relation to the political practice of socialists working in and around the state is a very indirect one. The discussion of the role of state expenditure on social services in the reproduction of capital, for example, certainly has political implications of a general nature, but it is hard to see its relevance to the nine-to-five practice of a social worker. Again it

is hard to see how the knowledge that the state is a capitalist state or the injunction to 'smash the state' can guide the socialist teacher in her (or his) daily confrontation with her pupils. Much of the writing on the state has tended to approach the subject from above, trying to supply answers to the questions which bourgeois theory has failed to solve; or in so far as it has explicitly discussed the implications of the analysis of the state for working class action, it has tended to conceptualise working class struggle solely in terms of party strategy. Consequently, although the resurgence of Marxist state theory has undoubtedly received much of its impetus and support from the development of new forms of struggle (generally non party struggle) around the state and from the concerns of the large number of socialists in daily engagement with the state, it does not seem likely that the work of the theorists has contributed very much to the development of those forms of struggle.<sup>2</sup>

What we need is a theory of the state as the day-in, day-out class practice of the bourgeoisie. If state theory is to have any significance for those in daily engagement with the state, it must be able to throw light on the developing class practices implicit in the state and on the possibilities of countering them.

This paper does not aim to solve these problems; but it does aim to develop, in still rudimentary form, a framework within which we can begin to talk about the everyday practice of the state and the everyday struggles of socialists against the state.

## **The State as a Form of Social Relations**

1. In order to answer this question, i.e. in order to understand the state as a form of everyday bourgeois class practice, we must try to build more explicitly on recent experiences of class struggle against and around the state. This is not to suggest an anti-theoretical position or a complete rejection of the last few years of debate about the nature of the state. On the contrary, the deficits of the recent accounts of particular struggles around the state underline the importance of developing much more explicitly certain concepts

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<sup>2</sup>The lack of contact between recent development in state theory and the developing struggles around the state is brought to the fore by some of the analyses of the struggles around the state which have appeared in the last few years. Although these analyses often give excellent accounts of particular struggles, whenever the authors have tried to theorise their experience, they have done so by reference to the work of the state theorists and the result not surprisingly, has been unsatisfactory. Cynthia Cockburn's deservedly popular book on *The Local State* (1977), with its combination of a very stimulating account of housing struggles in London and its quite inadequate theoretical reliance on an amalgam of Miliband and Poulantzas, is an excellent example of this.

employed or implied in the best of the recent work on the state: namely the concepts of fetishisation and state form, and the distinction between state form and state apparatus. The task is not to reject state theory but to draw out and develop the political implications of some recent developments. I refer in particular to the recent 'state derivation' debate which developed in West Germany and has now been taken up in some other countries.<sup>3</sup> The German academics, true to their historical traditions, have been adept in theorising in highly abstract form the concrete struggles of others. Without always drawing out the political implications of their work, they have created a new framework for our understanding of the state, a framework which, if properly developed, can permit us to move towards an understanding of the state as class practice.

2. The starting point of the German debate was the critique of those theorists (in this case Offe and Habermas) who divorce the study of politics from the analysis of capital accumulation. However, instead of simply reiterating the connection between capital and the state, the contributors to the debate accepted the separation of the economic and the political and tried to establish, logically and historically, the foundation of that separation in the character of capitalist production relations. They argued that, in order to understand the 'relative autonomy of the state' — or, better, the separation or particularisation of the state from the economic — it is necessary to derive that 'relative autonomy' (particularisation, separation) from the basic structure of capitalist production relations: in order to understand the relation between two 'things', it is necessary to understand their unity.

In *Capital*, Marx developed his critique of bourgeois political economy from the most basic forms of capitalist social relations. In order to understand the relation between the state and capital, it is necessary to extend that procedure to the critique of the categories of bourgeois political science. They too must be derived from the basic structure of social relations under capitalism. The attempt to derive the state from capital (the focus of the German debate) is not an attempt to derive the political from the economic, but the separation of the political and the economic (and therefore to derive both the political and the economic in their constitutive separate existence — since it is just their separation which constitutes them as 'political' and 'economic') from the structure of the social relations of capitalist production, i.e. from the particular historical form of class exploitation. The task is not to develop an 'economic' or 'reductionist' theory of the state but to develop Marx's method in the *materialist* critique of political economy to construct

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<sup>3</sup>For a more comprehensive account of the debate, an assessment of its significance which does not stress quite the same points as the present paper, and for a translation into English of the most important contributions to the debate, see Holloway and Picciotto, 1978.

a *materialist* critique of the political. The state, in other words, is not a superstructure to be explained by reference to the economic base. Like value, money etc., it is an historically specific form of social relations. As a category of political science, the state is a form of thought expressing with social validity the features of a discrete form assumed by the social relations of bourgeois society:

The categories of bourgeois economy consist of such like forms (value, money etc.). They are forms of thought expressing with social validity the conditions and relations of a definite, historically determined mode of production (*Capital*, Vol. I, 1965 edn, p. 80).

The German debate is concerned with developing Marx's method in the critique of the value-form, the money-form etc., to elaborate a materialist critique of the state-form.<sup>4</sup>

A materialist critique is not only an analytical process; it is not just a question of piercing the state form and unmasking its content as capitalist state. It is also what Rubin calls a dialectical process (1927/1978, pp. 109 ff.), a process of deriving (logically and historically) the genesis of that form from the most basic forms of social relations. Indeed, Marx distinguished his method from the method of bourgeois political economists on precisely those grounds:

Political Economy has indeed analysed, however incompletely, value and its magnitude, and has discovered what lies beneath these forms. But it has never once asked the question why labour is represented by the value of its product and labour-time by the magnitude of that value' (*Capital*, Vol. I, 1965 edn, pp. 84–85).

Accordingly, the task which the German theorists set themselves was not only to discover 'what lies beneath' the state form (the fact that it is a capitalist state) but to derive that form (the existence of the state as a particular instance, separate from the economic) from capitalist commodity relations. The debate produced various answers but the most fruitful approach would seem to be that of Hirsch (1978a), who derives the particularisation of the state from the fact that, under capitalism, the exploitation of the working class by the ruling class is mediated through the sale and purchase of labour-power as a commodity. It follows from the nature of this form of exploitation that the social coercion essential for class domination cannot be

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<sup>4</sup>Note that the term 'state form' in this paper refers to the state understood as a form of social relations, and not to what we may call the 'type' of state (e.g. the fascist as opposed to the democratic state).

directly associated with the immediate process of exploitation but must be located in an instance separated from individual capitals — the state. The existence of the state as a separate instance is thus dependent upon the capital relation and its reproduction dependent upon the reproduction of capital. In this perspective, the existence of the political and the economic (for it is only their separation which constitutes their existence as distinct spheres) is but an expression of the particular historical form of exploitation (the mediation of exploitation through commodity exchange). The political and the economic are thus separate moments of the capital relation.

3. Where do the German debate and its subsequent developments take us?<sup>5</sup> In what way does it provide a basis for theorising the state in a manner more adequate to the current phase of class struggle? One of the problems of the debate is that its political implications are never discussed openly by the authors. This, combined with the fact that the authors do not always make a clear distinction between ‘materialist’ and ‘economic’, has left their work open to various interpretations and developments (both by the ‘supporters’ of this approach and by its critics, and indeed by the authors themselves in their subsequent work) which often obscure the significance of analysing the relation between the state and capital.

One such misunderstanding is to see the debate on the relation between capital and the state as being concerned solely with the ‘economic role of the state’. Thus, for example, Poulantzas, referring to the debate, can praise ‘work on the state in Germany, where Marxist discussion of the economic role of the state is probably the most advanced in Europe’ (1976, p. 81). A separate but related misunderstanding is the accusation of ‘economic determinism’ or ‘economic reductionism’: in this view the attempt to relate the state to capital is an attempt to ‘reduce’ the political to the economic, which ignores the ‘relative autonomy of the state’.

