The State Debate: Introduction

Simon Clarke,
Department of Sociology, University of Warwick

Chapter 1

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1.1 Introduction

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

Although the CSE was originally established in 1969 as a forum for economists, its debates soon moved beyond narrowly economic concerns in the attempt to locate economic developments as one aspect of the development of the capitalist system as a whole. There was no way in which economic issues could be isolated from political questions in the atmosphere of growing economic crisis and sharpening political and ideological conflict through the 1970s. It was increasingly clear that the future course of economic and social development of capitalist society was not a matter of the unfolding of economic laws, whether Marxist or neo-classical, but would be determined as the outcome of social and political struggles. On the other hand, it was equally clear that the outcome of such struggles would not be determined merely by the will and determination of the forces in play, but would also be circumscribed by the economic, political and ideological framework within which they were fought out. The renewal of the class struggle from the late 1960s brought to the fore the theoretical questions of the relationship between 'economics' and 'politics', between 'structure' and 'struggle' in understanding the role of the capitalist state.

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

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

The justification for reprinting these papers is not an antiquarian concern to exhume the past. It is rather that the theoretical issues raised in the debate were never finally resolved, primarily because changing

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

political circumstances dictated a shift in theoretical emphasis, the apparent stabilisation of capitalism the recession of 1979–81 underlying the renewal of structural-functionalism and systems theory, ar marginalisation of class analysis. As the crisis-tendencies of capitalism reappear, and as class conflict its head anew, the temporary character of this stabilisation becomes increasingly clear, undermini plausibility of the dominant integrationist theories and giving new life to old debates. The reprint contributions to those debates, with a long introductory survey, is not meant to imply that old ar are adequate to new questions, but only that the lessons of the past are an important launching p the struggles of the future. As one of the last contributions to the earlier debate plaintively pleade must not let go of the understanding of capitalism and the state that we acquired so painfully duri Keynesian decades' (London- Edinburgh Weekend Return Group, 1980, Postscript to 2nd edition, p. It is to be hoped that the present collection can help to revive that understanding, in order to subj to a critical review in the light of changed circumstances.[2]

1.2 The Problem of the Capitalist State

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

The social democratic theory of the state, on the other hand, focused on the institutional sepa of the state from the economy, and so stressed the *autonomy* of the state as a political institution. analytical separation of the 'political' from the 'economic' was based theoretically on a radical separat production from distribution. From this point of view the intervention of the state to secure the cond for the sustained growth of capitalist production subordinated the capitalist concern for profit t national interest in the growth of the national wealth. The class character of the state was deter not by its intervention in production but by its relation to distribution, which it could modify prin through its taxation and expenditure policies. Thus a social democratic government could, in prin use the instruments of state power to counter-balance the economic power of capital, reconcilin economic efficiency of the capitalist mode of production with an equitable system of distribution. F social democratic left, the state might serve as the instrument for the transition to socialism, transfo property relations by taking capitalist enterprises into public ownership. For the social democratic the 'separation of ownership and control' made the question of ownership irrelevant.

The inadequacy of these theories of the state became increasingly manifest through the 1960s. O one hand, the growth of the welfare state, and the election of social democratic governments, partic in Britain and Germany, undermined the crude identification of the state with the interests of mon capital. The growing internationalisation of capital undermined the identification of the nation state the interests of national capital. The inability of the state to deal with a growing economic crisis under the view that the state was able to function effectively as the instrument of capital. Moreover the t of State Monopoly Capitalism suffered from its association with the politics of the orthodox Comm movement, a politics which had little appeal for the social movements which emerged in the late 19

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

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

nature and limits of the power of the capitalist state.

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

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

1.3 The German Debate

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

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

Habermas, Offe and the Frankfurt School

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

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

According to this approach the state is *autonomous*, but it is certainly not *neutral*. The representation of particular interests is subordinate to the stabilising role of the state as a political institution, so that it is the state which determines whose interests it will represent. Thus the state has to develop internal structures which provide 'selective mechanisms' through which to 'filter' the demands made upon it, in accordance with its own political priorities. However the separation of the state from the sphere of production means

that the state must serve the interests of capital as a whole in taking it upon itself to secure the cond for sustained accumulation (its 'accumulation function'), and to this extent the state inevitably serv even constitutes, the general interest of capital. On the other hand, the state must avoid compromisi legitimacy by identifying itself with any particular interest (its 'legitimation function'), so that with limits of the need to sustain the accumulation of capital as a whole the particular policies pursued b state, and the particular interests served by those policies, will be the contingent result of its own po processes, determined by its own political priorities.

