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THE MARXIAN THEORY OF THE STATE

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INTRODUCTORY REMARKS

Larry Wolf's paper raises a variety of questions about the role of the State in relation to capitalist economic development. Some of the questions are practical and concern exactly how and in what ways we can anticipate the intervention of the State in the American economy over the next few years. As in the 1930's, another time of economic troubles, the possibility of centralized national economic planning is being actively considered (together with a more brutal return to "pure market forces") as a means to rationalize an economic order that has obviously become unbalanced and, perhaps, perilously close -- how close we will probably never know -- to being totally unhinged. Quite properly, Wolf sees the move towards national economic planning as creating new opportunities as well as new problems for the radical Left. Quite properly too, he argues that the manner in which the move is made will have an effect upon the outcomes. But the issue is perhaps more complex than that. Given the present power structure I am not as sanguine about even the potential outcomes as he is. I feel I am watching a re-run of a tired movie of the 1930's, with shades of the 1890's, as goals such as "social justice" and "conservation" are gradually converted into goals of efficiency and market rationality tinged with not a little socialism for the rich, financial support for shaky corporations and financial institutions, and the like. In each of these two preceding eras a whiff of national economic policy making was quickly combined with the drive to rationalize the market system to create the very problems it was designed to get rid of on a higher plane and in more concentrated form in the long run.

Some of the questions which Wolf raises are theoretical, however, and concern the formulation of an appropriate conceptual framework for thinking about state inter-

ventionism in general. In the course of these remarks Wolf takes a few shies at "dogmatic Marxists" and those who would reduce the State to a "mere superstructural" form, to a mere manifestation of "the economic basis". While these views are not unknown among Marxists, I have the distinct impression that they are frequently figments of bourgeois scholarship, designed to discourage people from trying to understand Marx in all his complexity. Thus we find Marx frequently portrayed as depicting men and women as dominated by rational economic calculation when it was exactly Marx's point that it is the capitalist mode of production which forces such rationality upon us against all of the evidence as to what human beings are really all about. We find Marx portrayed as an economic determinist when it was precisely Marx's point that the realm of freedom begins where the realm of necessity ends and that it is only through struggle, political and personal, that we can achieve the command over our social and physical existence which will yield us that freedom. And so it is with Marx's analysis of the State. The essay that follows (which is drawn from a book that seems to take an interminable time to finish) attempts to sort out some of the issues concerning the conception of the State in capitalist society. The essay is rather abstract in nature and for this I apologise, particularly to those who prefer immediate "down-to-earth" analyses or crushing exposees. But I believe that the practical questions to which Wolf alludes can be understood only against some adequate conceptual and theoretical background. Further, the theory has to be robust enough to help us understand the behaviour of the State under a wide variety of economic, social and political circumstances -- in other words, the theory has to help us in Spain, France, Britain, Sweden, Argentina, Chile, Portugal etc., as well as in the United States.

For this reason it is necessary to resort to a rather abstract mode of analysis and to let concrete investigations take up the matter of how the theory works in actual historical situations. Obviously, the theory remains a mere abstraction until it is put to work. All I can say is that the theoretical statement which follows has been helpful to me in my studies of the urbanization process in Britain and the United States and that I have also found it helpful as a means to think about the prospects for State action in the present state of capitalist development. I offer the piece in the hope that others may similarly find it useful and as a partial rebuttal and partial commentary on Wolf's remarks on the Marxist theory of the State in general.

THE MARXIAN THEORY OF STATE

Marx intended to write a special treatise on the State but never even began the project. His views on the State are scattered throughout his works and, with the help of Engels's more voluminous writings, it is possible to reconstruct, as, for example, Chang (1931) has done, a version of the Marxian theory of the State. Apart from Lenin's (1949 edition) fierce advocacy of what might be called an "orthodox" Marxist position and Gramsci's (1971 edition) perceptive analyses, few Marxists paid attention to the matter until recently, when works by Miliband (1969), Poulantzas (1973; 1975; 1976), Offe (1973), Altvater (1973), O'Connor (1973), Laclau (1975) and others, put the question of the State back into the forefront of Marxist analysis. These contributions have recently been reviewed by Gold, Lo & Wright (1975). This revival of interest in the State has been long overdue. There is scarcely any aspect of production and consumption which is not now deeply affected, directly or indirectly, by State policies. But it would be incorrect to maintain that the State has only recently become a central pivot to the functioning of capitalist society. It has always been there -- only its forms and modes of functioning have changed as capitalism has matured. In this essay I will try to lay a theoretical basis for understanding the role of the State in capitalist societies and show how the State must, of necessity, perform certain basic minimum tasks in support of a capitalist mode of production.