Both of these reactions to the German debate come, indeed, from a perspective which bases its analysis of the political on the ‘relative autonomy of the state’. While the latter response is a straightforward rejection of the ‘state derivation’ approach, the former is far more insidious: instead of confronting the ‘state derivation’ approach as an approach incompatible with its own premisses, it seeks to casually integrate the approach by curtailing it to a specific area — ‘the economic role of the state’. What both reactions have in common is a narrow conception of capital and of the relations of production. Capital is seen, if not as a thing, then at best as an economic relation, rather than as an historically specific form of the relations of class domination. But, as Marx pointed out:

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<sup>5</sup>This is a question to which the participants in the German debate themselves have provided no clear answer.

Capital is not a thing, but rather a definite social production relation, belonging to a definite historical formation of society, which is manifested in a thing and lends this thing a specific social character. (*Capital*, Vol. III, p. 814)

In analysing the state as a moment of the capital relation, therefore, we are analysing its place in the production relations of capitalism. This is very important, because it is the only way in which the development of the state can be analysed as part of the overall development of the capitalist mode of production.

However, to see the state as a moment of the relations of production is very far from ‘reducing’ the state to the economic. Crucial here is the conceptualisation of the ‘relations of production’.<sup>6</sup> For Marx, the relations of production are not simply relations of the immediate labour process, but are the relations constituted by the valorisation process, relations of a total process of social production. The relations of production are not distinct from society: rather

the relations of production in their totality constitute what are called the social relations, society, and specifically, a society at a definite stage of historical development ( Marx, 1962a, p. 90).

As Lukacs has pointed out (1978, p. 20), Marx’s starting-point is the ‘sum total of relations of production’; it is only vulgar materialism (from the period of the Second International through to the Stalin period and its consequences) that made the relationship between the economy and other aspects of society a unilateral and direct causal one.

Many of the theories of the Marxist renaissance have sought to escape from the vulgar materialist heritage. This has not been simply a movement of ideas. All the new forms of struggle referred to in the Introduction called for an analysis which could relate them to the dynamics of capitalism as a total system, yet did not reduce them to mere epiphenomena incidental to the ‘real’ struggle at the ‘point of production’.

It is in this context that we must see the popularity of theories which emphasise the ‘relative autonomy’ of the state, ideology and much else from capitalist accumulation. In this kind of view the notion of relations of production is limited to the narrow sphere of the direct production of commodities, what Marx called the ‘immediate process of production’. Given this narrow concept of production (a concept derived, indeed, from the vulgar materialists whom they criticise), the state is then seen as being *external* to

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<sup>6</sup>On the contrast between Marx’s concept of ‘relations of production’ and Poulantzas’s interpretation of that concept, see Clarke (1977).

the relations of production and the analysis is left with no way in which the development of the state can be grasped as part of the historical development of the capitalist mode of production.<sup>7</sup>

The analysis of the state as a form of the capital relation, therefore, is not specifically concerned with the 'economic role of the state', nor is it an attempt to 'reduce' the state to the economic. Rather it is an attempt to analyse the place of the state in the relations between capital and labour, conceived of as an historically specific form of class domination with its own laws of motion.

4. The other crucial question overlooked by both the 'relative autonomy' school and the vulgar materialists is the concept of form. It is characteristic of capitalist relations of production that they do not express themselves in any simple way as relations of domination. Rather they are expressed in a whole series of discrete forms which appear, not as forms of class domination, but as disconnected things — commodity, money, capital, rent etc. The process of capitalist production 'gives rise to ... formations, in which the vein of internal connections is increasingly lost, the production relations are rendered independent of one another, and the component values become ossified into forms independent of one another' (*Capital*, Vol. III, p. 828). Marx's analysis of capitalism in *Capital* can be described as a 'science of forms', an analysis and critique of this 'enchanted and perverted world' (*Capital*, Vol. III, p. 827) of disconnected forms, a critique directed not only at revealing the content, but at tracing the genesis of and internal connections between those forms. This theme is made explicit at the beginning of Volume I in the section on commodity fetishism and the course of its elaboration throughout the three volumes is traced at the end of Volume III, in the chapter on the 'trinity formula' (esp. pp. 826–830). This critique (i.e. establishing the genesis and inter-connections of the forms) is an essential part of the struggle for socialism. Capital lives by breaking the totality of our existence into apparently timeless, unhistorical fragments. An understanding of the movement for socialism presupposes establishing the unity of those fragments as an historically specific and transitory form of domination. The critique does not dispel the forms, but it is an integral part of the struggle to do so, to transform society.

The critique cannot dispel the forms, because the categories being criticised (value, money, state etc.) are not mere forms of appearance. They are rather thought-forms which express the specific forms taken by relations between people under capitalism. Thus the money-form refers neither to a thing nor to a mere concept but to the way in which the relations between producers have developed in commodity producing societies. It, and the

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<sup>7</sup>The foregoing passage is a gross plagiarisation, with permission, of Picciotto (1979).



other forms, are ‘forms of social life’ (*Capital*, Vol. I, 1965 edn, p. 75), the forms in which capitalist social relations are reproduced.

It follows that the forms cannot be treated as empty logical abstractions. As forms of social life they can only be understood historically. The scientific analysis of social forms cannot be a purely logical exercise, but is a ‘matter of “reflection post festum” on an actual process of history’ ( Picciotto, 1979, p. 120). Marxist categories are not logical abstractions but aids to understanding historical processes:

These abstractions in themselves, divorced from real history, have no value whatsoever. They can only serve to facilitate the arrangement of historical material ( Marx and Engels, 1976, p. 37).

Marx’s method is essentially an historical method. Indeed it is only by approaching historically the forms in which social relations present themselves that they can be revealed as just that — historically specific forms of social relations. It is precisely their inability to analyse value historically, and consequently their inability to conceptualise it *as a form*, that constitutes one of the principal barriers to the understanding of the classical bourgeois Political Economists:

It is one of the chief failings of classical economy that it has never succeeded, by means of its analysis of commodities, and, in particular, of their value, in discovering that form under which value becomes exchange-value. Even Adam Smith and Ricardo, the best representative of the school, treat the form of value as a thing of no importance, as having no connection with the inherent nature of commodities. The reason for this is not solely because their attention is entirely absorbed in the analysis of the magnitude of value. It lies deeper. The value-form of the product of labour is not only the most abstract, but is also the most universal form, taken by the product in bourgeois production, and stamps that production as a particular species of social production, and thereby gives it its special historical character. If then we treat this mode of production as one eternally fixed by Nature for every state of society, we necessarily overlook that which is the differentia specifica of the value-form, and consequently of the commodity-form, and of its further developments, money-form, capital-form etc. (*Capital*, Vol. I, 1965 edn, pp. 80–81).

The analysis of forms must therefore be an historical analysis,<sup>8</sup> and not simply a process of logical derivation. This approach has, therefore, little

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<sup>8</sup>C.f. Rosa Luxemburg (1899/n.d., p. 58): ‘The secret of Marx’s theory of value,

to do with 'capital logic' — a third false interpretation which does much to obscure its implications.<sup>9</sup> The historical dimension is essential if we are to develop beyond purely formal argument about the nature of the state; and it is also essential if the approach is to retain its critical edge.