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

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

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

Offe's early work was an eclectic mixture of Marxism and sociology. When he later tried to de his ideas more systematically it was within the framework of sociological systems theory, rather than of Marxism. However the appeal of his work was never its theoretical rigour, but rather the po conclusions that it legitimated. In the early 1970s the concrete lesson drawn from Offe's work wa the social democratic incorporation of the working class had stabilised the capitalist state, but doing had served to shift the focus of political conflict to the 'new social movements'. As the democratic incorporation of the working class came under growing pressure, and the crisis of the became more acute, Offe revised his views, anticipating the end of Keynesian social democracy, further strengthened the critique of traditional forms of working class politics, on the grounds that could no longer achieve even their modest reformist goals. On the other hand, the crisis of the welfare meant that the 'new social movements' had even less to anticipate from the state in the way of ma gains or political advance. Thus by the 1980s Offe's work had become the means of legitimating a p which sought to confront neither the power of capital nor the power of the state, but which sough 'dissolution of the state' through the 'democratisation of civil society'.[3]

The State Derivation Debate

The Marxist rejoinder to Offe and Habermas came not from the theorists of State Monopoly Capit but from those who sought to build a more adequate theory of the state on the basis of a return to The starting point of the 'state derivation' approach was the argument that 'functionalist' theories state, whether that of Offe and Habermas or that of State Monopoly Capitalism, presuppose the exis of a state which can perform the functions attributed to it, ignoring the prior task of explaining how a body comes into being in the first place. The constitution of the 'economic' and the 'political' as di spheres of social existence, which defines the capitalist form of the state, is not a universal feature of h societies, nor is it the inevitable result of the 'functional differentiation' of complex societies, it is a fe

[3]See the influential texts of John Keane (1988a, 1988b).

specific to capitalist societies, to be explained on the basis of the social form of capitalist production. Thus the state derivation approach sought to 'derive' the state, logically and historically, from the categories developed by Marx in *Capital*.[4]

This approach was based on an interpretation of Marx's *Capital* not as a theory of the 'economic' but as a theory of the social relations of capitalist society as a whole, an approach which had been pioneered in discussion of Marx's theory of value.[5] Marx's critique of political economy in *Capital* was based on the argument that economic categories are fetishised forms of appearance of social relations. The immediate relationship between wage labour and capital is not an 'economic' relationship, but a social relationship which combines inextricably 'economic', 'political' and 'ideological' dimensions, in the sense that it is a relation simultaneously of exploitation, of domination and of ideological struggle. The ideological and institutional separation of these dimensions from one another is not inherent in the social relation, but only emerges out of the struggles over its reproduction, so that the economic, political and ideological are complementary forms of a single social relation.

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

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

It is not only the content of these fetishised categories which has to be explained in relation to the underlying social relations of production, but also the forms themselves. The categories of the economic and the political (wages, prices, profit, the law, political parties) are not found in every society, but only in those societies based on the capitalist mode of production. In other forms of society the distinction between the economic and political either does not exist at all, or exists in very different forms. Thus the specific forms of the economic and the political cannot be taken as given, but have to be *derived* from the more fundamental categories of the social relations of production, in order to establish *simultaneously* their distinctiveness and their complementarity.

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

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

[4]The major contributions to the debate are surveyed and reproduced in Holloway and Picciotto, 1978.

[5]The pioneering work was that of Hans-Georg Backhaus, 1969, 1974–8. The most influential source was I. Rubin, 1972, 1978. See also the important collection Elson, ed., 1979a.

from the 'political' which it is supposed to explain.

A more fundamental approach to the derivation of the state was provided by Blanke, Jürgen Kastendiek, and by Hirsch. Blanke, Jürgens and Kastendiek derived the separation of economics politics from the dual character of the exchange of commodities as involving, on the one hand, an exc relation between things subject to the law of value and, on the other hand, a relationship of own between the subjects of exchange and their commodities. The latter relationship requires a legal s to codify and enforce property rights, and so an 'extra-economic coercive force', which is the basis historical development of the state. The separation of the political from the economic, of conflict property rights from the exchange of commodities, 'is not an historical act which happens once, constantly reproduced' (Blanke, Jürgens and Kastendiek, in Holloway and Picciotto, 1978, p. 121), recognition of mutual obligation implied in contractual exchange, but it is only reproduced to the that such recognition is sustained.

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

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

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

Hirsch's Reformulation of State Theory

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

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

[6]See John Holloway's discussion in Holloway, 1988.

[7]John Holloway is wrong to see a contradiction between Hirsch's derivation of the state as a form of class strugg his 'structuralist' account of the development of state functions (Holloway and Picciotto, 1978, p. 28; Holloway, 198 Hirsch the 'autonomisation' of the state is not an ongoing aspect of the class struggle, but is a once and for all his event, embedded in the sovereignty of the state as an autonomous power, backed up by its monopoly of violence

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

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

The political need to sustain capital accumulation in order to secure the material and political reproduction of the state underlies the growth of 'state intervention'. However, although this intervention is designed to secure the general interest of capital in its expanded reproduction, it cannot be reduced to that interest. On the one hand, there are conflicting capitalist interests involved, so that the strategy adopted by the state will depend on the political resolution of the conflicts between particular capitals and fractions of capital, expressed in and mediated by the state apparatus. On the other hand, the ability of the state to meet the needs of capital is limited by the institutional forms through which it formulates and implements policies. In particular, the development of the state apparatus with the growth of state intervention is associated with its increasing fragmentation, as conflicting interests in civil society are represented within the state apparatus. Thus the state apparatus has no overall rationality, but reproduces in a political form the conflicts of interest which mark civil society. Although such irrationality appears as bureaucratic and administrative failure, it is only the expression within the state apparatus of the contradictions of the capitalist mode of production and of the class struggles to which they give rise. This is the basis of Offe's contradiction between the need to maintain the separation of the 'economic' and the 'political', on the one hand, and the pressures on the state constantly to suspend the separation in order to secure the reproduction of capitalist social relations, on the other.

