

This article was downloaded by:[The University of Manchester]
On: 17 October 2007
Access Details: [subscription number 773564015]
Publisher: Routledge
Informa Ltd Registered in England and Wales Registered Number: 1072954
Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Critique Journal of Socialist Theory

Publication details, including instructions for authors and subscription information:
<http://www.informaworld.com/smpp/title~content=t741801732>

Marxism and the Relative Autonomy of the Capitalist State

Peter Kennedy

Online Publication Date: 01 August 2006

To cite this Article: Kennedy, Peter (2006) 'Marxism and the Relative Autonomy of the Capitalist State', Critique, 34:2, 179 - 196

To link to this article: DOI: 10.1080/03017600600743308

URL: <http://dx.doi.org/10.1080/03017600600743308>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.informaworld.com/terms-and-conditions-of-access.pdf>

This article maybe used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

Marxism and the Relative Autonomy of the Capitalist State

Peter Kennedy

Marxist theories of the state adopt either a functionalist view of the state as absolutely or relatively autonomous from the ruling class and capitalist economy, or a dialectical view of the state as a form of capital that leaves no scope for autonomy. This paper argues both views are one-sided. The paper is in two parts. Part One, presented here, argues that the contemporary capitalist state takes on an increasingly relatively autonomous relationship with the ruling capitalist class and the capitalist economy in the context of a declining value relation that can best be explained in terms of the negation of abstract labour. The example of social democracy is discussed to illuminate this argument. Part Two will argue that the development and decline of abstract labour best illuminates Marx's and Engel's view of the state as, on the one hand, the mechanism for the suppression of the proletariat and, on the other hand, an entity that the proletariat simply cannot ignore with respect to the dictatorship of the proletariat in the context of a transition to socialism.

Keywords: Capitalist State; Relations of Production; Relative Autonomy; Abstract Labour

Introduction

In this issue Lockwood¹ quite correctly rejects a view of the state as part of the superstructure, functional to the needs of the economic base. However, in my view such a rejection does not also mean, as Lockwood goes on to suggest, that the state is a separate part of the relations of production exerting its own determinate influence over the superstructure. Lockwood's argument is complex, however the core of his argument as it relates to the subject matter of this paper can be briefly summarised. For Lockwood, the state is part of the production relations of society, related to but *distinct from* class relations of production, with the superstructure developing under the influence of both. Lockwood maintains that both relations of production (class and state) have as their primary function the development of the forces of

¹ David Lockwood, 'Historical Materialism and the State', in this issue of *Critique*, pp. 163–178.

production. The unifying focus for both state and class relations of production in their development of the forces of production is war. Lockwood suggests that war provides a motive force for both state and class relations of production to develop the forces of production, although class and state relations differ in the degree to which war is the primary force. For class relations of production, the principle driver, argues Lockwood, is class exploitation, with war being an inherent by-product towards the development of the forces of production. While for state relations of production, war becomes the principle driving force, exacting territorial control and inter-state rivalry, which ensures the development of the forces of production. Moreover, as war transcends particular social formations, then, for Lockwood, the state has an existence that stretches beyond any particular class relations of production. Lockwood finds apparent endorsement for this argument from Engels. For example, Engels' acknowledgment that there are 'common features of all states' is cited by Lockwood as evidence that the state as a production relation transcends specific class relations of production.

There is much to agree with in Lockwood's argument on the crucial role of the state as an inherent feature of relations of production. In so far as Engels', in his major works in this area,² is speaking of the content and general function of the state, then Lockwood is indeed correct in stating that Engels points to enduring primary functions of the state. However, this does not reflect Engels' predominant view that the state takes different *forms* and that these *forms* are dependent on historically specific class relations of production. It is here that classical Marxism parts company with Lockwood. Engels is very clear that the state takes a particular social form determined by the mode of surplus labour extraction from the direct producers. Groups that before related to each other as clans, tribes and so on, on the basis of the developing surplus extraction, begin to establish new forms as they redefine the basis of their divisions in class terms, and it is this development which gives impetus to the emergence and consolidation of the state. From the beginning the state is a response to extending networks of commodity-based trading, first on collective production, then through private property. The latter development eventually dissolved existing community ties, creating a much more mobile ruling class requiring a state to consolidate its control and ownership of the surplus product. So for Engels there is no question that the development of the state is one of both *function* (key military, administrative and juridical features that are universal) and *form* (the latter being historically specific, as determined by class relations of production). For Engels there is never any question that the state could form itself into a separate production relation transcending class relations. Of course, the state can *directly* extract surplus labour, a function it has carried out in pre-capitalist times and in modern capitalism. However, in extracting surplus labour the state is not acting as a *separate* relation of

² Fredrick Engels, 'The Origin of the Family Private Property and the State', in Karl Marx and Fredrick Engels (eds) *Selected Works* (Moscow: Progress Publishers, 1970); Fredrick Engels, *Anti-During* (Moscow: Progress Publishers, 1978).

production, because in every case the *form* of surplus extraction is given by the class relation.

If one acknowledges *function* at the expense of *form*, as Lockwood does, then it is easy to deduce an autonomous role for the state. *Social form* is the all-important dialectical process *internally relating* what appear to be distinct entities in apparently reductive and functional external relation to each other (namely the state, relations of production, forces of production, etc.). Following Marx and Engels, one can only view these latter relations as internal to each other, given a unifying and contradictory existence by the historically specific manner in which surplus labour is pumped out of the direct producers. However, if relations are internal, how can one argue for a relative autonomous role for the state?