Being historical, the concept of form is essentially critical. The purpose of Marx's analysis was to undermine the apparent solidity of the bourgeois categories, to show that they were not given by Nature but expressed historically specific and transitory forms of social relations. Thus, for example, Marx's analysis of money shows that it is not just a thing, nor a natural phenomenon, but an historically determinate form specific to societies based on commodity production. Similarly, the emphasis on the state as a form of social relations is essentially critical. The state is not just an institution, nor a phenomenon pertaining to all societies, but an historically determinate and transitory form of social relations. Consequently, it cannot be discussed simply as an apparatus or broken down into a conglomeration of apparatuses, ideological, mass-integrative, repressive, or whatever. Nor can the state simply be analysed in terms of its functions. What is important is not just the functions performed, but the historical form in which they are performed.

Seen in the context of Marx's method of analysing the genesis of and (hence) the internal connections between forms, the emphasis on the analysis of the state as state-form is critical in a double sense of the bourgeois conception of the state as an autonomous institution. Inherent in the concept of form, firstly, is an emphasis on the interconnection between the different forms, on the unity-in-separation of the different forms assumed by the relations between capital and labour, and hence on the capitalist nature of the state in capitalist society. And secondly, the concept of form when associated with the state draws attention to the historical and transitory character of the capitalist state. Both aspects of this critical dimension are absent from the concept of 'relative autonomy'.

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of his analysis of the problem of money, of his theory of capital, of the theory of the rate of profit and consequently of the entire economic system, is found in the transitory character of the capitalist economy . . . . It is only because Marx looked at capitalism from the socialist's viewpoint, that is, from the historical viewpoint, that he was enabled to decipher the hieroglyphics of the capitalist economy.'

<sup>9</sup>For a criticism of some of the German contributions from this perspective, see the Introduction in Holloway and Picciotto, 1978; c.f. also Holloway and Picciotto, 1977; Picciotto, 1979.

## **Fetishism and Fetishisation**

1. In the previous section, we underlined the importance of approaching the analysis of the state through the study of its historical development as a form of the capital relation.<sup>10</sup> However, if the concept of form is to be made relevant to the developing forms of struggle referred to in the introduction, it is essential to see history as relating not only to the past, but to the continuing process of social development. The development of the forms of social life is not an ideal process which has ended harmoniously in self-consciousness but a continuing and ever-renewed process of class struggle. History is nothing but the movement of class struggle, defining and redefining the battle fronts between the classes. As the relation between the classes, the capital relation, develops, so the forms in which the capital relation is expressed develop. As capital itself is challenged by class struggle, the forms of capital are challenged: they must constantly be re-established and redefined. It would thus be quite erroneous to think of the capitalist forms of social relations as being firmly established at the dawn of capitalism, withering away with the transition to socialism, but existing stably within capitalism itself. Such a conception would locate capitalism in history, but ban history (and class struggle) from capitalism itself. The determinate forms of capital are not simply historically established, but must constantly be re-established, in their specific determinations, through class struggle. In the case of the state, for example, it would be quite wrong to think of the separation of politics and economics as having been firmly established when the capitalist state first emerged as such. As Blanke, Jürgens and Kastendiek point out:

The separation of politics and economics . . . is not an historical act which happens once, but is constantly reproduced (1978, p. 121).

If, then, we think of the existence of the state as an apparently autonomous institution as one aspect of commodity fetishism, then it is important to grasp fetishism not as an established fact, but as an ever-repeated process of fetishisation.

2. That fetishism can never be an established fact is obvious if one remembers that the forms are not just abstract categories but forms of social life, forms of capital, i.e. forms of class domination. Class domination inevitably means class struggle.<sup>11</sup> Being forms of class domination, the fetishised forms in which capital appears are inevitably unstable. Any system

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<sup>10</sup>For a general sketch of the historical development of the state, see Holloway and Picciotto, 1977.

<sup>11</sup>The claim by the London CSE Group (1979, p. 90) that we emphasise class domination to the exclusion of class struggle is absurd. They fail to recognise that the two

of class relations is inherently unstable, simply because it is founded on exploitation, antagonism and therefore on resistance and revolt. To think that such a system based on antagonism could ever be stable, could ever be reduced entirely to routine habit, could ever reproduce itself 'normally' without conflict or disruption, as the bourgeoisie would have us believe, is nonsense. We can see all around us that the 'normal' condition of things is one of *instability*: factories, families, schools — all are riven by conflict, disruption and impermanence — far from the havens of peace and tranquility which bourgeois ideology suggests. The veneer of equality and harmony scarcely conceals the daily eruptions of state violence and discrimination on the one hand, and on the other sabotage, truancy, absenteeism, vandalism and the million other acts of rebellion which capital is constantly seeking to control or suppress.

The fetishised forms in which capitalist domination appears can never be a totally opaque cover completely concealing class exploitation from those who are subjected to it. The apparent neutrality and fragmentation of the forms, the mystifying disconnections, come into constant conflict with the workers' total experience of class oppression. Money, capital, interest, rent, profit, state — all are commonly experienced as aspects of a general system of oppression, even though their precise interconnections may not be understood. As Marx points out, the interconnections are clearer to 'the popular mind' than to the bourgeois theorists:

It should not astonish us . . . that vulgar economy feels particularly at home in the estranged outward appearance of economic relations in which these *prima facie* absurd and perfect contradictions appear and that these relations seem the more self-evident the more their internal relationships are concealed from it, although they are understandable to the popular mind (*Capital*, Vol. III, p. 817).

The fetishised forms of appearance should be seen less as an impregnable seal than as a thin crust on a seething, bubbling soup.

It is not only that 'the popular mind' sees through the categories of the bourgeoisie: popular action constantly rebels against the forms of human life which those categories express. As forms of human life they are constantly disregarded, evaded and resisted: shoplifting, vandalism, sabotage, tenancy, squatting etc. — all are (or may be) more or less conscious acts of resistance to the forms assumed by production relations under capitalism. Shoplifting, for example, is an attack (conscious or not) on the commodity-form of the

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are inseparable: just as class domination inevitably implies class struggle, so too class struggle is scarcely conceivable in the absence of class domination.

product; school truancy attacks the autonomisation of the state from society. Such acts generally lack political direction and rarely go beyond isolated and unconscious resistance directed at a particular manifestation of the form rather than at the form itself, so there is generally little difficulty for capital in absorbing such challenges. The last fifteen years or so have seen the development of new modes of more conscious challenge to the bourgeois forms — as witness not only all the interest in ‘alternative’ life styles, communes, cooperatives etc., but also the growth of struggles in which state workers have refused to accept their autonomisation from society, in which factory workers have refused to accept that use-value production should be governed by the law of value, in which those involved in struggles of all kinds have sought to find ways of expressing the unity of their struggles as class struggles. Again, many of the movements have aimed more at the evasion of the bourgeois forms rather than being directed against the processes by which the bourgeois forms are constituted and reconstituted, yet the significance of the development of new modes of resistance to the oppression inscribed in the bourgeois forms of social relations should never be underestimated.

However one assesses the significance of these various forms of resistance, what they do show is that the reproduction of the capitalist forms of domination is never simply an automatic process which can be taken for granted. In order to contain the ubiquitous resistance to class oppression, the forms of that oppression must be constantly developed and recreated.