Most of Marx's early writings on the State are specifically directed towards a refutation of Hegel's philosophical idealism by the construction of a materialist interpretation of the State as "the active, conscious and official expression (of) the present structure of society" (Collected Works, 3, p. 199). This materialist interpretation of the State broadens somewhat in The German Ideology (pp. 53-4) to a general conception in which the State is regarded

as "an independent form" which emerges out of "a contradiction between the interest of the individual and that of the community." This contradiction is "always based" in the social structure and in particular "on the classes, already determined by the division of labour . . . and of which one dominates all others." From this it follows "that all struggles within the State. . . are merely the illusory forms in which the real struggles of the different classes are fought out among one another." Engels summarized this view of the State many years later in an oft-quoted passage (which Lenin regarded as fundamental to Marxist orthodoxy):

The state is therefore by no means a power imposed on society from without; just as little is it "the reality of the moral idea," "the image and the reality of reason," as Hegel maintains. Rather, it is a product of society at a particular stage of development; it is the admission that this society has involved itself in unsoluble self-contradiction and is cleft into irreconcilable antagonisms which it is powerless to exorcise. But in order that these antagonisms, classes with conflicting economic interests, shall not consume themselves and society in fruitless struggles, a power, apparently standing above society, has become necessary to moderate the conflict and keep it within the bounds of "order"; and this power, arising out of society, but placing itself above it and increasingly alienating itself from it, is the state.
(Origin of the Family. . . , p. 155).

The contradiction between particular and community interests give rise, of necessity, to the State. But precisely because the State must assume an "independent" existence in order to guarantee the communal interest, it becomes the locus of an "alien power" by means of which individuals and groups can be dominated (The German Ideology, p. 54). In the same way that the laborer, through work, creates capital as an instrument for his or her own domination, so human beings create in the form of the State an instrument for their own domination (cf. Ollman, 1971, p. 216). These various instruments of domination -- in particular the law, the power to tax and the power to coerce -- can be transformed by political struggle into instruments for class domination. Engels summarizes Marx's view succinctly:

As the state arose from the need to keep class antagonisms in check, but also arose in the thick of the fight between the classes, it is normally the state of the most powerful, eco-

nomically ruling class, which by its means becomes also the politically ruling class, and so acquires new means of holding down and exploiting the oppressed classes. The ancient state was, above all, the state of the slaveowners for holding down the slaves, just as the feudal state was the organ of the nobility for holding down the peasant serfs and bondsmen, and the modern representative state is the instrument for exploiting wage-labour by capital. Exceptional periods, however, occur when the warring classes are so nearly equal in forces that the state power, as apparent mediator, acquires for the moment a certain independence in relation to both. (*Origin of the Family*. . . , p. 157).

The use of the State as an instrument of class domination creates a further contradiction -- the ruling class has to exercise its power in its own class interest at the same time as it maintains that its actions are for the good of all (*The German Ideology*, p. 106). This contradiction can in part be resolved by the employment of two strategies. First, those charged with expressing the ruling will and the institutions through which that will is expressed, must appear to be independent and autonomous in their functioning. The officials of the State therefore have to "present themselves as organs of society standing above society. . . Representatives of a power which estranges them from society, they have to be given prestige by means of special decrees, which invest them with a peculiar sanctity and inviolability." Consequently, even "the lowest police officer" has an "authority" which other members of society do not possess. Vesting state officials with such "independent authority" poses a further problem. We have to explain how state power can have all the appearances of autonomy vis-a-vis the dominant classes at the same time as it expresses the unity of class power of those classes (cf. Poulantzas, 1973, p. 281). The question of the "relative autonomy" of the state has consequently been a matter of intense debate among Marxists.