In the *Communist Manifesto*, Marx and Engels wrote that, on the one hand, 'The executive of the modern state is but a committee for the bourgeoisie', and that, on the other hand, 'The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralise all instruments of production in the hands of the state, i.e., of the proletariat organised as the ruling class . . .'.³ So, for Marx and Engels the state can be relatively autonomous even within internal relations of capitalism. This is clear from the above quote which argues that the capitalist state has the capacity to become relatively autonomous from its primary function as the instrument of the ruling capitalist class to become the vehicle to drive forward the dictatorship of the proletariat as a new ruling class in the transition to socialism, which will also lead to the eventual destruction of the state.

Some Marxist's have recoiled from the apparent reformist and/or dictatorial implications of this view of the state. Mattick, for example, criticised Leninism for substituting one ruling class for another. However, Lenin⁴ was keen to emphasise (and in this he is following Engels), a crucial change of state *form* takes place. Once the proletariat take state power, it is no longer the capitalist state but a proletarian state, which is immediately in the process of *withering away* because its purpose is to speed up the transition to socialism by speeding up the development of and democratic control over the forces of production.

Mattick, of course, rejected Engels' and Lenin's view that the state can be transformed into a mechanism for the rule of the proletariat, arguing that both Marxists wrongly associated the socialisation of production under capitalism as transitional forms towards socialism when they were simply the more developed forms of capital, from competitive capitalism to competition and exploitation based on monopoly capitalism.⁵ Mattick draws this conclusion because his analysis remains at the level of changes to legal ownership. Marx and Engels approached the socialisation of production not so much in legal terms (private

³ Karl Marx and Fredrick Engels, *Communist Manifesto* (London: Penguin Books, 1967), pp. 82, 104.

⁴ V.I.Lenin, *The State and Revolution* (Beijing: Foreign Language Press, 1976).

⁵ Paul Mattick, *Economics Politics and the Age of Inflation* (London: Merlin Press, 1978), pp. 84–85.

to social property), but in terms of something more fundamental: a partial dialectical negation of *abstract labour* into social need-fulfilling labour and the implied erosion and decay of the value form that this negation implies. It is when one judges the 'relative autonomy of the state' in terms of the developments in abstract labour formation that Engels', and indeed Lenin's, politics surrounding the state maintains its revolutionary content. It is this premise for the 'relative autonomy of the state' that I wish to defend in this paper. The second part of this paper will advance the latter in restating the classical Marxist position on the state and working class power.

Specifically, it is argued that the state has a capacity for relative autonomy premised on the *negation of capitalism* and, therefore, the negation of the basis of capitalist ruling class's rule over the form of labour extraction. The paper argues for the relative autonomy of the state *in the context of a declining value relation*. Here it will be argued that the social space for the state's relative autonomy emerges on the basis of the suppression of the categories of *capital* and *labour*. The nature of this relative autonomy, it is further suggested, provides future grounds for the working class to mobilise the state for itself against capital and towards a socialist transition leading to the withering away of the state. As indicated, the latter suggestion will be explored more fully in a second paper. To get to the point where one can view the state as gaining increasingly relative autonomy in the context of the negation of the value relation, the paper discusses, before giving grounds for rejecting, first the idea associated with 'the relative autonomy of the state' that gained wider acceptance within Western Marxist circles and second the opposing idea that the state has no autonomy from the ruling class and capitalist economy whatsoever.

The 'Relatively Autonomous' But Far From 'Dialectical' Capitalist State

The view that the capitalist state has relative autonomy from capitalist relations belongs to the debate between Ralph Miliband and Nicos Poulantzas.

Miliband viewed the state as an instrument of the ruling capitalist with a relative autonomy from capitalist social relations of production in order to execute that rule. Miliband's main argument for his instrumental view of the relative autonomy of the state rests upon (1) an historical account of the development of capitalist state forms and (2) a reductive account of the conflicting interests of social agents within the state: both of which consider the state's relative autonomy from the perspective of the historical development of capitalism, and therefore do not consider any autonomy that may arise due to *fundamental changes in the categories of the capitalist political economy*, a point I develop later. In terms of historical development, Miliband refers to the development of political forms of the state from Absolutism–Bonapartism, Bismarkian, to liberalism and social democracy, and with how these forms of political rule impart varying degrees of state autonomy from capitalist social relations of production, while reflecting the developmental needs of the latter. In

terms of intra-state conflicts at the level of social agency, Miliband argues⁶ that the contemporary capitalist state, despite functioning in the overall interests of the ruling capitalist class, has a considerable degree of autonomy in capitalist society, even though the sources of autonomy are not fundamentally opposed to the capitalist class or the capitalist system. Miliband writes, 'The dynamics of state action is explained by Marxism in terms of the imperative requirements of capital or the inexorable pressure of capitalists; and these are indeed of very great importance. But to focus exclusively on them is to leave out of account other very powerful impulses to state action generated from within the state by the people who are in charge of the decision-making power'.⁷

So, for Miliband the capacity for autonomy lies first with the degree of choice open to the executive of the state to act in conditions which are rarely those in which the capitalist class enjoys complete ideological and economic hegemony. For example, people in power are often compelled by self-interested motives to maintain their position of power and status, argues Miliband.⁸ Moreover, the executive can often be divided within itself over political direction, or when it is not it can nevertheless exert a degree of autonomy to act in ways that can conflict with the interests of the capitalist economy. Conversely, capitalists must often seek accommodation with the state and the executive to secure their interests, while agents of the state may be driven by perceived nationalist interests, which may contradict those of capitalist accumulation. Based on social agency, Miliband concludes that the state has autonomy from the capitalist class and the state and the capitalist class form a distinct partnership 'between two different separate forces, linked to each other by many threads, yet each having its separate sphere of concerns'.⁹