3. It is in the face of this resistance and these attacks that capitalist social relations must be reproduced. Clearly, the reproduction of capital cannot be conceived of in any static sense as the automatic renewal of pre-given forms of social relations. This is so for two reasons. First, as we have seen, there can be nothing automatic about it: there is constant resistance to the reproduction of capitalist domination and this resistance itself impels the constant reformulation of the relations of domination. Secondly, the relations are never pre-given: capital is an inherently dynamic form of social relations. Its unquenchable thirst for surplus value drives it constantly to intensify exploitation and constantly to reformulate (especially through crisis) the relations between capital and labour. The maintenance of capital as a form of social relations, therefore, can only mean the maintenance-and-restructuring of capitalist social relations, the constant reformulation-through-crisis of the relations between capital and labour. Inevitably, this reformulation is always a struggle to impose or reimpose certain forms of social relations upon society, to contain social activity within, or channel social activity into those (developing) forms. Now, inevitably, the only way in which this struggle can take place is through the forms of the capital relation. It is essential, then, that we conceive of these forms not as static entities, but as ‘form

processes' (Sohn-Rethel, 1978, p. 17), as processes which seek to impose ever-changing but always fragmented forms of social relations upon the resistance inevitably aroused by class oppression. The determinate forms of capital are not only the forms of existence of capital, but the form-processes through which capital is reproduced. Capital is reproduced through the constant form-processing (i.e. processing into certain forms, *Formierung*, forming) of social activity: but *it is essential to remember that the changing patterns of form-processing are to be understood not as a random, a-historical process but as an interconnected historical movement structured by the laws of motion arising from the contradictions of capital*. As we have seen, it is in the nature of class antagonism that the form-processing is never completed but is an ever-renewed struggle to impose capitalist social relations upon society, a struggle that becomes more acute as the expansion of capital demands the ever greater subordination of social relations to its sway.<sup>12</sup>

If the political relevance of form analysis is to be made clearer, it seems essential to develop this aspect, i.e. to analyse the reproduction of forms and the form-processing of social activity.<sup>13</sup> The rest of this paper takes a few hesitant steps in that direction, with particular relation to the state.

## The State as Form-process

1. The capitalist state is constituted by the particularisation of the political and the economic as distinct forms of social relations.<sup>14</sup> This involves not the separation of the political from a pre-existing economic sphere, but the constitution of both the economic and the political through the fragmentation of the capital relation. This fragmentation of the capital relation into discrete economic and political spheres is perhaps the most important aspect of commodity fetishism. Through this fragmentation the unified expression of class

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<sup>12</sup>This notion of capital as struggle, of form-determination as struggle, seems to be absent from Simon Clarke's otherwise excellent critique of fractionalism: Clarke (1978), c.f. esp. pp. 63 ff.

<sup>13</sup>In relation to the '*Formierung*' (forming, or formation) of state functions, Blanke, Jürgens and Kastendiek have this to say: 'The question of how this formation takes place in detail, how it is transposed into structure, institution and process of the state, can no longer be answered by form analysis. It would have to be made the subject of historical analysis' (1978, p. 119). Their separation of form analysis and historical analysis (criticised generally in the Introduction to Holloway and Picciotto, 1978) has most unfortunate consequences here, for it cuts them off from what is precisely the most important aspect of form analysis.

<sup>14</sup>C.f. Reichelt, 1970, p. 21: 'Marx agrees with Hegel that the state only really becomes the state when it appears as the state of bourgeois society, when it assumes the form of the political state standing outside and above bourgeois society and society can likewise appear as society.'

relations typical of pre-capitalist societies is broken up. In the transition from feudalism, the serf (a term denoting total subjection, indistinguishably political-and-economic, to the lord) becomes wage-earner and citizen. On both sides of the divide, class (as an inherently antagonistic relation of production) has apparently dissolved into separate but interlocking and mutually confirming categories. The separation of economics and politics implies the separation of economic and political relations — the constitution of the proletarian as property-owner (i.e. owner of the commodity labour-power) and citizen (as Burger and Citoyen, to speak with the young Marx (c.f. Reichelt, 1974, p. xxiii)).

This separation, however, is not an established fact, but an ever-repeated process. The classless status of citizen comes into constant conflict with the class experience of the bearer of that status. As Blanke, Jürgens and Kastendiek point out:

The emergence of a political subject of law corresponding to this economic category [property-owner], the 'worker citizen' is accomplished through class struggles, because surface categories always constitute mere *formal* equality, while the *material inequality* posited in the production of surplus value continually calls this apparent equality into question (1978, p. 142).

The process of separation, the processing of social activity into a political sphere separate from the economic, the processing of social relations into particularised political categories is a constant struggle to suppress the expression of class experience, to suppress class organisation. This process (i.e. the state, understood as form-process, as process of the particularisation of the political as a distinct form of the capital relation) is clearly of enormous importance in ensuring the reproduction of capital. An attempt to understand this process and its development is a necessary part of the struggle against capital.

2. Historically, the separation of economic and political relations coincided with the autonomisation of the state. This took place on the basis of the primitive accumulation of capital, at a time when the direct relation of capitalist exploitation was not yet wage-labour. Thus the first moment of the capitalist state is to establish and guarantee exchange as the mediation of production and consumption. This involved the creation and maintenance of individuals as economic and legal subjects, the bearers of reified property rights (c.f. Picciotto, 1979). At the same time, the establishment and guarantee of exchange implied the development of a coercive instance standing outside the exchange relation and relating to the members of society *as individual subjects* (c.f. Blanke, Jürgens and Kastendiek, 1978; Perez Sainz

1979). Historically, the European Absolutist states provided the framework both for the spread of commodity production and the concomitant development of the individual citizen:

The idea of a general citizenship began to penetrate into the political sphere, by virtue of the regime's absolutist nature and the unitary character of the state; to this idea the notion of general citizen rights was soon added. The population accustomed itself to fixed duties laid down by the state, to taxation and military service, to daily contact with the civil servants of a centralised state and, in consequence, acquired a sense of political cohesion, the rudiments of a common political interest. The idea of a unified political order ... became now an innermost concern of the population itself ... *The individuals became conscious of being a people: previously there had been no more than a populace divided up by region and class* — a mere object of government ( Hintze, 1902/1975, p. 175; my emphasis).

The centralisation of power which replaced the 'parcellised sovereignties' ( Anderson, 1974, p. 19) of feudalism found expression also in the atomisation of the population into 'a multitude of *particuliers*, of private (though sometimes privileged) individuals' ( Poggi, 1978, p. 78). This process of individualisation is the first and basic moment of the state form, counterpart of (and interlocking with and consolidating) the development of commodity-owners as economic subjects. With the increasing generalisation of production based on commodity exchange, the principle of individualisation gradually undermined the ordered hierarchy of the old world, with its system of representation based on 'community' and 'rank' (c.f. Beer 1965, pp. 17–18). In Britain the redefinition of society as a mass of individuals was closely tied to the extension and reorganisation of the system of representation (c.f. Beer, 1965, pp. 16 ff.).

In any full development of the argument of this paper, it would be essential to trace the development of this basic moment of the state form, the development of the changing modes of individualisation (particularly in relation to the emergence of the welfare state). Although this attempt cannot be undertaken here, the importance of an historical approach must be underlined, for it would be a grave error to mistake forms of individualisation current in western democracies with their parliamentary elections and rule of law for the 'most perfect' forms of individualisation or the 'normal' (as opposed to the 'exceptional') expression of the capitalist state. The development of the mode of individualisation can be understood only in the context of the historical development of capitalism as a whole.



Here, however, it is possible only to emphasise the importance of individualisation as the basic moment of the state form. The process of individualisation is enshrined in all the basic practices of the state — in the law, in administration, in the structures of representation and intervention. In each case, the state isolates people by treating them as individuals, not as concrete individuals with individual peculiarities but as abstract, general, de-individualised individuals: the abstract nature of commodity-producing labour is here reproduced as abstract citizenship. The relation to individuals is therefore a general relation, a relation in which individuals are distinguished neither on the basis of their peculiarities nor on the basis of their class position.

This process of individualisation finds one of its clearest expressions in the legal form and the concept of legal rights:

A right is always that of an individual subject: hence to extend or claim ‘rights’ for people in a bourgeois legal form is immediately to isolate them ( Picciotto, 1977, p. 3).