A second strategy for resolving the contradiction builds upon the connection between ideology and the State. Specifically class interests can be transformed into "the illusory general interest" provided that the ruling class can successfully universalize its ideas as the "ruling ideas". That this will likely be the case results from the very process of class domination:

Each new class which puts itself in the place of one ruling before it, is compelled, merely in

*order to carry through its aim, to represent its interests as the common interest of all the members of society. . . it has to give its ideas the form of universality, and represent them as the only rational, universally valid ones. The class making a revolution appears from the very start. . . not as a class but as the representative of the whole of society. (*The German Ideology*, pp. 65-6; cf. *Collected Works*, 3, pp. 184-5).*

Marx and Engels in general held that the ruling class:

*rule also as thinkers, as producers of ideas, and regulate the production and distribution of the ideas of their age: thus their ideas are the ruling ideas of the epoch." (*The German Ideology*, p. 65).*

But if these ruling ideas are to gain acceptance as representing the "common interest" they have to be presented as abstract idealizations, as universal truths for all time. Consequently, these ideas have to be presented as if they have an autonomous existence of their own. Notions of "justice", "right", "freedom" are presented as if they have a meaning independent of any particular class interest. The relationship between the ruling ideas and the ruling class is rendered opaque by a separation and an idealization which, in turn, has the potential to create a further contradiction. Once morality is universalized as "absolute truth", for example, it is possible for the State, and even the whole mode of production, to be judged immoral (cf. *Collected Works*, 3, p. 108). By the same token, if the State can be represented as an abstract idealization of the common interest, then the State can itself become an abstract incarnation of a "moral" principle (nationalism, patriotism, fascism, all appeal to this to some degree). The connections between the formation of a dominant ideology, the definition of the "illusory common interest" in the form of the State and the very specific interests of the ruling class or classes are as subtle as they are complex. Yet, until recently and with the notable exception of Gramsci's quite profound insights, the real relationships have remained as opaque to analysis as they are in daily life. We can reveal the basis of these relationships most easily, however, by analyzing the relationship between the State and the functioning of a capitalist mode of production.

(1) *The Theory of the State in Relation to the Theory of the Capitalist Mode of Production*

The famous Marxist dictum that "the executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie" (Communist Manifesto, p. 44) was in fact meant as a polemical response to the widespread illusory claim that the State expressed the common interests of all. But it is hardly satisfactory as a basis for understanding the real relations between the State and capitalism. We can begin to build such a basic understanding by showing how the State must of necessity fulfill certain basic functions if capitalism is to be reproduced as an on-going system.

The social relations of exchange and exchange value which lie at the heart of the capitalist mode of production presuppose:

(1) the concept of a "juridical person" or "individual" (Grundrisse, pp. 243-6), stripped of all ties of personal dependence (such as those characteristic of slavery or the feudal era) and each and all apparently "free" to "collide with one another and to engage in exchange within this freedom" (*ibid*, pp. 163-4);

(2) a system of property rights which ensures that individuals can gain command over use values only through ownership or exchange;

(3) a common standard of value in exchange (the objectification of which is money) so that only the exchange of equivalents is involved which means that individuals approach each other in the market place essentially as equal as far as the measure of exchange is concerned (*ibid*, p. 241). Money is, in short, the great leveller.

(4) a condition of reciprocal dependence in exchange (as opposed to personal dependence) which results from the fact that "each individual's production is dependent on the production. . . and consumption of all others" (*ibid*, p. 156 and pp. 242-5). The conditions of "free individuality and equality" are therefore "socially determined" -- they can be achieved "only within the conditions laid down by society and with the means provided by society; hence (they are) bound to the reproduction of these conditions and means" (*ibid*, p. 156). From this arises the separation of private interests from social necessities, the latter appearing as an "alien power" (the State) over the individual.

Marx derives a fundamental insight from these propositions:

Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive real basis for all equality

*and freedom. As pure ideas they are merely the idealized expression of this basis; as developed in juridical, political, social relations, they are merely this basis to a higher power (*ibid*, p. 245).*

The exchange relations embedded in the capitalist mode of production therefore give rise to specific notions concerning "the individual", "freedom", "equality", "rights", "justice", and the like. Marx observed that such concepts typically provide the ideological rallying cries of all bourgeois revolutions and he was a consistent critic of those who sought to formulate a revolutionary working class politics in terms of "eternal justice" and "equal rights" since these were concepts reflective of bourgeois social relations of exchange (see, for example, Critique of the Gotha Programme). Concepts of this sort are more than mere ideological tools, however. They connect to the State by becoming embedded formally in the system of bourgeois law. The capitalist State must, of necessity, support and enforce a system of law which embodies concepts of property, the individual, equality, freedom and right which correspond to the social relations of exchange under capitalism.