Miliband is correct in arguing that personnel within the state machinery will have conflicting interests with regard to the proper role of the state vis-à-vis the capitalist economy. However, a Marxist account must do more than ascribe causal primacy to personal conflicts. Therefore, one point of criticism of Miliband is that his analysis seems to assume that 'social agents' can somehow operate outside of the capitalist relation. Yet perhaps the primary weakness of such an approach is that it singularly fails to provide a critical political economy of *relative autonomy*. Nevertheless, as mentioned above, Miliband usefully draws attention to the fact that the relative autonomy of the state is far from fixed and is very much related to historical changes in the capitalist mode of production. In this respect, the idea that the relative autonomy of the state is something that is historically dynamic and rests on changes within capitalism offers a crucial building block *towards a theory* of the autonomy of the state later. However, it does not itself yield the status of a theory. Ironically, it is a building block that Poulantzas, for all the apparent sophistication of his own over-theorised, a-historic approach, ultimately denies Marxism.

⁶ Ralph Miliband, 'State Power and Class Interests', *New Left Review*, 138 (1983), pp. 67–78.

⁷ *Ibid.*, p. 62.

⁸ *Ibid.*

⁹ *Ibid.*, p. 65.

Poulantzas also criticises Miliband 'for constantly giv[ing] the impression that for him social classes or "groups" are in some way reducible to *inter-personal relations*, that the state is reducible to inter-personal relations of the members of the diverse "groups" that constitute the state apparatus, and finally that the relation between the social classes and the state is itself reducible to inter-personal relations of "individuals" composing social groups and "individuals" composing the state apparatus'.¹⁰ Poulantzas correctly concludes from this that the relative autonomy of the state can only be understood on the basis of a Marxist theory of capitalist social relations of production. However, the 'ensemble of structures and relations' that Poulantzas claims to be core to a theoretical understanding of the state's relative autonomy is itself mystifying of capitalist relations. It is mystifying because Poulantzas offers no means for grasping the inner connection of the categories of capitalist political economy that he deploys in his derivation of the role and purpose of the state. On the one hand, Poulantzas is formally correct to posit the relative autonomy of the state upon the essential unifying role it plays integrating the political, economic and social structures and relations of capitalism. On the other hand, the whole concept of unity, for Poulantzas, lies not in any *internal* connections that the structures and relations of state and economy may have with each other, but in the functional relations they have with each other as *external social regions* making up the social totality.

The atomistic nature of Poulantzas's attempt to theorise an over-determining unity is clear when one reflects for a moment on the essence of his argument, which is that the functional ensemble of social structures and relations are both complimentary and contradictory, as determined by the balance of class struggle between capital and labour. Within this class struggle, the state's overarching function is to sustain and build unity at the boundaries/interstices of the ensemble of economic, societal and political structures and relations, and, along with the flexibility for working class gains, in the last instance, act to enforce unity in the interests of the ruling class and the maintenance of the capitalist system. Thus the state is perceived as an institution external to capitalist relations, from which it is able to derive its position of relative autonomy to act as a crucial stabilising and unifying role (ideological, economic interventionist and, whenever necessary, political enforcer) towards an otherwise ensemble of contradictory social regions. In the last instance, the economic and political interests of the ruling class dominate the actions of the state.

Where does this leave the status of relative autonomy? As we have seen, on the one hand, Miliband reduces the relative autonomy of the state–economy relation to the act of social agents. On the other hand, Poulantzas reduces this relation to the ensemble of impersonal social structures, abstracted from capitalist social relations of production. In attempting to provide the theoretical structures missing in Miliband's work, Poulantzas does more or less what he accuses Miliband of doing: to give expression to the reified forms of capitalist society as they are given to the senses.

¹⁰ Nicol Poulantzas, 'The Problem of the Capitalist State', *New Left Review*, 78 (1969), p. 70.

Lukacs argued in this respect that ‘the essence of the commodity structure . . . is that the relationship between people takes the character of a thing and thus acquires a “phantom objectivity”, an autonomy that seems so strictly rational and all-embracing as to conceal every trace of its fundamental nature: the relationship between people’.¹¹ In a similar way, Poulantzas’s theory only succeeds in giving expression to the surface appearance of the commodity structure of society, where fragmentation is apparently naturalised and all traces of the inner social connection between things vanish. Poulantzas’ ensemble of structures and relations mirror the very real fragmentation of capitalist society at the level of the concrete, hence Poulantzas inadvertently plays his part in mystifying the role of the state and economy.

While both Miliband and Poulantzas acknowledge the relative autonomy of the state, they either ignore or reject the dialectical exposition of the categories of capitalist political economy and, as a consequence, they both fail to provide a materialist basis for this relative autonomy. And yet, as those influenced by Autonomist Marxism are testimony to, an adherence to dialectics may well be *necessary* but it is not in itself *sufficient* for acknowledging and deriving a theory of the relative autonomy of the capitalist state. To pursue this claim, below I confine my discussion to the arguments of Holloway and Picciotto¹² and Bonefeld,¹³ who, as part of an Open Marxism, perhaps have been the best exponents of an overtly dialectical approach to Marxism that also rejects the very idea of a relatively autonomous capitalist state as anti-Marxist.