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

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

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

Offe's politicism.

On the other hand, although Hirsch emphasised that the historical development of the capitalist of production was the product of class struggle, this struggle was confined within the limits of the stru imposed on society by the state. The separation of the state from civil society implied that the state only resolve this struggle on the basis of capital, the function of the state determining that the wo class would be the object of state policy, never its subject. The demands of the working class p the state with a political constraint, but the institutional forms of the welfare state provide the r of responding to these demands, so that the 'class struggle' which permeates the state apparatus t out in Hirsch's work to be primarily the struggle between particular capitals and 'fractions' of cap struggle which has to be resolved by the state on the basis of its need to secure its own reprodu By contrast, the outcome of the struggle between capital and the working class was already presupp the only issue being that of *how much* welfare and *how much* repression might be needed to secu subordination of the working class.

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

1.4 Poulantzas's Theory of the State

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

Where Poulantzas differed from Offe was in the emphasis he gave to the 'class struggle'. However his structural theory, Poulantzas stressed the 'specificity' and 'relative autonomy' of the political, so the definition of a common economic interest is neither necessary nor sufficient to define either the p engaged in political struggles, or their political allegiances, or the alliances into which they enter. Th theory of class stressed the role of ideology and of the state in constituting classes as political force so in defining the forms of class struggle.

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

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

[9] See also the debates in *Capital and Class*, reprinted in Bonefeld and Holloway, forthcoming.

The Miliband- Poulantzas Debate

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

The context of the state debate in Britain in the late 1960s was the failure of the Labour government not only to advance towards socialism, but even to put into effect its promised programme of technocratic reform, which was supposed to provide a healthy, well-educated labour force and to modernise industry to face the growing challenge of international competition. The initial response of the left to this failure was to put it down to the particular characteristics of British society. On the one hand, the entrenched power of the Establishment and the financial power of capital was a barrier to the modernisation of British industry and public administration. On the other hand, the failure of a right-wing social democratic leadership to take the steps necessary to confront such undemocratic concentrations of power was explained in terms of the theoretical and political weaknesses of British labourism. This analysis was most influentially developed by Perry Anderson and Tom Nairn in a series of articles in *New Left Review*, where they argued that Britain had never had a bourgeois revolution, leaving the bourgeoisie the junior partner in a 'power bloc' dominated by the landed aristocracy. The failure of the bourgeoisie meant that the working class had never confronted capital politically, and so had not developed either a Marxist political culture or a revolutionary party. The theoretical framework for this analysis was provided by a 'neo-Gramscian' theory of politics according to which the transition from a 'class-in-itself' to a 'class-for-itself' depends on its developing a 'hegemonic ideology' (Anderson, 1964; Nairn, 1964a, 1964b).

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

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

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

Poulantzas's critique had an immediate impact, but gave few clues as to the substance of his own ideas. Thus it was not until his debate with Miliband that his own work became influential outside the avant-garde. As in his critique of *New Left Review*, Poulantzas emphasised the relative autonomy of the state, in relation to both the economy and to class actors. Miliband, like Anderson and Nairn, avoided the economic reductionism of orthodox Marxism, only to replace it with a class reductionism, according

to which the dominant class stamped its character on the state. This meant that they all remained w
the theoretical framework of bourgeois sociology, marked by a view of society based on the interact
social groups. The only way of avoiding bourgeois pluralism was to stress the ultimate priority of eco
interest in defining such groups, so reintroducing an economistic reductionism via the subjectivity
class actors whose interests prevailed in the class struggle.

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

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

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

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

While these tendencies were implicit in Poulantzas's work from the beginning, this did not p
Marxists with sufficient grounds to reject Poulantzas's contribution. Poulantzas did seem to be addr
the important questions, in stressing the political and ideological functions of the state, and the po
and ideological dimensions of the class struggle, and his work appeared to provide a framework within
the fundamental questions of the 'relative autonomy' of the state and of the relation between 'econo
and 'politics' and between 'structure' and 'struggle' could be raised. For many Marxists the way fo
appeared to lie not in rejecting Poulantzas's approach, on the grounds either of his structural determ
or of his political voluntarism, but in achieving a more adequate integration of the two by develop
more adequate account of the 'determination in the last instance by the economic'. These were the
in which Poulantzas's theory of the state came to play a major role in the early debates in the CSE ov
theory of the state. It was only when these debates reached an impasse that the adequacy of Poulan
formulation of the problem was seriously thrown into question.