The basic paradox which Marx seeks to unravel in Capital is how a system of exchange of commodities based in freedom and equality can give rise to a result characterized by "inequality and unfreedom" (Grundrisse, p. 249; Capital, 1, chapter 5 and p. 684). The explanation lies, of course, in the class character of the capitalist relations of production which arose out of a long historical process in which labor power became divorced from control over the means of production which then became the exclusive preserve of the capitalist class. Once created, these relations of production and accumulation must necessarily be fostered, supported and enforced by the use of State power. Private property rights over the commodities being exchanged must be guaranteed so that "no one seizes hold of another's property by force" and so that "each divests himself from his property voluntarily" (Grundrisse, p. 243). Labor power is a commodity which means that it is also a form of private property over which the laborer has exclusive rights of disposal. Money provides the vehicle for accumulation; it permits the individual to carry "his social power, as well as his bond with society, in his pocket." (*ibid*, p. 157). Capital is nothing more, of course, than money put back into production and circulation to yield more money. If money is to represent real values the same kind of State regulation of money supply and credit is called for. Also, if the profit rate is

to be equalized then both capital and labor must be highly mobile which means that the State must actively remove barriers to mobility when necessary. In general, the State, and the system of law in particular, has a crucial role to play in sustaining and guaranteeing the stability of these basic relationships. The guarantee of private property rights in means of production and labor power, the enforcement of contracts, the protection of the mechanisms for accumulation, the elimination of barriers to mobility of capital and labor and the stabilization of the money system (via central banking, for example), all fall within the field of action of the State. In all of these respects the capitalist State becomes "the form of organization which the bourgeois necessarily adopt for internal and external purposes, for the mutual guarantee of their property and interests" (*The German Ideology*, p. 80). The capitalist State cannot be anything other than an instrument of class domination because it is organized to sustain the basic relation between capital and labor. If it were otherwise, then capitalism could not for long be sustained. And because capital is fundamentally antagonistic to labor, Marx regards the bourgeois State as necessarily the vehicle by means of which the collective violence of the bourgeois class is visited upon labor. The corollary is, of course, that the bourgeois state must be destroyed if a classless society is to be achieved.

Capitalist production and exchange are inherently "anarchistic". Individuals, each in pursuit of his or her private interests, cannot possibly take "the common interest" -- even of the capitalist class -- into account in their actions. Thus, the capitalist State has also to function as a vehicle through which the class interests of the capitalists are expressed in all fields of production, circulation and exchange. It plays an important role in regulating competition, in regulating the exploitation of labor (through, for example, legislation on minimum wages and maximum hours of employment) and generally in placing a floor under the processes of capitalist exploitation and accumulation. The State must also play an important role in providing "public goods" and social and physical infrastructures which are necessary prerequisites for capitalist production and exchange but which no individual capitalist would find it possible to provide at a profit. And the State inevitably becomes involved in crisis management and in countering the tendency for the rate of profit to fall. State intervention is necessary in all of these respects because a system based on individual self-interest and competition cannot otherwise express a collective class interest.

We can take this kind of analysis one step further. In the Marxian theory of

distribution, the surplus acquired through capitalist production is split into industrial profit, interest to finance capital, and rent to landlords. The homogeneity within the capitalist class breaks down into fractions of capital which are potentially in conflict with each other. Other fragmentations -- between merchant capital and industrial capital, for example -- can arise out of the divisions of function within the capitalist system. These fragmentations lead to conflicts of interest within the capitalist class as a whole. Factional struggles which from time to time may become highly destructive are therefore to be expected within the capitalist class. The State here plays the role of an arbiter among these conflicting interests. The State need not be neutral in these conflicts because it may be taken over by a fraction of capital under certain circumstances.

We have so far shown that Marx's analysis of the capitalist mode of production can be paralleled at each step by a theoretical derivation of certain minimal State functions -- the equality and freedom of exchange must be preserved, property rights must be protected and contracts enforced, mobility preserved, the "anarchistic" and destructive aspects of capitalist competition must be regulated, and the conflicts of interest between fractions of capital must be arbitrated for the "common good" of capital as a whole. Strictly speaking, we cannot go much further than this in deriving a theory of the capitalist State. But it is useful to consider two further general points about the State under capitalism, even though we depart from a theoretical derivation.