The ‘Dialectical’ But Not ‘Relatively Autonomous’ Capitalist State

For Holloway and Picciotto, the very idea of a relatively autonomous capitalist state owes its existence to a form of alienated thinking arising from the material relations of capitalist production. They argue as follows: capitalist production based on the exploitation of surplus value from the direct producers becomes inverted at the level of the market, where equality of commodity exchange appears to guarantee the equality and freedom of individuals. The inversion from essence to appearance is the premise of *commodity fetishism*, which is an objective process with subjective consequences; and one of those consequences is the erroneous idea that the state can ever gain relative autonomy from capitalist relations.

It follows that the state is the embodiment of this very contradiction between essence and appearance, between production based on exploitation and market based equality of exchange. First, the form of the state is given by one of its major functions, which is to contain and atomise the class struggle by converting it into juridical tensions over individual property entitlements and the regulation of market exchange relations, epitomised by the clamour for ‘fair trade’ and the struggle for a ‘fair day’s pay for a fair day’s work’. In doing this the state maintains the essential relations of

¹¹ Georg Lukacs, *History and Class Consciousness* (London: Merlin Press, 1968), p. 83.

¹² John Holloway and Sol Picciotto, ‘Capital, Crisis and the State’, *Capital and Class*, 2 (1977), p. 81.

¹³ Werner Bonefeld, *The Recomposition of the British State During the 1980s* (Aldershot: Dartmouth, 1993).

exploitation in production by containing those relations within the bounds of commodity fetishism thrown up by the commodity structure of the market. Second, the state form develops in response to developments emanating from production relations more directly, especially related to the shift between two distinct modes of surplus value extraction, namely absolute and relative. The shift away from absolute to relative surplus value extraction, with all its consequences for the relative displacement of labour power for capital, entails the state take on the primary form of the *crisis ridden state*, in which it becomes increasingly difficult to contain the bounds of class struggle within the fabric of commodity fetishism, as this is given by the commodity structure of market exchange. At this juncture, the state becomes embroiled in an ultimately irresolvable task of containing the fallout from the tendency of the rate of profit to fall, which becomes increasingly manifest in response to the extraction of relative surplus value and a rising organic composition of capital that makes contemporary capital expansion increasingly sensitive to a falling rate of profit. Therefore, the *crisis ridden state* takes on a form that enables it to operate (within the limits placed on it by class struggle) a broad and strategic counter-acting tendency towards declining rates of profit, as a means of containing the class struggle within capitalist relations. Moreover, this two-fold dynamic of the state form tends to be treated cyclically without recourse to qualitative changes to the capital relation. The crisis ridden state of class struggle develops form after form—Keynesianism, then monetarism (now, presumably, the ‘third way’)—to contain the class struggle within the bounds of the capital relation.

This is a powerful argument put forward by Holloway and Picciotto. However, it is to be noted that it is an argument in which *formal* changes are fully recognised at the level of the commodity structure of *market relations*, through increased regulation of market exchange, but not at the level of *production relation* (the essence of the capital relation), which for all intents and purposes remains qualitatively unchanged within Holloway’s and Picciotto’s Marxist theory of the state. When it comes to production relations one has an essence that apparently never changes; it is therefore a *dumb essence*, in the sense that there is no development only a recycling of the essence. The only change production relations go through is one of *extension*; the shift from relative to absolute forms of surplus value extraction. Even this shift seen in historical terms is debatable. Historically, one or the other gains the upper hand, there is no distinct shift. Marx distinguished relative and absolute forms *theoretically*, he did not suggest this was an *historical* development of capitalism, because, for Marx, both relative and absolute forms of exploitation occurred together.

This conflation between theory of capital and the history of capitalism also comes to the fore when Holloway and Picciotto discuss commodity relations and capital relations. They appear to suggest an historical sequence between the two with commodity relations giving way to capital relations (which then influence the former). But, again, Marx was clear that the commodity relations he examined in *Capital* fully implied the capital relation in its developed form. The upshot however is that Holloway’s and Picciotto’s theory of the capitalist state, premised as it is on the

omnipotence of capitalist production relations seen in terms of an unchanging essence, leaves no materialist ground for the relative autonomy of the state except as a form of alienated ideas.

Bonefeld extends and elaborates Holloway's and Picciotto's 1970s analysis into the 1980s and 1990s and does so by drawing more explicitly on the category of abstract labour.¹⁴ For Bonefeld, the relationship between the state and capitalist economy is underpinned by an internal unity discovered through the process of *substantive abstraction*.¹⁵ The substantive abstraction in question focuses on the essential *unity in contradiction* given to capitalist society by the contradictory forms taken by labour which is both *for* and *against* capital. Labour *for* capital is living labour power press-ganged into taking the form of value and performing abstract labour, which is the substance of capital. In particular, labour's role *for* capital underpins the expansion of capital through its forms of circulation as productive, circulating, fixed and money capital. Labour's role *for* capital also ensures labour for itself is contained within the bounds of the capital–labour relation. The state–economy relation is forged from this internal unity. However, the state–economy relation is no outcome of the 'logic of capital' for Bonefeld, because it is also constituted by the contradictory, dialectical antagonism resulting from labour power *against* capital. For labour, not capital, is the beginning and end of analysis because labour has a contradictory existence making it simultaneously *for* and *against* capital.¹⁶ Therefore, just as labour power takes the form of capital it is also *against* this form; and labour *against* capital always holds out the power of subversion. On the one hand, labour *for* capital leads to the decomposition of labour's constitution as a class. On the other hand, labour *against* capital is an act of working class constitution. Both processes occur simultaneously, both form a contradictory whole and as such are at the heart of an understanding of the nature of the capitalist state.