1.5 The State Debate in the CSE

The Internationalisation of Capital and the Nation State

The problem of the state was raised at the very first conference of the Conference of Socialist Econo
in January 1970, at which Robin Murray presented a controversial paper on the internationalisat

capital and the nation state (Murray, 1971), in which he argued that the internationalisation of capital had undermined the ability of the state to serve the interests of 'national' capital. Murray's argument was vigorously disputed by Bill Warren, who argued that the apparent 'non-coincidence' of the territoriality of capitalist firms and the nation state was merely an aspect of the 'relative autonomy of the state without which indeed it could not effectively perform its class functions' on behalf of capital as a whole (Warren, 1971, p. 88n). This debate developed further at the second conference of the CSE in October 1970, on the theme 'the economic role of the state in modern capitalism', where Warren presented his own view, according to which the 'autonomy' of the state in no way implies its independence of capital. Warren argued instead for a monolithic view of the state, in which the class character of the state is embedded in its structure, which is an expression of its function for capital. This argument led Warren to conclude that 'the expansion of state functions has involved an increasingly *tighter integration* of state structures with the economic, political, social and cultural systems of imperialist society', leading to a growing state authoritarianism behind the democratic facade (Warren, 1972, p. 29). This perspective was challenged by Michael Barratt-Brown, among others, who insisted that there was scope for elements of the state to be grasped by popular struggle, and for at least some state policies to be directed to progressive ends. In this sense the relationship between capital and the state was not monolithic, but contradictory, reflecting not the functional needs of capital but the balance of class forces.

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

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

The Crisis of State Expenditure and the Limits of Social Democracy

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

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

While there was general agreement on the functionality of the state for capital, there was fundamental

disagreement over the limits to this functionality. This disagreement set the 'neo-Ricardians' again 'fundamentalists'. For the neo-Ricardians the limits to the functionality of the state were deter politically, as the result of the class struggle. For the fundamentalists, on the other hand, these limit inherent in the contradictory character of state expenditure as simultaneously *necessary* and *unprod* The differences between the two were closely related to their different analyses of the crisis, behind lay fundamentally different evaluations of the significance of Marx's theory of value.

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

The fundamentalists insisted that wages were determined not by the 'class struggle', but by the obj laws of the capitalist mode of production. The source of the crisis accordingly lay not in distributio in production, and specifically in the 'tendency for the rate of profit to fall'. The resolution of the depended on the restoration of profitability, which could only be achieved by an intensification of labou a restructuring of production. Growing state expenditure, although required to sustain the accumu of capital and to maintain social peace, only serves to exacerbate the crisis, since it is an unprod drain on surplus value.

The Neo-Ricardian Theory of the State

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

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

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

Gough drew on O'Connor's classification of state expenditure into 'social investment', which di increases productivity and so capitalist profitability, 'social consumption', which effectively subsidises costs, and 'social expenses', which are predominantly military and welfare expenditures. For Goug O'Connor the first two categories of state expenditure are both productive, the first because it di increases profitability, the second because it is effectively a part of the wage, as the 'social wage', le only the last category to constitute an unproductive drain on surplus value. However Gough re O'Connor's 'underconsumptionist' account of the crisis with the neo-Ricardian theory developed by arguing that O'Connor's functionalism led him to give 'insufficient weight to either the role of class st in determining the size and allocation of state expenditure or to the relative autonomy of the st responding to and initiating policies to cope with these pressures' (Gough, 1975a, p. B.R. 5). other hand, Gough equally criticised those, such as Barratt Brown, who explained the character state exclusively in terms of the class struggle.

In his own explanation of the growth of state expenditure Gough proposed a 'synthesis' of the fun alist and the class struggle accounts of the state, on the basis of the work of Poulantzas and, to a extent, of Miliband. For Gough both Poulantzas and Miliband show that 'the capitalist state is a rela autonomous entity representing the political interests of the dominant classes and situated within th of the class struggle'. It is this relative autonomy of the state which has enabled the working cl exploit the divisions within the capitalist class to achieve a whole series of economic and social re

without thereby challenging the 'political power of capital and the repressive apparatus of the state on which it is ultimately based' (Gough, 1975b, pp. 58, 64. The final version of Gough's account appeared in book form as Gough, 1979).

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

Gough adopted Poulantzas's theory of the state because it seemed to offer a framework within which to synthesise an account of the possibilities of reformism, emphasised by 'class struggle' analyses of the state, with an account of the limits of reformism, stressed by structural-functionalist analyses, and so to provide a basis on which to evaluate alternative strategies in the crisis. However the radical separation made by Gough between the 'economic' constraints on the activity of the state, expressed in its 'determination in the last instance' by the functional requirements of production, and its 'political' autonomy, expressed in the role of the class struggle in determining distributive relations, was contradicted by his theory of crisis, which recognised that the survival of capitalism depended on confining the aspirations of the working class within the limits of profitability. Thus Gough believed that the depth of the crisis was such as to leave no scope for political concessions to sectionons of the working class, and so to leave no possibilities open for reformism.

Fundamentalism and the Theory of the State

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

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

Fine and Harris explained the subordination of the state to capital in terms of its subordination to the law of value: 'state activity is both determined by and dependent upon the production of surplus value', so that state economic intervention 'cannot be considered as an intervention by the political in the economy, for it is conditioned primarily by the laws of motion of the economy'. However the law of value defines only the (economic) limits within which the state can exercise a high degree of (political) autonomy. Thus Fine and Harris applauded Gough for advancing beyond Yaffe's economism by 'bringing to economists' debates the conclusions of Marxist political theorists: the relative autonomy of the capitalist state in its relationship to the interests of the dominant classes, and its situation as the objective of political class struggle'. Thus, they argued, 'the state, in preserving capitalist social relations, has political and ideological as well as economic roles. Therefore, its economic intervention is conditioned by the political and ideological balance of forces ... unlike the production and circulation of commodities under the direct control of capital, the economic activity of the state is not controlled primarily through exchange relationships, but through the balance of political (and economic and ideological) class struggle' (Fine and Harris, 1976a, pp. 103, 109–110, 107, 99, 103).