First, it is easy to see that a particular form of the State -- what we may call bourgeois social democracy -- is particularly well-equipped to meet the formal requirements of the capitalist mode of production. It embodies a strong ideological and legal defense of equality, mobility and freedom of individuals at the same time as it is highly protective of property rights and the basic relation between capital and labor. A capitalist market exchange economy characteristically thrives on a double-edged freedom which includes freedom of conscience, speech and employment at the same time as it incorporates freedom to exploit, to gain private profit at public expense and to monopolize the means of production. The commitment of bourgeois democracy to freedom is in fact a commitment to all of these different kinds of freedom simultaneously (cf. Polanyi, 1968, p. 74). Under bourgeois democracy too, the separation between private interests and communal needs as represented by the State is typically accomplished by a separation between

economic and political power. Private property rights form the basis of economic power but under universal suffrage the privileges of private property are replaced by one-person-one vote which forms the immediate basis of political power. Under these conditions the relationships between class interests, economically conceived, and the State as a political entity are rendered peculiarly opaque which, of course, is advantageous because it is then much easier for the State to maintain the appearance of a neutral arbiter amongst all interests. Under these conditions also, wealth has to employ its power indirectly. Engels argued that:

It does this in two ways: by plain corruption of officials, of which America is the classic example, and by an alliance between the government and the stock exchange (Origin of the Family. . . p. 157).

The mechanisms for class domination of the bourgeois democratic state are, as Gramsci (1971 edition) and Miliband (1969) point out, somewhat more pervasive and subtle than this. Also, the fragmentation of the State itself into separate institutions -- Miliband (1969, p. 50) lists, for example, the government, the administrative bureaucracy, the military police, the judicial branch, sub-central government and parliamentary assemblies -- make it particularly difficult for any one fraction of capital to gain complete control of all of the instruments of class domination (although the existence of a standing army and police force opens the way to military dictatorship). The formal separation of powers between executive, legislature and judiciary written into the American constitution, for example, was specifically designed as a system of checks and balances to prevent the concentration of political power in the hands of any one sub-group. Such a structure ensures that the State can act as an effective arbiter between the various fractional interests within the capitalist class (in this respect the theory of political pluralism catches one aspect of the truth about bourgeois political structures).

A consideration of the relations between economic and political power lead us to a second point which Gramsci has done much to elucidate. The ruling class has to exercise its hegemony over the State through a political system which it can control only indirectly. In the context of bourgeois democracy this has certain important consequences. In order to preserve its hegemony in the political sphere, the ruling class may make concessions which are not in its own immediate economic interest. Gramsci argues, however, that "there is also no doubt that such sacrifices and such compromise cannot touch the essential." He thus arrives at the following

basic conception:

The dominant group is coordinated concretely with the general interests of the subordinate groups, and the life of the State is conceived of as a continuous process of formation and superseding of unstable equilibria (on the juridical plane) between the interests of the fundamental group and those of the subordinate groups -- equilibria in which the interests of the dominant group prevail, but only up to a certain point, i.e. stopping short of narrowly corporate economic interests (ibid, p. 182).

Bourgeois democracy can survive only with the consent of the majority of the governed while it must at the same time express a distinctive ruling class interest. This contradiction can be resolved only if the State becomes actively involved in gaining the consent of the subordinate classes. Ideology provides one important channel and State power is consequently used to influence education and to control directly or indirectly, the flow of ideas and information. The relationship between the ideology of the capitalist class and that of administrators and bureaucrats also becomes of great significance (Miliband, 1969). More importantly, the State may internalize within itself political mechanisms which reflect the class struggle between capital and labor. Therefore, a key function is to organize and deliver certain benefits and guarantees to labor (minimum living standards and work conditions for example) which may not be, strictly speaking, in the immediate economic interest of the capitalist class. In return, the State receives the general allegiance of the subordinate classes. And, we may note parenthetically, State power can then be used to control the organization of consumption which can be advantageous to the capitalist class in the long run because it stabilizes the market and accumulation. Policies which simultaneously support the dominant ideology and provide material benefits are doubly appropriate of course. We can understand State policies towards working-class homeownership, for example, as simultaneously ideological (the principle of private property rights gains widespread support) and economic (minimum standards of shelter are provided and a new market for capitalist production is opened up).