For Bonefeld, the capitalist state is the political moment of the class struggle given by the contradictory forms of labour *for* and *against* capital. Politically, the state attempts to harness labour *for* capital in providing the legal framework through which class is decomposed into abstract individuals with equal rights and freedoms, based on the sanctity of private property.¹⁷ By doing so, the state inverts the class exploitation taking place in the economy on the basis of surplus value extraction into its opposite: equality of exchange of commodities. Economically, the state, through fiscal and monetary and industrial relations policies, attempts to contain labour within the bounds of the capital–labour relation, which contains the development of labour *against* capital and therefore the ongoing and inherent tendency towards the composition of working class power *against* capital and the state. In this respect, the most simple, in the sense of profound, form that labour *for* capital takes is that of

¹⁴ Ibid.

¹⁵ Ibid., p. 22.

¹⁶ Ibid., p. 24.

¹⁷ Ibid., pp. 24–27.

money capital and so it is through the manipulation of money that the state works to atomise the potency of working class compositional forces.

It follows that, for Bonefeld, the Keynesianism state is the political economy of monetary debt and inflation imposed by the state to *contain labour within the bounds of the capital and labour relation*. These bounds are threatened by the tendency for the periodic over-accumulation of capital due to the inability of the rate of surplus value extracted to offset the displacement of labour relative to capital. Specifically, the shift of capital from production to circulation, and so to speculative forms of capital, coincides with the state's fiscal and monetary debt and inflation policy: the former assists the movement of capital towards more profitable outlets, the latter assists in containing labour within the limits imposed by the capital–labour relation. First, credit allows capital to invest now and gamble that this will lead to future reams of surplus value. Second, credit allows consumerism to increase and the wage relation and its connection to use values to remain normalised. However, this is gradually contradicted by inflation, which erodes real wages and the potential for profits. Therefore, Keynesianism only contains but never resolves the contradiction between capital and labour based on the contradictory nature of labour as for and against capital. Keynesianism begins as the quest to decompose labour against capital only to end up intensifying the compositional forces of the working class against capital.¹⁸ Once the latter occurs, Keynesianism as a form of the capitalist state for capital and against labour must be abruptly brought to an end.

There is much to agree with here, nevertheless one important weakness in this argument is that the *ground* upon which working class struggle takes place—its political economy so to speak—is never fully elaborated. Moreover, once one does elaborate it then a theoretical space opens up for conceptualising the possible grounds for a relative autonomy of the state. What is clear in Bonefeld's account is that class *composition* is a *tendency towards actuality* whenever labour is against capital, but it is never clearly explained what this 'against' actually is. We are informed at several points that labour 'against' capital is labour *for social reproduction*, but it is unclear what the latter means or what its relationship to value and abstract labour is? A dialectical relationship is suggested because the dialectics of *unity in opposition* are said to constitute the internal division of labour both *for* and *against* capital. However, when it comes to articulating this dialectics the argument becomes increasingly hazy. For example, Bonefeld argues that 'The inversion of social reproduction into reproduction for capital presents the concrete substance of class antagonism',¹⁹ but what social reproduction means is not clear? Given the connection with class antagonism in the quote, then, it is implied that *social reproduction* is the basis upon which class composition gains ground—we know this because its erosion into *reproduction for capital* is grounds for the *decomposition* of

¹⁸ Ibid., pp. 63–66.

¹⁹ Ibid., p. 24.

class struggle. However there is no further elaboration of the ontological status of 'social reproduction' and it begins to take on a will-o-the-wisp nature.

Fundamentally related to this is that abstract labour and its relationship to value is never pinned down adequately. At one point abstract labour and its form is correctly related to money capital. At another point we are told that the substance of value is 'living labour' (not as with Marx abstract labour) and that value *through the circulation of commodities in market exchange* reproduces abstract labour. Unlike Marx, who views abstract labour not living labour as the substance of value and money as the further development of this abstraction, we have the view that abstract labour is the outcome of market exchange. For Marx, abstract labour has its ontological basis in production and the market. It is not something that emerges from value in exchange but is the substance of value existing prior to exchange from which exchange values are derived. The result of conceiving abstract labour in solely market terms is that in its form as money the central focus of analysis becomes that of the contradictory unity in opposition between production (the sphere of exploitation of surplus value) and exchange (the transformation of the latter exploitation into relations of apparent equality and freedom). Indeed, this focus leads one to the heart of the role of the capitalist state, for Bonefeld. It is the contradictory unity of production and exchange to which the state attends in its role as a form of capital. The state is the political form taken by capital the containment and restriction of labour, hence the state is not something standing above the class struggle but is the political form of capital operating internally to the class struggle: decomposing the working class and containing the compositional potential of the latter, by all means necessary, within the bounds of the capital–labour relation.

While this is certainly the case, the crucial point of difference with this view is that, in so far as most of the attention is spent analysing the 'containment and resistance dialectic' with respect to the production–exchange dialectic, it is at the expense of any further elaboration of the social ground upon which the political economy of the working class is basing its struggle against capital. Instead what is elaborated is the constant pushing through the boundaries of *labour for* capital that the working class achieves, but this is only developed to elaborate what is *concretely given* at the level of the market—the rise of Keynesianism and its subsequent slide into Thatcherism and Neo-liberalism. What is missing, in this too rapid a shift in abstraction to the concrete, is the all important political economy of the categories through which the working class struggles to overcome its atomisation by the market and act as a class: the *political economy* of the (re)composition of the working class is missing from this analysis of the role of the state in capitalist society.