But the same process is at work in the daily contact between all the state’s administrative agencies and the ‘public’: schools, social work departments, housing departments, social security offices, all act in a measure which isolates the person coming into contact with them, treats that person as an individual, or (as Cynthia Cockburn (1977) points out) as part of a family.

Representative elections are no exception to the form-processing inscribed in the state’s practices, despite the sharp distinction which some (e.g. Foucault, 1977, and apparently Poulantzas, 1978) have drawn between representation and other aspects of the state’s practice. In democratic elections, the population is treated as an undifferentiated mass of ‘voters’, ‘constituents’, defined according to arithmetical numbers rather than any membership of class or community. Similarly, the voting process itself, the institution of the secret ballot, is the supreme expression of the *privacy* of political opinion. Through the institution of the ballot box, resistance to class oppression is channelled into an act of individual, private choice between two or more oppressors.

This is not to deny that the rule of law and representative democracy are generally more favourable to the working class than a regime in which neither of these prevails. The point is rather to recognise the limits, or rather the oppressive implications, of these forms, and not to hypostasise them as achievements of civilisation which must at all costs be preserved. It is a mistake, for example, to make an absolute distinction between the exclusion of the working class from the state before the introduction of universal suffrage and its representation within the state after that event.

This is a mistake, firstly because the working class was able to ensure its representation within the state even before the extension of the franchise, as Foster's study (1974) of early nineteenth century working class politics in Oldham shows. And secondly, representation of the working class within the state through the processes of electoral democracy is simultaneously a process of fragmentation, of exclusion *as working class*. What is involved in the extension of the franchise is thus not an absolute change from exclusion to representation, but a (normally very significant) change in the mode of representation-and-exclusion of the working class. It is not representative democracy which limits the power of the state (as Poulantzas, 1978, p. 73 would have it), but the strength of the working class, whatever its institutional expression.

Law, administration and representation, then, are all practices which individualise, which treat the classes of society as a homogeneous mass of people. This individualisation is not an established fact but a process which consistently obscures the basic structures of society. Pannekoek put the point neatly when he wrote:

Democracy, they say, is government by the people, but the people as such does not exist; in reality, society is divided into classes (1919/1969, p. 136).

To see the state as a process of individualisation is not to suggest that this individualisation takes place solely in the political sphere, that classes are formed at the economic level and then fragmented at the political level. Nor, indeed is it to suggest that the state simply consolidates an individualisation which is basically established at the economic level, as Poulantzas (1978, p. 65) suggests.<sup>15</sup> Rather it is the fragmentation of class relations into distinct but interlocking economic and political forms which brings with it the atomisation of the working class. The struggle to build up class organisation must therefore be a struggle against these forms. This is not to say that it may not be important to use legal action or parliamentary elections as part of a campaign, but, if so, it is important that it should be within the perspective of a broader movement aiming at the total transformation of

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<sup>15</sup> Poulantzas apparently sees individualisation as taking place basically in production (which he conceptualises narrowly as the immediate process of production) and being 'consecrated and institutionalised' by the state. The problem with this is that he still starts from a pre-supposed separation of the economic and political. Consistently, his whole discussion of 'individualisation' is a-historical and static, apparently leaving no space for a rupture of this 'individualisation' (c.f. esp. pp. 73–74). This may explain why there seem to be no clear conclusions for class struggle drawn from the analysis, or rather only rather inconsistent conclusions concerning the value of representative democracy. For a useful discussion of Poulantzas (1978) see Barker (1979).

social relations and with an awareness of the individualising, fragmenting implications of these forms.

3. So far we have suggested that individualisation should be seen as the first moment of the state form, corresponding to the state's basic function of establishing and guaranteeing commodity exchange. With the establishment of the capitalist mode of production on the basis of 'free' wage labour, the state develops new functions and a new mode of political formation (c.f. generally Holloway and Picciotto, 1977). On the one hand, the generalisation of commodity production brings with it the clearest expression of individualist ideology in nineteenth century liberalism and radicalism. On the other hand, with the generalisation of commodity production and the establishment of capital,

the laws of appropriation or of private property, laws that are based on the production and circulation of commodities, become by their own inner and inexorable dialectic changed into their very opposite (*Capital*, Vol. I, 1965 edn, p. 583).

The appearance of equality of exchange in the sphere of circulation is increasingly undermined by the inequality of production. The guarantee of the relations of exchange by the state, therefore, increasingly involves the state in the overt regulation of the conditions governing the sale and purchase of labour power. The abstentionism of the liberal ideal is at once undermined by the growth of state intervention, from the very beginning of the heyday of liberalism (c.f. e.g. Roberts, 1960). The expansion of state activity means that the state enters into more direct relations with an ever greater number of people (c.f. Poggi, 1978, p. 123). Inevitably, this expansion involves not just an expansion in the quantity or density of relations between the state and individuals, but the establishment of new forms of relations between the state and the 'public'. The development of new forms of representation/intervention/administration — for these are but three very closely interrelated aspects of the same process — becomes a problem both for the administrators and for those being administered. Individualism, as soon as it is established, is apparently undermined by the development of collective political forms.

The primary impulse to the growth in state intervention came from the need to ensure the reproduction of labour power as a commodity. Consequently the patterns of intervention/administration/representation which developed were structured primarily around the sale and purchase of labour-power. The growth of state intervention led to the development of more direct relations between the state, on one hand, and workers and capitalists, on the other — defined not as classes, nor simply as individuals, but as sellers and buyers of the commodity labour-power, as owners of different

revenue sources (trade unions and employers' organisations). As the individual citizen is the counterpart of the individual commodity-owner, so the new political collectives which began to emerge in the nineteenth century (very different from the old communities which had been undermined by the individualising effect of the spread of commodity exchange) were mostly so structured that they interlocked with the economic categorisation on the basis of revenue sources.<sup>16</sup>

Collectivism is therefore not the absolute opposite of individualism, as it is so often presented to be. Rather it complements individualism and arises on the basis of individualisation and the abstraction from the relations of production inherent in the process of individualisation. It is true that 'class' emerges as a category of nineteenth century politics (c.f. Beer, 1965; Poggi, 1978), but this is class understood not as an antagonistic relation of production, but as a mass of *individuals* owning the same source of revenue or enjoying a similar income. Collectivisation obscures the structure of social relations at least as effectively as individualisation. Classes are not only atomised, but the atoms are regrouped in such a way as to make the concept of class seem quite irrelevant to collective struggle.

Here again, although it cannot be undertaken here, it would be absolutely essential in any development of this paper to trace the changing modes of collectivisation, the changing ways in which capitalism groups us politically. In the modern capitalist state, citizens are lumped together into all sorts of groupings: they are classified, first and foremost as families (an extremely important point made by Cockburn (1977)), but also as voters, taxpayers, tenants, parents, patients, wage-earners, smokers and non-smokers. Class members are categorised on the basis of consanguinity, of geographical residence, on the basis of income, of housing tenure, of parenthood, of health, of revenue form, of personal habits: never on the basis of class. To understand this process by which classes are defined into the different categories of bourgeois politics is a fundamental problem of state theory,<sup>17</sup> for this categorisation not only responds to, but defines and redefines the forms of political organisation in bourgeois society. The process of categorisation can be seen as the formation of so many constituencies — the grouping together of individuals into (at least potential) 'interest' groups based on their common parenthood, ill-health,

<sup>16</sup>The analysis of Flatow and Huiskens (1973) has something to offer in this respect, but only if the state's relation to the owners of the revenue-sources is reinterpreted as a process of fetishisation.