Under these conditions, the relationships between the State and the class struggle become somewhat ambiguous; it is certainly inappropriate, therefore, to regard the capitalist State as nothing more than a vast capitalist conspiracy for the exploitation of workers. Further, as Gramsci (ibid, p. 182) points

out, "international relations intertwine with these internal relations of nation-states, creating new, unique and historically concrete combinations". It is in this context, that the role of the state in relation to imperialism, becomes very important. In response to the organized power of labor within its borders, a particular nation-state may seek to export the worst elements of capitalist exploitation through imperialist domination of other countries. Imperialist domination has other functions also -- facilitating capital export, preserving markets, maintaining access to an industrial reserve army, and the like. By these means a nation state may purchase the allegiance of elements of the working class within its borders at the expense of labor in dependent countries at the same time as it gains ideological leverage by disseminating the notions of national pride, empire and chauvinism which typically accompany imperialist policies (cf. Lenin, 1949 edition).

Strictly speaking, these last observations apply to an understanding of the actual history of the State, and of bourgeois social democracy in particular, in the context of capitalist social formations. But theoretical and concrete analyses have to be integrated at some point and the relation between exchange and production under capitalism and the general characteristics of the political system we call bourgeois democracy seems an excellent point to begin upon such an integration. The advantage of a purely theoretical approach to the State under the capitalist mode of production is that it helps us to distinguish, as Gramsci puts it, between what is "organic" (necessary) and what is "conjunctural" (accidental) about the particular form assumed by the State in a particular historical situation. And there is clearly a sense in which the capitalist mode of production and bourgeois democracy are organic to each other rather than merely conjuncturally related. In their origins, at least, the relations between the two are not as mysterious as they now seem. The political theory of Locke, for example, which lies at the root of the American constitution and which provides a broad ideological basis for most modern forms of bourgeois social democracy, has a definite economic basis, as MacPherson (1962) has brilliantly demonstrated. We do not have to delve too far into Locke to see the nature of this economic basis -- we find, for example, the lineaments of a labor theory of value, a definite principle that only the laborer has the right to dispose of his or her labor power, a defense of property rights accompanied by a moral imperative to use the products of labor for productive purposes and even a recognition that it is money which permits what Locke hypothesized as a "natural state" of equality to be transformed into a morally justifiable

inequality via accumulation. Marx (Theories of Surplus Value, 1, pp. 365-7) regarded Locke's political theories very specifically as an ideological and political reflection of the evident needs of a nascent capitalist society. Locke:

"championed the new bourgeoisie in every way, taking the side of the industrialists against the working class and against the paupers, the merchants against the old-fashioned usurers, the financial aristocracy against the governments that were in debt, and he even demonstrated in one of his books that the bourgeois way of thinking was the normal one for human beings" (Theories of Surplus Value, 3, p. 592).

Insofar as Locke's political theory provided the ideology for bourgeois democracy and became incorporated in the superstructural forms of the capitalist state, to that degree the bourgeois state champions exactly those same interests. While capitalism can survive under a variety of political institutional arrangements quite well, it appears that bourgeois democracy is a unique product of the economic relations presupposed in this particular mode of production.

(2) *The State in Capitalist Society*

We have so far considered the State in abstraction, relating to the capitalist mode of production in particular. Although it is helpful to consider the State in such a manner, it is dangerous to project such understanding into concrete historical analyses uncritically. The danger lies in the tendency to posit the State as some mystical autonomous entity and to ignore the intricacies and subtleties of its involvement with other facets of society. In the Critique of the Gotha Programme (pp. 17-18), Marx complains bitterly of the "riotous misuse" which the program makes of the words "present-day state". Marx maintains that such a conception is a mere "fiction" because the state "is different in the Prusso-German empire from what it is in Switzerland, it is different in England from what it is in the United States." He does go on to point out, however, that:

"The different states of the different civilized countries, in spite of their manifold diversity of form, all have this in common, that they are based on modern bourgeois society, only one more or less capitalistically developed. They have, therefore, also certain essential features in common. In this sense it is possible to speak of the "present-day-state," in contrast to the future in which its present root,

bourgeois society, will have died away."

It is in this last sense that we have so far been considering the State in relation to capitalism. But as we move, as Marx would put it, from the abstract and general to the concrete and particular, so we have to adapt our mode of thinking and analysis. Even theoretically it is important to recognize that:

"the state is not a thing. . . it does not, as such, exist. What 'the state' stands for is a number of particular institutions which, together, constitute its reality, and which interact as parts of what may be called the state system." (Miliband, 1969, p. 46).