By providing a political economy of the categories through which the working class struggle against capital, we also provide a theoretical basis for the relative autonomy of the state, as well as, it should be emphasised, the grounds for the simultaneous negation of the state.

The Relative Autonomy of the State in the Context of the Negating Law of Value

The present role of the state has to be seen in relation to the coming to be and passing away of the two-fold contradictory forms of labour within capitalist society. As we have seen, the above argument is that the dialectics of the capitalist state are given by two forms of labour, labour *for* capital (abstract) and labour *against* capital (for social reproduction). However, as I have also indicated above, the ground for labour to become a force against capital lies underdeveloped in this approach, with consequences for the analysis of the role of the capitalist state. First, abstract labour is restricted to a process that is constituted in the act of market exchange. Second, abstract labour is presented as timeless and static in existence: there is no sense of abstract labour having a development and, more to the point, of having the capacity of *negation*. As a consequence the political economy of the state tends to operate with the view that money—any money sanctioned by the state to act as money, including Keynesian money which is highly subjectivised—is enough to represent its form as abstract labour as a central principle of control through atomisation of the working class. Hence the major point of antagonism with respect to class struggle and the state form—from Keynesianism to neo-liberalism—is *the role of abstract labour (money) to decompose the inherent composition of classes at the level of the state*. In other words, such an approach always implies that labour *against* capital is always eventually contained in its form *for* capital.

To overcome this the emphasis needs to shift more decisively towards approaching abstract labour as an ontological fact of production and exchange relations, because such an emphasis shifts the focus of attention to the declining power of the capitalist system to convert labour into abstract labour and hence draws attention to the threat posed by the simultaneous emergence of its opposite: concrete social forms of labour that in turn further threatens the stability of the capitalist system. The role and nature of the contemporary state is to be understood as responding to the negation of abstract labour *and* the emerging ground of social labour for itself, which is part of that negation. In this respect, the state *progressively derives* relative autonomy, because it is increasingly required to contain and manage this negation, which implies that the state must engage in actions and policies that are not always for capital or even particularly for labour but *for a declining system* in which value and so commodity fetishism are no longer the force they once were capable of containing the threat posed by labour. In this respect, the argument here is that the increasing autonomy of the state rests upon the waxing and waning fortunes of the category abstract labour and its negation into its opposite: concrete social labour. Therefore, the nature of the capitalist state is determined by the role it plays in managing the development *and* decline of abstract labour in accordance with the overarching necessity to contain the working class.

Indeed, Marx clearly viewed the state's role in the formation and subsequent development of abstract labour to be crucial. Marx, in the latter chapters of *Capital* volume one, explained and described in some detail the *primitive accumulation* of

capital. Marx refers to the *developmental creation* of the *categories* of capitalism, aided and abetted by the force of the State, with special reference to the development of the two-fold contradiction within labour and therefore the development of abstract labour. As the categories of capitalism developed their hold over society, so too did commodity fetishism, as markets swamped the *supply* and *use* of the power of labour (which was being discarded from the land in droves, especially after the mid decades of the 18th century—the process of primitive accumulation). Marx describes the process vividly:

Thus were the agricultural people, first forcibly removed from the soil, driven from their homes, turned into vagabonds, and then whipped, branded, tortured by laws grotesquely terrible, into the discipline necessary for the wage system The advance of capitalist production develops a working class, which by education, tradition, habit, looks upon the conditions of that mode of production as self-evident laws of Nature. The organisation of the capitalist process of production, once fully developed, breaks down all resistance. The constant generation of a relative surplus-population keeps the law of supply and demand of labour, and therefore, keeps wages, in a rut that corresponds with the wants of capital. The dull compulsion of economic relations completes the subjection of the labourer to capital.²⁰

Extrapolating, one might also argue that the waning of abstract labour formation reveals the *decline* of ‘the dull compulsion of capital over labour’. And it is in the management of the decline of this ‘dull compulsion’ that one can discover the central role and form of the modern capitalist state.

Marx’s intimations about the centrality of the decline of abstract labour to capitalist decline are also clear and unambiguous. As Marx indicates, underpinning ‘bourgeoisie political economy’s’ discomfort that the capitalist crisis could be anything other than external and therefore reversible lay a deeper, as yet ill-conceived fear:

Apart from the terror which the law of the declining rate of profit inspires in the economist, its most important corollary is the presupposition of a constantly increasing concentration of capitals This on the whole, is the result of all laws of capitalist production. And if we strip this fact of the contradictory character which, on the basis of the capitalist mode of production is typical of it, what does this fact, this trend toward centralisation, indicate? Only that production loses its private character and becomes a social process, *not formerly – in the sense that all production subject to exchange is social because of the absolute dependence of producers on one another and the necessity of presenting their labour as abstract socially necessary labour (by means of money) – but in actual fact.* For the means of production are employed as communal, social means of production and therefore not determined by the fact that they are the property of an individual, but by their relation to production, and the labour likewise is performed on a social scale.²¹

²⁰ Karl Marx, *The Genesis of Capital* (Moscow: Progress Publishers, 1978), p. 32.

²¹ Karl Marx, *Theories of Surplus Value, Part Three* (London: Lawrence & Wishart, 1978), p. 445 (emphasis mine).