Fine and Harris provided a powerful critique of Gough's neo-Ricardian theory of the state. However they did not differ fundamentally from Gough in their conceptualisation of the relation between the economic and the political, or of the relationship between the structure and the class struggle in the determination of state policy. They criticised Gough's adoption of Poulantzas's 'over-politicised' conception of the state

but only on the grounds that Gough's neo-Ricardianism allowed too much autonomy to the state. they could agree with Poulantzas that the state is 'determined in the last instance by the economic 'conditioned by the political and ideological balance of forces', while criticising him for giving insuf attention to the constraints of the economy, but they did not offer any alternative conceptualisation relationship between the 'economic' and the 'political'.

In their later book Fine and Harris developed their own analysis further, without clarifying its f mental ambiguity (Fine and Harris, 1979). In this analysis they adopted Poulantzas's pluralistic t of the class struggle, based on the relative autonomy of economics, politics and ideology, but combi with an economistic theory of the structural constraints within which the class struggle takes place, form of the theory of State Monopoly Capitalism, based on the fusion of capital and the state. Th class struggle is marked by the separation of the economic, political and ideological, while the stru is marked by their fusion. The preservation of bourgeois rule then depends on maintaining the sepa of the levels of class struggle, in the face of the structural tendencies towards their fusion. Thus intervention has developed in response to the fundamental contradictions of accumulation expres the 'tendency of the rate of profit to fall', but it has become the 'predominant mechanism' for contr production and the 'crystallisation of ideological, economic and (primarily) political relations'. This of the state with capital reacts back on the class struggle, threatening to undermine 'the division be economic, political and ideological struggles upon which bourgeois hegemony in earlier stages is base response to which the struggle is 'confined to limits compatible with capitalist social reproduction divorcing the locus of economistic struggle from the point of production ... and giving it expression institutions of the state'.[10]

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

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

The theory of the state had apparently reached an impasse in the debate between the neo-Rica and the fundamentalists, neither of whom could reconcile the 'autonomy' of the state with its cap class character because neither had any way of conceptualising the relationship between the economi the political as forms of capitalist social relations. The result was that both sides oscillated betwe economism, which reduced the state to its 'economic' functions for capital, and a 'politicism' whic the state as the 'crystallisation of ideological, economic and (primarily) political relations'. This wa simply a theoretical error, for it reflected the limitations of the common political perspective which u the apparently implacable opponents in the debate, a perspective which saw the state as the instru of the transition to socialism, and so reduced socialist politics to a revolutionary or reformist strugg state power.

The theoretical differences between neo-Ricardians and fundamentalists did not necessarily impl found political differences. Thus in 1973–4, when the Heath government was brought down by the m strike, socialists in both theoretical camps proclaimed an ultra-leftist maximalism as though the revo was at hand, while two years later the relative decline in trades union conflict meant that most sou reconcile their socialist ambitions with a politically 'realistic' reformism, on whichever side of the the cal divide they placed themselves. The neo-Ricardian strategy, which sought to give a socialist cont the 'social contract', was developed most forcefully by Dave Purdy and Mike Prior in *Out of the C* (1977, criticised by Diane Elson, 1979b) a response to the publication of a new draft of the Comm Party's programme, which played a major role in initiating the debate which eventually transforme Communist Party out of all recognition. The fundamentalist strategy, which sought to give a so

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

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

content to the 'Alternative Economic Strategy' was developed by Fine and Harris, and by the CSE London Group (1979, 1980). Despite their differences, both of these approaches rested on a narrow economistic conception of the crisis and the class struggle and a monolithic view of class, ignored the differentiated forms of class struggle which were developing in the crisis, and above all ignored the question of the contradictory relationship between the working class and the state. This perspective was increasingly remote from the popular struggles which were developing through the 1970s, which confronted the state more and more directly not as the prospective instrument of their liberation, but as the principal barrier to the realisation of their aspirations.

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

1.6 New Directions in the Theory of the State

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

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

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

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

However housing struggles have never been confined within these limits. When housing struggles have threatened to over-step the constitutional boundaries of 'politics' and the law, to develop into a collective challenge to the rights of property, the state has responded by restructuring the relationship between politics and economics, modifying the forms of regulation of the housing market and making 'economic' concessions in the attempt to re-establish the rule of money and the law and to restore the separation of the two spheres.[12]

In the early 1970s these issues emerged most clearly in the response of the state to 'community' struggles, as the state sought to incorporate the dynamism of local struggles into its own apparatus, a process which was described and theorised very acutely in Cynthia Cockburn's important book, *The Local State* (1977). In her book she showed how the local state had initially seen the failure of its policies to combat poverty, unemployment and urban decay in terms of its own managerial failings, which the revolution in local government, centred on 'corporate management' was supposed to remedy.[13] As the crisis deepened,

[12] A selection of papers from the housing group was published in CSE Political Economy of Housing Group, 1975.