<sup>17</sup>It is an unfortunate effect of Simon Clarke's over-determinist view of the state that the problem of representation is reduced to a secondary aspect of the way in which the state is subordinated to capital. One implication of this is to suggest that the political system should be seen simply as a transmission belt between capital and the state, rather than as an extremely important and problematic moment in the reproduction of capital.

predilection for tobacco, housing tenure etc. The constituency — both in the usual sense of a geographically defined grouping together of voters and in the sense of the functional grouping of people in their relations with particular aspects of the state apparatus (the sense often given to the term by political scientists) can be seen as the basic unit within which political relations are constituted. If constituency is seen in these terms, then McConnell, the radical American political scientist, is clearly right to point to the question of constituency as the fundamental question of politics (McConnell, 1966) — except that he refers to the question of determining the size of the constituency rather than the more fundamental question of the processes through which a constituency is defined as such. It is the manner in which constituencies are defined which is the crucial problem, the manner in which the massive totality of class struggle is fragmented through state administration into distinct problems for the functionally defined branches of state activity — problems for the Department of Health and Social Security, problems for the Department of Education and Science, problems for the Department of the Environment etc. and their smaller divisions right down to the division of responsibilities among individual officials — and then the manner in which this fragmentation is imposed upon those who have any dealings with the state apparatus, the manner in which ‘the rules and red tape that swathe the agency within . . . also reach out to mould the client’ (Wilensky and Lebeaux, 1965, p. 240) — and not only the ‘client’ but the classes of capitalist society. This ‘moulding’ is a struggle, a struggle to channel class action into the fetishised forms of bourgeois politics, a struggle to constitute the state form. This struggle, let it be emphasised again, can only be understood in the historical context of the development of the class struggle which is the reproduction and accumulation of capital. The change in the forms of collectivisation is not a random process: the developing forms of the capital relation constitute a differentiated whole.

A distinction can, perhaps, usefully be drawn between the ‘external’ and ‘internal’ processes of constitution, i.e. between the constitution of bourgeois political relations through the interaction of the state with those outwith the state apparatus, on the one hand, and the constitution of bourgeois relations within the state apparatus on the other. The ‘internal’ process of forming social relations is not necessarily less problematical for capital than the ‘external’ process: both involve the maintenance/recreation of bourgeois social relations in the face of a contradictory experience. The two processes are, moreover, inextricably interlocked: the transmutation of class relations outwith the state apparatus depends upon the maintenance of bourgeois relations within the state apparatus. This implies, firstly, bureaucratic control of the actions of the employees of the state apparatus — a problem of increas-

ing complexity and importance as state employment expands and the state comes to play a more crucial role in the reproduction of social relations. It implies also a fragmentation of relations within the state apparatus which complements the fragmentation existing in and imposed upon class relations at large. If the fragmentation of class relations at large can be seen as being accomplished (or rather transmuted and consolidated) through the 'reaching out' of 'the rules and red tape that swathe the agency within ... to mould the client [or class]' ( Wilensky and Lebeaux, 1965, p. 240), then the same is true in reverse. The fetishised categories of commodity production 'reach out' in transmuted form and mould the internal organisation of the state apparatus: this internal fragmentation of the state apparatus then 'reaches out' in its turn to mould and reinforce the fetishised relations of bourgeois society. The question of the internal organisation of the state is thus far from being a technical question of public administration.<sup>18</sup> When Aristotle posed his famous question in relation to the distribution of functions in the Greek city state: 'We have also to consider whether to allocate duties on the basis of the subject to be handled, or on that of the class of persons concerned' (*Politics*, Book IV, Ch. XV), he was raising not just a problem of administration but one of the most important questions of political organisation.

4. Whether as individualisation or as collectivisation, the constitution of the state (the process by which the structure of relations clustered around the exercise of coercion is constituted as separate from the economic) is a process of fetishisation, of the fragmentation of class relations into non-class forms.

Fetishisation refers here not just to the creation of certain forms of thought, but to the constitution of the bourgeois 'forms of social life'. It involves the organisation of our lives in such a way that the important questions (class struggle and the transition to socialism) can never be posed in an active manner. What is important here is the material organisation of our lives rather than simply the dissemination or inculcation of ideas. As Heide Gerstenberger puts it:

Instead of assuming that people who do not fight have been successfully trapped by the ideology of the bourgeois state, we should try to analyse the everyday constituents of consciousness in a bourgeois society. And by doing this ... we will pretty soon

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<sup>18</sup>It is worth noting that the rise in interest in the internal structures of the state coincided in time with the growth of the collective organisation of interests and their increasing articulation with the bureaucratic structures of the state apparatus. Generally, the analysis of the fetishised forms of Public Administration (so vital for an understanding of the forms of political organisation) is a task still largely untouched by Marxist theory.

be confronted with the overwhelming presence of bureaucratic structures. Not only are most aspects of life administered, but the integrity of people's lives and the connections between their problems are split up in fractional aspects of administration (Gerstenberger, 1977, pp. 7–8).

In this respect, the emphasis by Foucault (1977) on the 'micro-physics of power' and the 'politics of the body' is a helpful antidote to much of the recent writing on the state. In order to contribute to a more adequate theorisation of the state, however, such an analysis would need to be extended to the less spectacular forms of popular contact with the state and to be established on an historical materialist basis, i.e. in relation to the development of the forms of capital seen as a totality. Nevertheless, his insistence on the significance of the material practices of the state is an important one, for it makes clear that the struggle against the state cannot simply be a matter of theoretical enlightenment of the working class, nor simply of capturing control of or smashing the state apparatus, but must involve the development of material forms of counter-practice, of counter-organisation. As Pannekoek puts it:

Organisation is the fundamental principle of the struggle of the working class for its emancipation. It follows that from the point of view of the practical movement, *the most important problem is that of the forms of this organisation* (1938/1969, p. 257, my emphasis).

To this point we must return in the Conclusion. The state as a process of fetishisation, then, is a process of reaching out and ordering social relations in certain ways. It is easy to overestimate the penetration of this process into society, and also to overemphasise its importance vis-a-vis other forces at work (e.g. the 'dull compulsion of economic relations'). Certainly, as a general trend, the expansion of capital implies the increasing permeation by capital of every aspect of our lives and this is achieved in part through the state (the growth of state intervention implying the need for a more thorough categorisation and representation of our interests); but it is clear from present experience in Britain that there is no unequivocal and irreversible trend towards the expansion of the state's role in this respect.

## **Some Conclusions**

It is clear that this paper is very much a working paper. The purpose has been to take up a certain theoretical current (the state-form debate) and

suggest some ways in which it might be developed to make it more relevant to the development of new forms of struggle against the state. Its argument is that the state must be seen not just as a form of existence of the capital relation, but as a moment in the reproduction of capital as a relation of class exploitation mediated through individual exchanges of the commodity labour-power, as a process of forming social activity in such a way as to reproduce classes as atomised individuals and exclude the possibility of class organisation against capital. The conclusion, at its most basic level, is that the struggle to build class organisation must be directed against the state as a form of social relations, must involve the development of material forms of counter-organisation which reassert the unity of that which the state pulls assunder. But before developing this in slightly more detail, it is necessary to make two other points relating to crisis and to the distinction between state form and state apparatus.

1. *Crisis*: In many countries, the present crisis has taken the form of a fiscal crisis of the state. The state has come under attack from the bourgeoisie itself and significant cuts have been made, especially in the 'welfare' aspects of the state. It is clear that the Left must defend working class gains which have become enshrined in the welfare activities of the state, yet any straightforward defence of the welfare state which overlooks its capitalist form is highly problematic. Firstly, such a strategy is unlikely to mobilise wide support: the great strength of the bourgeoisie's attack in this area lies precisely in the fact that the state is widely experienced as being oppressive (as witness the popular appeal of Mrs Thatcher's attacks on the over-mighty state in the recent election campaign). And, secondly, such a strategy misses an opportunity of exploiting the destabilising potential inherent in the retraction of the state.