Marx's famous reflection that 'capitalism digs its own grave' is given more systematic exposition in the quote above. The interrelated processes of a deepening social and political integration of labour, on the one hand, and the political consolidation of the power of finance capital to manage the declining economy, on the other, underlay the decline of abstract labour formation and hence the decline of commodity fetishism. The decline of abstract labours and with it its material embodiment—gold—*allowed* the increasing opposition within commodity production relations (between use value and exchange value) more room for expression *within* the capitalist system. This has two effects. On the one hand, it provides the basis for the working class to achieve vital reforms within the capitalist system; achievements which consolidate their social integration and political consciousness. On the other hand, the production of value and production for social need become the basis for state intervention, creating conditions for the relative autonomy of the state to enable it to manage the decline of capital.

Moreover, the developing contradiction between abstract and social labour is given impetus by and also drives a related polar opposition: the tendency for a growing surplus capital to face a growing surplus of labour power. When capital cannot find profitable investment or potential profitable investments come at the more costly price of likely loss of control of labour power, it becomes surplus capital either lying idle or else finding its way into circulation in the form of increasingly speculative activity, organised and managed in the interests of finance capital. As these latter processes develop they leave in their wake a growing surplus of labour power above and beyond what Marx describes as the *reserve army*. It is above and beyond because the contemporary capitalist political economy also reaches a situation wherein the labour-displacing capacity of capital accumulation relative to capital-enhancing is ever more finely balanced. Therefore, underpinning the developing contradiction between abstract and social labour is the developing contradiction, moving increasingly from tendency towards actuality, of the growing opposition between surplus capital and surplus labour power. It is on the basis of this dual contradiction that a political economy of labour to go beyond capital begins to consolidate itself. And it is in this context that one derives the necessity of a relatively autonomous role for the state.

Capitalist *decline* implies a more complex system, not only to analyse, but also for the state to attempt to manage and attempt to control. This is because decline means the decline and hence fragmentary existence of: abstract labour, both in substance and its form as money; the decline of the importance and dominance of exchange value; valorisation; and the decline of objective and subjective commodity fetishism. Declining capitalism also engenders, as already suggested earlier, the growing importance of use value, social need and collective solidarity and how these are policed by the state. Moreover, decline, and the state's response to decline, are not linear, but dialectical, in the sense that the state's response is determined by the manner in which the categories not only oppose and attract each other and establish new forms of the contradictory social relation, but also realign with each other, in

terms of which either one transmogrified category of use or exchange values dominates over the other (as class struggle, or lack of it, determines). In this respect, the role of, and the form taken by, the state is also to be understood as a response to how capitalist society continually attempts to draw back from decline. It must also reveal the ramifications for wage labour, in the sense of revealing the increasingly complex array of means of political atomisation wage labour endures. Because once the main form of control over wage labour—objective commodity fetishism—falters, as it must do in decline, then political atomisation of the working class, which can take many forms, becomes necessary to the system's survival. It is only through a strategy of successful political atomisation that the state can hope to create conditions necessary for drawing together again, no matter how short term, the developing polar opposition between surplus capital and surplus labour; short of a total war economy, there must be in place a strategy for atomising the latent political economy against capital of the working class around the centrality of socialised labour power. *Again an understanding of the state and any autonomy it has must be on the basis of this decline in commodity fetishism and with it the faltering systemic control over labour ignited by it.*

The rise of finance capital has proved to be decisive in developing strategies that arrest and fend off the pace and nature of decline. Hillel Ticktin argues that finance capital, as the most developed form of capital, has, during the course of the 20th century and thereafter, been able to secure state forms that are best able to provide the necessary *political economy* of control over use value, social need and the management of money within specific historical circumstances.²² Two such historical circumstances are those of social democracy and the current post-social democratic state. Both provide interesting insights into the role and nature of the state premised on the above argument.

The 'Relative Autonomy' of the Social Democratic Welfare State

The social democratic welfare state became a major strategy orchestrated by the capitalist state to contain and atomise the political threat of labour, while also enabling the political ground for reabsorbing surplus capital under peacetime conditions. The social democratic welfare state was therefore the systematic attempt by the state on behalf of a declining capitalism, to administer control over use value production and distribution, in an effort to prevent the working class from taking full control over their own needs. To do this required that the state have not so much relative autonomy from the ruling capitalist class, but rather that it have *relative autonomy to act against the failing law of value upon which capitalist political economy over the working class turns.*

²² Hillel Ticktin, 'Towards a Theory of Finance Capital', *Critique*, 17 (1987). This article, it ought to be pointed out, is a significant contribution to the Marxist understanding of the category of finance capital as it emerges from the categories of capital and its relationship to the state.

The four instruments of control orchestrated through the 'relatively autonomous' welfare state involved the bureaucratic atomisation of the labour process, nationalised and so managed money capital, the decommodification of labour supply and labour power, and the concept of 'planning' to regulate capital and labour surpluses. Taken *individually*, it is clear that their proto developments within capitalism have undergone a long history. The emergence of the social democratic welfare state reflects that each one becomes strategically related to each other to politically atomise the working class and manage the polar opposition between surplus capital and surplus labour power.