[13] This process had been explored in an influential paper by John Benington, in which the reform of local government

policy failures appeared in the form of growing local resistance, which was interpreted by the local as a result of the remoteness of an over-centralised management system. 'Community developmen then seen as the means of remedying the defects of 'corporate management' by providing channels of mation and means of legitimation of the state's policies. However the state's enthusiasm for 'particip democracy' was motivated by a concern not to meet people's needs, but to confine their aspiration their organisation within the limits of the resources and the forms of provision at the disposal of the Against the fashionable 'community politics', which Cockburn saw as a way of assimilating and defl working class aspirations, and against the celebration of the fragmentation of the 'new social movem she stressed the importance of a class-centred 'politics of reproduction', which could overcome th itations of traditional socialist politics by linking class struggles at the point of reproduction with struggles at the point of production.

It became clear in the work of the CSE Housing Group in the mid 1970s that the separation economic and the political cannot be seen as a given structural feature of the capitalist mode of produ nor can the form of that separation and the boundaries between the two be seen as a constant feat the capitalist mode of production. Both the fact and the form of the 'separation of the economic fro political' is a permanent object of class struggle, which the state seeks to impose on working class str in order to confine those struggles within the limits of private property and capitalist reproduction. C to this separation is the fragmentation of class struggles imposed by the forms of the commodity, r and the law, through which the rights of property are enforced on workers as individuals, so that subordination to capital can be imposed through the anonymous form of capitalist competition, wh for jobs or for housing.

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

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

The work of the Housing and Labour Process groups, which had been addressing the theoretical of the relation between the economic and the political from the perspective of concrete struggles, seen show a way beyond the impasse reached in the debate over the crisis of state expenditure. These con came together at the 1976 'Labour Process' Conference, at which the CSE decided to organise a se dayschools leading up to the 1977 conference on the theme 'Class Struggle, the State and the Restruc of Capital'. The theoretical starting point of the approach to the state which developed over the nex years was the critical examination of the theories of the state proposed by Poulantzas and emerging the German 'state derivation' debate.

Poulantzas and the Problem of the State

Although the terminology, if not the substance, of Poulantzas's theory of the state had established a monopoly around 1975–6, a critical undercurrent was beginning to emerge. Fine and Harris had the neo-Ricardian theoretical foundations and reformist political implications of Gough's conception state, without relating these criticisms to the Poulantzian theoretical framework which Gough had ado this limitation deriving principally from the 'economistic' interpretation of Marx's theory of value w

was interpreted in terms of the depoliticisation of politics, as the increasingly entrepreneurial corporate management government resulted 'in the substitution of "policies" for "politics" at the local level' (Benington, 1974, p. 34).

[14]Work on the labour process was theoretically informed by a reading of Parts III and IV, and the draft chapte Immediate Results of the Process of Production', of Volume One of *Capital*, by Harry Braverman's important book *and Monopoly Capital* (1974), by the work of Andre Gorz, Christian Palloix and others in France and, most importan the work of the autonomia school in Italy. See the important collections CSE/Stage One, 1976; CSE/Red Notes, 197 A. Gorz, ed., 1976.

for all their differences, Fine and Harris shared with the neo-Ricardians (Clarke, 1980). John Holloway and Sol Picciotto, in a series of papers, had equally criticised Poulantzas's 'politicism' and the 'economism' of Fine and Harris, John Holloway arguing that 'a materialist analysis of the state must not be confused with an economic analysis, for both the "economic" and the "political" functions of the capitalist state are founded in the contradictory nature of capitalist commodity production', pointing to the German state derivation debate as offering the most fruitful way forward (Holloway, 1976, p. 18). These criticisms were developed in Simon Clarke's first paper in this collection, which sought to establish that the theoretical weaknesses identified in Poulantzas's theory of the state were not superficial faults, but derived from the theory's neo-Ricardian foundations.[15]

The central argument of the paper is that behind its radical rhetoric, and whatever Poulantzas's intentions, his theory of the state rests on rigorously bourgeois foundations. These bourgeois foundations are identified as the radical analytical separation between production relations, whose form is determined primarily by the technology, and distribution relations, which are constituted by the relation of ownership of the factors of production. Although this conception of production was attested by Stalin as the orthodox Marxist theory, and is commonly found in 'economistic' interpretations of Marx, it derives not from Marx but from John Stuart Mill, whose argument Marx ridiculed in the last chapter of Volume 3 of *Capital*. It is this separation of relations of distribution from relations of production which underpins the bourgeois conception of the relation between the economic and the political, a conception imported into Marxism in the form of a radical separation of economic from political struggle.