The problem must be seen within the general context of crisis and its impact upon the stability of capitalist relations. The contradictions of the capital relation express themselves in a constant tendency towards, and periodic outbreak of, crisis. Crisis, if it is to be overcome within the framework of capitalism, involves a restructuring of the capitalist relations of production (c.f. Hirsch 1978a). The relation between capital and labour must be restructured if it is to be maintained: by increasing the rate of exploitation, altering the ratio between constant and variable capital, accelerating turnover etc. The problem, however, from the standpoint of capital is that, although restructuring is essential for the maintenance of the capital relation, restructuring may, at the same time, imperil the continued existence of that relation. In a period of restructuring, the maintenance/reimposition of bourgeois relations becomes particularly difficult. The 'dull compulsion of economic relations' either becomes so sharp (for those still employed) that it may provoke reaction, or it becomes so blunt (for the long-term unemployed) that it may



lose all effectiveness (c.f. Frith, 1978). Consider the slightly different but very instructive case of poor Mr Peel who decided that it would be more profitable to 'restructure' his capital by moving it to West Australia:

Mr. Peel ...took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £ 50,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working-class, men, women and children. Once arrived at his destination, 'Mr. Peel was left without a servant to make his bed or fetch him water from the river'. Unhappy Mr Peel who provided for everything except the export of English modes of production to Swan River! (*Capital*, Vol. I, 1965 edn, p. 766).

But we need not go as far as West Australia to find the very existence of the capital relation threatened by its restructuring. It is clear that the restructuring nearly always subjects the continued imposition of the relation to a severe strain: this can be seen, for example, in all the strikes connected with 'rationalisation' and wage restraint in Britain in the late 'sixties and early 'seventies. Crisis is not only a technical question of restructuring inputs into the process of production, it is a crisis of the social relations of capital production.

The crisis, as a crisis of production relations, extends not only to the immediate process of production, but also to the state in its various moments. Here too, the bourgeois form must be restructured if it is to be maintained; here too, the restructuring of the bourgeois form subjects its continued existence to particular strains. The crisis of the state form is just as inevitable as the crisis of the capital relation, is in fact one moment of that crisis. The mobilisation of the counter-tendencies to the tendency of the rate of profit to fall which takes the place through crisis means a massive restructuring of social relations involving, as Hirsch points out, the whole 're-organisation of an historical complex of general social conditions of production and relations of exploitation' (Hirsch, 1978a, p. 74). The fact that, increasingly, the mobilisation of these counter-tendencies is effected through the state means that, inevitably, the whole complex of political relations is increasingly directly permeated by the general restructuring of the general relations of production. The crisis-and-restructuring of the capital relation as a whole is inevitably also a period of crisis-and-restructuring of the forms of constituting bourgeois political relations. Thus, to take an obvious example the present attempt by British capital to raise the rate of surplus value does not simply mean the introduction of new technology or the implementation of wage cuts by individual capitals; what is involved is rather a very long and

extremely complex struggle conducted at all levels, embracing such elements as the repeated attempts to restructure the relations between trade unions and the state and relations within the trade unions themselves (Donovan Commission, *In Place of Strife*, Industrial Relations Act, Social Contract), massive ideological campaigns (on productivity, inflation etc.), changes in state expenditure and taxation, complex interplay of political parties, plans to introduce worker directors, etc., etc.

The point that the crisis of capital is inevitably also a crisis of the state form is perhaps worth emphasising, if only because it differs from the view taken by a number of other authors. The problem is often approached through a discussion of the relation between 'economic crisis' and 'political crisis'. Many authors argue against the widespread but simplistic assumption that economic crisis leads more or less automatically to a crisis of the political system (c.f. especially Gramsci's critique of Rosa Luxemburg: 1971, p. 233). Countering this view, however, these authors either evade the problem by emphasising the relative autonomy of the political or, in the better cases (c.f. e.g. Autorenkollektiv, 1976), suggest that whether the crisis in the economic base gives rise to a 'political crisis' and 'ideological crisis' will depend on the organisation and militancy of the class struggle, an organisation and militancy which cannot be derived from the capital form. Superficially, of course, that is correct. Such an approach, however, does have several weaknesses. Most fundamentally, it treats the capitalist crisis as an economic crisis rather than as a crisis of the capital relation which inevitably involves a restructuring of that relation in both its economic and its political forms. It then presents 'political crisis' as a possible catastrophic crisis of the political system rather than as an inevitable process of restructuring the forms of political constitution. Such an approach is dangerous because it tends to focus attention on the fetishised forms of bourgeois party-politics and to present a 'top-down' view of the political system rather than the 'bottom-up' perspective of the working class in struggle. It tends to distract attention away from the less dramatic but very significant restructuring of the political constitution, a process which is inherent in the crisis and restructuring of capital. This restructuring is of great practical importance because it poses new problems for socialist strategy and opens up new opportunities for action. The attempts to recategorise the population in terms of communities, regions, nations, consumers, parents, participants in an enterprise, social partners of one sort or another: these make up the crisis-and-restructuring of the political form, these are the changes that create, willy-nilly, new forms of political organisation and pose new problems and new opportunities which cannot be waved out of existence by a dismissal of the 'reductionist' identification of 'economic' and 'political' crisis. It is important to understand the changes taking place as a process of restructuring and potential desta-

bilisation. The problem with the simple stress on defending the old forms of state now being overcome is that it not only misses this opportunity but effectively squashes it by asserting the neutrality or potential neutrality of the state.

2. *State form and state apparatus*: The struggle to reformulate the social relations of capitalism takes place not only outwith the state apparatus, and not only through the action of the state apparatus upon society, but also within the state apparatus itself. The antagonism and conflict which pervade the whole of capitalist society are present equally in the state apparatus. Resistance to the oppression inscribed in the state form is not only external to the state apparatus, it takes place also within the state apparatus, both in the actions of state employees and elected representatives, and in the behaviour of state 'clients' fighting back against the oppression which seems implicit in their relations with the state. Often these antagonisms are expressed simply in individual acts of rebellion with little political consequence, but sometimes they take more significant forms: organisation by claimants, community workers joining tenants in protests against state housing provision, Community Health Council workers organising workers to disrupt the activities of the Area Health Authority, etc. Each of these may be seen as attempts to confront the oppressive definitions implicit in the state, to challenge the limits of the state form while remaining within the framework of the state apparatus.

To conceptualise these struggles, it seems inevitable that we should make some distinction between state form and state apparatus. We have already seen that the concept of the state form is an essentially critical one: its purpose is to emphasise that the state cannot be understood as an autonomous institution but only in the context of its historical interconnections with the developing forms of capital. Nevertheless, this does not mean that the institution does not exist; the form must have some institutional embodiment. It is thus possible to speak of a 'double dimension' of the state as relation of capitalist domination and as apparatus (c.f. Perez Sainz, 1977, p. 162). Now clearly the form can not have a disembodied existence. It is materialised through the institutional development of the state and the activity of the state agents. Similarly, the institutional development of the apparatus can only be the expression of the historical development of social relations.