Through the pegging of national currencies to the dollar and gold, allowed under the Bretton Woods Agreement, the management of *national money* became decisive in allowing the *global* nature of the rift between exchange value and use value to develop within a *national* system of exploitation. The cost to capital was that certain essential use values must now be bureaucratically regulated to meet social needs *directly*, or at least without recourse to valorisation on the stricter criteria of socially necessary abstract labour times appertaining as a global tendency. The particular balance of class forces in Britain meant that nationalised money capital *opened the way* for social welfarism, or the establishment of the 'divided wage': a social wage which guaranteed the social reproduction of the working class beyond the narrower confines of wage labour tied to the social reproduction of surplus value as capital. The nationalisation of major industries, such as the energy and transport industries, reduced surplus capital by redirecting it through taxation into necessary forms of constant capital at low cost, which in turn raised the level of profitable investment of surplus capital directly in the hands of the capitalist class. One necessary consequence of this was to create conditions for soaking up surplus labour, recognised in Keynesian terms of the 'accelerator effect' on capital investment and 'multiplier effect' on working class consumption, and so conditions of full employment, which then led to a partial decommodification of labour power, which, as Dixon correctly deduced, symbolised the partial 'suspension of value'.²³

The new interpenetration of use and exchange value secured by the social welfare state lays the basis for a systematic approach to the control of labour *power* at the interface of surplus value production. The post 1945 welfare state-orchestrated industrial relations and personnel management systems were necessary for the containment of decommodified labour power by bureaucratically atomising their class potential through their greater incorporation into abstract collectivities. For example, a bureaucratic network of 'collective bargaining' embraced the workplace, intertwining the economy and the capitalist state in managing the increasingly decommodified status of labour power through tighter regulation of its *activity* in production and the conditions under which it was 'supplied' to capital.

²³ See William Dixon for an interesting and revealing dissection of the universal and divided wage forms that have characterised 20th century capitalism, in *Radical Chains*, 4 (1993).

As mentioned earlier, the social democratic welfare state had the conditions of its demise already latent within its short term solution to managing the developing contradiction between abstract and social labour power and the oppositional pressures of surplus capital and surplus labour power. Full employment of capital and labour power achieved under social democracy came at the expense of the increased negation of abstract labour power as the driving principle of society. By implication the threat to abstract labour contained the promise of socialised labour power implied by a welfare state claiming an ethos of providing services and goods based on social need rather than profit. In other words, the management of surplus capital and labour power came at the ultimate price of a growing inability to manage and control the working class, who had become increasingly politicised by the social democratic welfare state. It is on this basis that the politics of the Left, such as Militant, gained ground during this period. In particular, Militant's adherence to the parliamentary road, coupled with its commitments towards increased state regulation of nationalised industries and the wage system, epitomised the drive not so much to abolish the state as to make it even more 'relatively autonomous' from the ailing law of value upon which capitalist political economy is based.

Conversely, the Thatcher years were not so much years in which the power of money and so the law of value became reinvigorated (pace Bonefeld), but rather years in which new methods of controlling the developing contradiction between abstract and social labour and that of managing surplus capital and labour power were sought after in vain. The Thatcher years were years of increased state intervention not reduced intervention. In fact Thatcherism was testimony to the status of the state as 'relatively autonomous' from the capitalist class and the law of value. Under the banner of re-establishing the market and so the law of value, Thatcherism resided over its greater destruction, producing deindustrialisation in the market sector and the worst of both worlds in the public sector: 'quasi-markets', the production of goods and services based on top-down bureaucracy *and* the language, not the substance, of the market place. Deindustrialisation in the 1980s was testament that the Thatcherite state did not so much manage the problem of surplus capital and labour power, as facilitate their decoupling on the basis of social democracy: capital, through financial deregulation, was allowed its global escape routes, while the growing surpluses of labour power were reconstituted as an 'under-class', to become demonised and used as moral reprobates in exhortations against the culture of dependency of the working class and the 'unproductive' nature of the public sector and the welfare state.

It is only post-Thatcher that we begin to perceive the outlines of an alternative strategy for a relatively autonomous state to manage the contradictions of the system mentioned above. The Labour government has been at the forefront of this strategy. As with the strategy before, it is short run and cannot resolve what is fundamentally irresolvable: the management of capitalist decline manifesting through the decline of abstract labour and the developing opposition between surplus capital and surplus labour power. Nevertheless, as I will argue in Part Two of this paper, there is strategy

inherent to the Labour government and again it is evidence of the 'relative autonomy' of the state in managing the decline of the capitalist political economy.

Conclusion of Part One

It was argued in the introduction that one can best approach the nature of the increasingly relative autonomy of the state in terms of a partial dialectical negation of *abstract labour* into social need-fulfilling labour and the implied erosion and decay of the value form that this negation implies. It is when one judges the 'relative autonomy of the state' in these terms that both Engels' and Lenin's politics surrounding the potential for the working class to progress their cause against capital through the negation of the state maintains its revolutionary content. It has also been argued that to get to the point where one can view the state as gaining increasing relative autonomy in the context of the negation of the value relation, one must first discuss and give grounds for rejecting the idea of 'the relative autonomy of the state' that gained wider acceptance within Western Marxist circles, as well as the opposing argument that the state has no relative autonomy from the ruling class, in order to advance an argument that the relative autonomy of the state must be understood in the context of a declining value relation. This paper has argued that the latter leads to the suppression of *both capital and labour*, in the overall interests of maintaining the rule of an increasingly parasitic form of capitalism. A brief example was given of how one can approach social democracy as the manifestation of the latter. Part Two will extend the analysis of this suppression of capital and labour into the current era we usually refer to as *neo-liberalism*. Part Two will have as its central aim to draw out and make explicit the potential future grounds for the working class to mobilise the state for itself against capital and towards the socialist transition leading to the withering away of the state.