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

Against Poulantzas, the paper reproduced here argued that '*the economic, political and ideological are forms which are taken by the relations of production*' (Clarke, 1977, p. 10, below p. **??**). If the 'relations of production' are understood in purely technical or economic terms, this would amount to a re-assertion of a technologistic or an economistic interpretation of Marx (Jessop, 1982, pp. 95–6; Solomos, 1979). However the argument is not in any way reductionist. It is rather that the economic, political and ideological forms cannot be conceptualised independently of one another, the concept of 'relations of production' expressing their essential unity and complementarity. Thus they are to be understood as differentiated 'functional forms' of capitalist social relations, just as Marx analyses productive, money and commodity capital as functional forms of capital. Nor is the argument by any means an abstract one, it is only the theoretical expression of the unity of everyday experience. The citizen, commodity owner, and conscious subject are not three different people, they are one and the same. The wage labourer does not establish three different relationships with the capitalist, but a single relationship in which the worker, as citizen, freely chooses, as commodity owner, to sell her labour power to the capitalist and thereby submit herself, as a conscious subject, to the capitalist's will. Thus the unity of the social relations of production is both conceptually and empirically prior to their elaboration in differentiated ideological, political and economic institutional forms, an elaboration which develops, is reproduced, is challenged and is transformed in the course of the class struggle over the reproduction of capitalist social relations of production. The underlying political motivation of the argument is the claim that a humanistic Marxism, which seeks to build a new form of society on the basis of the everyday experience and aspirations of concrete human beings, must take as its starting point the unity of human experience, not the fragmentation of that experience in the alienated

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

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

forms of 'ideology', 'politics' and 'economics' which capital seeks to impose on it.

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

Class Struggle, the Restructuring of Capital and the State

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

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

The paper reprinted in this collection is the final version of a series of papers written for the Working Group on European Integration during 1975 and 1976.[17] Although the fundamental analy the various versions of the argument does not change, there are some differences of emphasis to wh is worth drawing attention in the light of criticisms and mis-interpretations to which the paper has subjected.

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

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

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

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

of their argument continues to be informed by Blanke, Jürgens and Kastendijk's focus on the state as a legal form of domination, as against Hirsch's emphasis on the state as a coercive apparatus.

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

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

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

Holloway and Picciotto follow Hirsch in criticising many of the contributors to the German debate for their overemphasis on the logic of capital, to the neglect of the role of the class struggle in giving this logic a content and an historical reality. They therefore devote the second part of their article to outlining the historical development of the state. However their own historical presentation differs substantially from that of Hirsch, reflecting their underlying theoretical differences. For Hirsch the starting point in the derivation of the state was the particularisation of the violence of the capital-labour relation in the form of the state, and correspondingly the first historical moment of its development was '*the imposition of the capitalist class structure*' (Hirsch, 1978a, p. 83). However, Holloway and Picciotto begin their historical presentation with 'the generalisation of commodity production', although they elide the difference by assimilating the 'separation of the labourer from the means of production' to the 'individualisation of private property', two processes which are by no means identical, and which certainly weren't contemporaneous. More fundamentally, however, Hirsch saw the emergence of the capitalist state form as an (unexplained) historical event which was the structural precondition for the establishment of capitalist class relations. Against this approach Holloway and Picciotto argue that the development of the state cannot be explained in terms of the adaptation of its form to its (unexplained) functions, but only in terms of the class struggles associated with the contradictions of the capitalist mode of production 'driving beyond the limits of the forms in which it had so far developed', these forms being the forms of commodity production developing within the feudal society. Thus Holloway and Picciotto's account is once more much closer to that of Blanke, Jürgens and Kastendiek, who derived the form of the state from the need for a system of law to regulate the exchange of commodities, who insisted that 'the limit to form analysis consists in the fact that, although the *possibility* of the realisation of this "state-function" is established, the *necessity* for it is not', and who argued against the view that the emergence of the state serves 'as a precondition for the emergence of bourgeois rule', that the development of absolutism 'should itself be developed from the transition to commodity and money relations' (Blanke, Jürgens and Kastendiek, 1978, p. 132 and n. 31, p. 197).[19]

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

[19] This formulation relates the development of capitalism, and of the capitalist state form, to the contradictions inherent in the feudal mode of production which appear with the development of commodity production. This makes it possible to

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

The second, 'liberal', moment of the state is marked by the completion of the separation of the eco and the political.[20] However the apparent equality of exchange is undermined by the class struggl the working day, which makes it clear that 'between equal rights force decides' (Marx, 1965, p. 23 overstepping the boundaries between 'economics' and 'politics'. The liberal moment of the state is d by the attempt to preserve these boundaries by resolving all conflicts within the sphere of exch However this can no longer be achieved on the basis of abstract legal principles, but requires *legis* and the beginning of *public administration*, which develop as ad hoc responses to the need to rec particularistic forms of intervention with the universalism of the liberal form of the state.[21]

The third stage is marked by the production of relative surplus value and the tendency for the r profit to fall, which dictates a constant class struggle over the restructuring of capitalist social relati production, a struggle which cannot be reduced to its economic dimension, and which cannot be co within given economic and political forms. Following Hirsch's analysis, Holloway and Picciotto that the separation of the state from the economy limits the ability of the former to intervene direc the latter. If the state oversteps this limit to intervene directly the politicisation of capitalist compe fragments the state apparatus politically and administratively. Thus the development of the state is m by 'the contradictory interaction of the necessity and limits arising from the contradictions of cap reproduction', which involves struggles not only over the *scale* of state intervention, but more fundame over the *forms* of that intervention. As the crisis deepens the tendency is more and more to unde the separation of state from society, and so to undermine the reformist illusions in the neutrality state, although Holloway and Picciotto conclude by warning against an over-optimistic assessment political implications of a development.