Strictly speaking, Miliband is incorrect in this designation. The State should in fact be viewed, like capital, as a relation (Ollman, 1971, chapter 30) or as a process -- in this case a process of exercising power via certain institutional arrangements. It is, for example, the application and enforcement of the law which is of real material significance rather than the structure of law itself. But Miliband is quite correct when he argues that the State is much more than the exercise of power by a government and that it has to include all avenues whereby power can be exercised. In this the particular structure of institutions is important (though not primary). And it is useful to have some way of categorizing these "State institutions" if only to draw attention to the diverse channels through which power can be exercised -- the judiciary, the executive branch of government, the administration and bureaucracy, the legislature, the military and police, and so on, form various components within this system. And the fragmentations can be taken further -- central versus local governments, departmental rivalries and hierarchical structures within the bureaucracy, and the like, all have their part to play. Many of these features may be purely conjunctural, but the net effect of the fragmentation of institutions is probably to make it easier to achieve "the formation and supersession of unstable equilibria" between fractions of capital and between the dominant and the dominated. It is hardly surprising, therefore, to find contemporary political scientists focussing attention on the processes of exchange within bureaucracies, between bureaucracies and legislatures at the same time as they find it appropriate to analyse collective action and political life in terms of market rationality.

The point to be emphasized here, of course, is that the State as we usually

speak of it is an abstract category, which may be appropriate for generalizing about the collectivity of processes whereby power is exercised and for considering that collectively within the totality of a social formation. But the State is not an appropriate category for describing the actual processes whereby power is exercised. To appeal to the category "the State" as a "moving force" in the course of concrete historical analysis is, in short, to engage in a mystification.

The conception of the State as a superstructural form which has its basis in a particular mode of production (in this case, capitalism) is perfectly appropriate for purposes of theoretical analysis, but such a conception is singularly inappropriate when naively projected into the study of the history of actual capitalist societies. The bourgeois State did not arise as some automatic reflection of the growth of capitalist social relations. State institutions had to be painfully constructed and at each step along the way power could be and was exercised through them to help create the very relations which state institutions were ultimately to reflect. Marx plainly did not regard the State as a passive element in history. The instrumentalities of the State (some of which were feudal in origin) were used to great effect in the early development of capitalism. State power was used to free industrial capital from usurious interest rates (Theories of Surplus Value, 3, pp. 468-9), to provide many of the "necessary prerequisites" in the form of fixed capital in the built environment -- docks, harbors, transport systems, and the like (Capital, 2, p. 233; Grundrisse, pp. 530-33), to provide mechanisms for concentration of wealth through the mercantile form of imperialism (Capital, 1, chapter 31 and 3, chapter 20). And State power was used indiscriminately and in many instances quite brutally to create the basic relation between capital and labor. Primitive accumulation, the initial divorce of labor from the means of production and from the land, was accomplished by force or through the legalized violence of the State via, for example, the enclosure acts in England (Capital, 1, chapter 28). Labor laws and various forms of institutional repression forced the dispossessed labor into the work force and helped to impose the work discipline necessary for capitalism (Capital, 1, p. 271). Even whole sectors of production were organized through the exercise of State power in the early stages of capitalist development (this was the case in nineteenth century Germany and is epitomized by the Brazilian case in modern times).

Reading Marx, it is very difficult to imagine the birth of capitalism without the exercise of State power and the creation of State institutions which prepared the ground for the emergence of full-fledged capitalist social relations. Yet we are so lulled by the image of an economic basis and a superstructure which merely reflects in the basis, that we tend to think of the State in a purely passive role in relation to capitalist history. The celebrated statement in A Contribution to the Critique of Political Economy (p. 21) that "changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure" appears particularly misleading if taken at its face value and applied to the State in relation to capitalist history. But even in this passage Marx quickly counters by pointing out that it is in the "legal, political, religious, artistic or philosophic" realms that "men become conscious of conflict and fight it out," The "economic basis" and the superstructure come into being simultaneously and not sequentially -- there is a dialectical interaction between them. We have been misled, too, into thinking that State interventionism is exclusively a phenomenon of late -- some would say, decadent -- capitalism. "State capitalism" was in fact very prevalent in the early years of capitalist social formations. Once capitalism matures, of course, and once all the necessary state institutions have been created, the laws written, the interpretations of law established by precedent, then the question of the State appears to fade more into the background simply because bourgeois social relations have become one with it. Indeed, there may be a movement towards the privatization of public functions. But the movement towards *laissez-faire* has always been more ideological than real. It merely amounted to the insistence that certain functions of the market should be allowed to operate freely. It was very easy to demand "free trade" in nineteenth century Britain when that country was at the center of capital accumulation and possessed the industrial capacity to dominate the world market. But even at the height of *laissez-faire*, any challenge to the basic capital-labor relation was quickly met with coercion and repression as the British labor movement quickly found out in the years of Chartist agitation. It may well be, of course, that the State has changed its functions with the growth and maturing of capitalism. But the notion that capitalism ever functioned without the close and strong involvement of the State is a myth that deserves to be corrected.