Nevertheless, the distinction between form and apparatus does acquire significance if we view the matter from the point of view of the socialist employee (or 'client') of the state. For socialists in this position, there is little doubt that they work within the state apparatus. However, their problem as socialists is to shape their daily activity in such a way that they do not simply act as agents for the reproduction of capitalist social relations. Their problem, in other words, is to maintain their daily contact with the state

apparatus (for this is normally a practical necessity) and yet combat the processing of social activity usually implicit in the actions of the state: to work within the state apparatus and yet against the state form. The extent to which this is possible will depend on the general constellation of class forces, but for the socialist working within (or entering into routine contact with) the state apparatus who does not want her (or his) socialism to relate only to evening and weekend activity (thus consigning herself to the fate of Sisyphus, rolling the rock of socialism up the hill at night, only to see her alter ego rolling it down again during the day), this is an absolutely unavoidable problem.

In thinking about the problem of those engaged in daily contact with the state, then, it is necessary to distinguish between the state apparatus (as an institutional network of financial and administrative controls) and the state as a form of capitalist social relations: the 'double dimension' of the state must be retained and explored. This is certainly not to suggest that the state apparatus is a neutral venue for class struggle. Although the state apparatus must be distinguished from the state form, its general shape and detailed minutiae have been moulded by the past imposition of bourgeois forms upon class struggle. The state apparatus can be seen as the institutional fossil of past struggles to reproduce bourgeois forms. Thus, the conformity of behaviour within the state apparatus with bourgeois forms is normally more or less ensured not only by the informal codes of conduct but by the host of administrative and financial regulations backed by force which are the institutional outcome of those past struggles. The significance of organisational structures is constantly changing in the course of class struggle, so that it becomes, in particular circumstances, more or less meaningful to struggle within or through the state apparatus against the state form, against the constitution of social relations on a fetishised basis. The success or failure of such a struggle will always depend on the general constellation of class forces and the degree to which such a struggle is integrated into the general process of class struggle. It is impossible, therefore, to define *a priori* the limits of such a struggle. The point to be retained, however, is that the relation between form and its institutionalised expression is not the same in the case of the state as it is in the case of an enterprise. The imposition of the state form upon the state apparatus does not take place directly through the operation of the law of value on the market, so that the problem of the limits to which the bourgeois form can be transcended is different in the case of the state apparatus from the case of an individual enterprise.

The problem for capital is to maintain the bourgeois forms of social relations, increasingly through (and therefore also in) the activity of the state — even if it means breaking up the state apparatus in order to maintain the capitalist (and with it the state) form of social relations, as in the case of

regional devolution or political independence. The problem for socialists is to break through the state form as an integral part of smashing the social relations of capitalism. For most socialists, especially those who are either employed by, or come into daily direct contact with the state, this must at least occasionally involve struggle within or through the state apparatus against the state form. There is no way in which this problem can be avoided, there is no way in which one can remain class-neutral in one's contact with the state: either one is playing a part in the fetishisation of social relations or one is struggling against it. In recent years the oppressive nature of the everyday practice of the state has been more often emphasised by libertarian radicals than by socialists who have, perhaps, been too aware of the limitations of the radicals' practice. The weakness of the radical experiments of the early 'seventies, however, lay not so much in the fact that they tried to develop alternative practices *before* the revolution as in the fact that firstly they did not conceive of these practices as part of a long process of *class* revolution and secondly their practices, being directed to the liberation of the individual rather than the class, were reintegrated into the normal forms of bourgeois intercourse with relative ease.

The extent to which socialists can act through particular state institutions in a manner directed against the state form (i.e. in a manner which will lead to the strengthening of *class* organisation) is always a question of tactics the changing forms of class struggle and hence the changing forms of the process of constituting bourgeois political relations are constantly creating new possibilities of action and closing others, as the significance of particular institutions for class struggle changes. While it is clear that any decisive rupture of the state as a form of social relations presupposes the smashing of the state as an apparatus, it does not follow that we must await the smashing of the apparatus before directing our activity against the fetishising processes implicit in the state form.

3. *Against the State Form:* This paper has argued that much of the recent state theory has failed to respond to the developing forms of working class struggle. Analyses of the state which focus on fractional conflicts within the state apparatus, on the determinants and limitations of state action, or on the functions performed by the state may (or may not) be important, but they are of little direct assistance to the socialist (party member or not) who comes into daily contact with the state apparatus. It may be important for a social worker or social security claimant to understand the role of state social expenditure in the reproduction of capital, but it is never clear how any such analysis can guide the social worker or claimant in her or his daily activity. To dismiss the daily activity of the social worker or social security claimant as being irrelevant for the overthrow of capitalism

or irretrievably capitalist in nature before the great day of the revolutionary event is not only unhelpful for the vast majority of socialists who are not and cannot be full-time professional revolutionaries, but ultimately reactionary in effect, for there is no way in which contact with the state apparatus (or any other aspect of social activity) can stand outside the class struggle.

We have suggested that, in order to begin to lay the basis for an understanding of the daily practice of the state, it is necessary to focus not on the functions but on the form of the state and to develop some of the insights to be found in recent German work, but to develop them in a much more explicitly political manner. The state does not simply perform certain functions, but performs them in a certain way which categorises (or confirms the categorisation of) classes into individuals, families, superficial groupings of one sort or another, all of which abstract from class relations. And yet it is only by the constitution of explicitly class relations that the transition to socialism can be put firmly on the agenda.

The task, therefore, is not to work through bourgeois forms to gain positions of 'power' and 'influence' (the hopeless, destructive illusion of Eurocommunism), but to work *against* those forms, to develop through practice material forms of counter-organisation, forms of organisation which express and consolidate the underlying unity of the resistance to class oppression, forms of organisation which stand in opposition to the fetishised and fetishising forms of bourgeois 'politics' and 'economics'. What is revolution but the process of weakening and ultimately breaking with the bourgeois forms of intercourse, a process of the daily puncturing of bourgeois forms as a necessary prelude to that final decay which will lay a radically new basis for struggle?<sup>19</sup> To imagine that you can weaken the old forms of intercourse by working through them is nonsense.

It is not possible at the end of this paper to do that for which the paper itself provides no basis: to set forth a concrete programme for transcending the state form in daily practice. Such an analysis can only be based on a full historical analysis of the changing bourgeois forms, an analysis which lies beyond the scope of this paper. A theory of anti-bourgeois forms can no more be drawn out of an a-historical hat than can a developed theory of bourgeois forms. The most basic point, however, which is valid for all bourgeois societies, is that the only way to defeat class exploitation is through class organisation. Thus, for Pannekoek, the key

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<sup>19</sup>C.f. Pannekoek, 1920/1978, p. 118: 'Certain conditions must be fulfilled in any society for the social process of production and collective existence to be possible, and these relations acquire the firm hold of spontaneous habits and moral norms — sense of duty, industriousness, discipline; in the first instance, the process of revolution consists in a loosening of these old relations.'

point about councils as a proletarian form of organisation was that, in contrast to the bourgeois forms of representative democracy, they were specifically class-based, '*founded not on persons but on Labour*' ( Pannekoek, 1919/1969, p. 137).<sup>20</sup> How this is to be achieved, how we can best develop forms of organisation 'founded not on persons but on Labour', how in any given situation the categories of person, community, region, parent, tenant, taxpayer, etc., are to be undermined by class organisation cannot be answered in a general paper like this. There is no timeless answer. We must beware of the hardened concepts of our revolutionary tradition.

Socialism is not a fixed, unchanging doctrine. As the world develops, people's insight increases and as new relations come into being, there arise new methods for achieving our goal ( Pannekoek, 1919/1976, p. 52).

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<sup>20</sup>This passage appears in Pannekoek's discussion of the Bolsheviks' dissolution of the Constituent Assembly. It is interesting to compare Pannekoek's approach with Poulantzas' treatment of the same topic (1978, p. 253) and, more generally, with the latter's absurd and unfounded argument that the development of statism in Russia is to be attributed to the Bolsheviks' exclusive reliance on council democracy (the main theme of the final part of Poulantzas, 1978).

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