The rise of capitalism was accompanied and in some respects preceded by the creation of, and transformation of, State institutions and functions to meet the specific

needs of capitalism. The bourgeois state emerged out of a transformation of the feudal state. The forms of the feudal state varied a great deal and because they were, in effect, the raw materials out of which the bourgeois states were fashioned, they have left their mark upon contemporary state forms. There are, of course, some important exceptions. The United States, Canada, Australia and New Zealand had no feudal society to overcome (although certain feudal institutions were transplanted) and these states differ quite substantially from Europe (where various forms of feudal state existed) and Latin America (where a curious hybrid form of feudal capitalism was implanted by the Spanish and Portuguese settlement). Within Europe there were substantial differences in feudal structure. The power of the peasant "estate" in Sweden and the power of agricultural and merchant capital in England after the Dissolution gave to both of these countries a far broader base for political power than was possible in, say, Spain or Prussia. And the process of transformation itself differed markedly from place to place. The violent process of transformation in France effectively eliminated the feudal aristocracy. The slow process of transformation in England after the civil war resulted in the steady integration of aristocracy and landowners first into capitalist agriculture and later, during the nineteenth century, into the industrial power structure. In both cases the character of the transition has placed an indelible stamp upon the subsequent quality of political life. The political differences between these countries have to be understood against the background of these quite different historical experiences and the cultural and political traditions to which they have given birth. We have also to see the institutions of the State and the relations which are expressed through these institutions as constantly in the process of being reshaped and re-fashioned. In certain of his historical studies, the Eighteenth Brumaire of Louis Bonaparte in particular, Marx provides us with examples of this process at work. We are surely obligated to understand this aspect to the State in the same manner. Yet in the midst of all of the complexities, accidental events, fluid and unstable interactions, which surround political, legal, administrative and bureaucratic life, we cannot afford to lose sight of the essential Marxian insights. Somehow or other, the capitalist state has to perform its basic functions. Should it fail to do so, then it must either be reformed or else capitalism must itself give way to some other method of organizing material production and daily life.

It is perhaps useful to conclude this discussion by posing three unresolved

questions -- questions which will likely be resolved as much through concrete material investigations of history as through further theoretical analysis.

(1) To what degree do the various aspects and instrumentalities of State power yield to the State a relatively autonomous function in relationship to the path of capitalist development and to what degree can state functionaries act as purely neutral or even self-serving arbiters in class and intra-class conflict? These questions have been in the forefront of much of Poulantzas's recent work.

(2) To what degree can the capitalist State vary its forms and structures to give the appearance of quite substantial differentiation amongst the capitalist nations while fulfilling the basic function of sustaining a capitalist society and ensuring the reproduction of that society? In other words, what variety of institutions is possible given the assumption of a basic underlying purpose to state action.

(3) Which structures and functions within the State are "organic" to the capitalist mode of production and therefore basic to the survival of capitalist social formations and which are, in Gramsci's phrase, purely conjunctural?

These questions are not unrelated to each other and they lie at the heart of any understanding as to how State power can be and is used in a society which remains basically capitalist while constantly shifting and changing its institutional forms.

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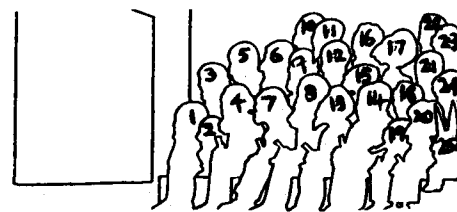
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| 1. Lenin | 13. Trotsky |
| 2. Hegel | 14. Mao Tse Tung |
| 3. Proudhon | 15. Gandhi |
| 4. Marx | 16. Castro |
| 5. Marcuse | 17. Russell |
| 6. Stalin | 18. Bebel |
| 7. Che Guevara | 19. Sartre |
| 8. Engels | 20. Luxemburg |
| 9. Bakunin | 21. Yat-sen |
| 10. Lukacs | 22. Toynbee |
| 11. Ho-Chi Minh | 23. Kropotkin |
| 12. Plekhanov | 24. Gramsci |
| | 25. Kissinger(!) |