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

1.7 Structure and Struggle in the Theory of the State

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

As we have seen, Hirsch tended to regard the separation of the state from civil society as an historic which, once accomplished, could be regarded as complete. The development of the relationship be state and civil society was then determined primarily by the tendency for the rate of profit to fa the available counter-tendencies. Although Hirsch pays lip-service to the role of the class strug determining the patterns of historical development, this role tends to be confined within, and subord to, the structure and, correspondingly, to the integrative function of the state.

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provide a non-teleological explanation of the necessity of capitalist development, so avoiding the problem which functi theories, like that of Hirsch, have with the absolutist state form, which appears capitalist in both form and functions a which precedes the emergence of the capitalist mode of production. C.f. Gerstenberger, 1977, 1978.

[20]The term 'moment' implies that liberalism is both a permanent aspect of the capitalist state form and a par historical phase in its development.

[21]For a development of this argument see the important book by Geoff Kay and James Mott, 1982.

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

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

These theoretical differences assumed an increasing political importance in the face of the 'new realism' which began to raise its head in the mid 1970s. The 'new realists' argued that socialists had to recognise the 'reality' of the structural constraints imposed on the state by capital, but they ignored the fact that the 'reality' in question is not given, but is an object of class struggle. The 'reality' which the new realism embraced was not simply false, it was a mystified inversion of the everyday reality of working class existence. In accepting the illusory separation of the economic and political as reality, the new realism pretended that the reality of capitalist exploitation which such a separation serves to reproduce is a fantastic delusion of the exploited and oppressed. However the new realism cannot be reduced to an ideological mystification, since it is the ideological expression of the forms which capital and the state seek to impose on the class struggle. Thus the new realism is merely the latest ideological expression of the politics of reformism.

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

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

Hirsch's paper provides a particularly clear statement of the development of his earlier approach to the state, drawing particularly on the work of Aglietta and the French Regulation School. For Hirsch the work of the French Regulation School, which sought to provide more rigorous and concrete foundations for Poulantzas's structural-functionalism, made it possible to get beyond 'the general, structural characteristics of a capitalist society' (Hirsch, 1983, p. 75, below p. **??**). Thus his early analysis of the contemporary capitalist state was reformulated to provide a theory of the 'fordist security state' as a distinctive mode of domination, which was based on the 'structural-functionalist' view, borrowed from Poulantzas and Regulation Theory, that the welfare state 'is not only a result of class struggle, but is also a structural constituent of the fordist form of socialisation', guaranteeing 'both the material survival of its social members as well as their functional adjustment and regulation, their social conditioning and surveillance' as 'bureaucratic control and regulation' replaces 'social relationships that formerly were founded and maintained in a quasi-natural way by the market and traditional ways of life'.

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

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

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

For Hirsch the 'statification' of society undermines the autonomy of the state which, accordi Poulantzas and the State Derivation theorists, is functionally necessary for the state to ensure the g conditions of capitalist reproduction against the interest of every particular capital or fraction of ca 'However, this should not be seen as an inadequacy of theory, but as an expression of contrad social tendencies that must manifest themselves in specific social conflicts'. The statification of s means that these conflicts no longer take place in civil society, but take place within the state appa between 'different bureaucratic relations and political organisations, each with specific interrelation to particular classes and class fractions'. Thus, for example, political parties, and social democratic p and trades unions in particular, have been transformed into 'quasi-state apparatuses', becoming integrative parties' which 'mediate the apparent constraints' of the world market 'to the affected p as they filter and channel people's demands and interests, making them compatible with the sys conditions', providing 'a new structural mode of controlling capitalist class conflict' by incorporat social core with economic privileges that ... consists of technologically advanced capital, part of middle class, and skilled workers'.

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

The concepts of 'accumulation strategy' and 'hegemonic structure', which Hirsch adopted to ex the unity and coherence of capitalist society, were adapted from the concepts of 'accumulation str and 'hegemonic project' which were introduced by Bob Jessop in his paper to the Cosenza confere paper which, like that of Hirsch, bears the mark of the French Regulation School, and which is the paper in this collection.

The task which Bob Jessop set himself was to solve the problem which plagues all structural-functio theories of the state, of establishing a determinate, but non-reductionist, relationship between the 'rela autonomous' spheres of the 'economic' and the 'political', and between the ontologically distinct wor 'structure' and 'struggle'. As for Poulantzas and Hirsch, Jessop's failure to provide an adequate ac

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

of the contradictory unity of the process of capitalist reproduction means that it is the state that has to carry the burden of establishing the unity and coherence of the 'social formation'.

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

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

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

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

The next paper in this collection, also presented to the Cosenza conference, draws a sharp dividing line between the structural-functionalist approach to the state, developed by Poulantzas, Hirsch and Jessop, and the approach centred on the class struggle which had emerged within the CSE Working Groups. The context of the paper was the challenge thrown down to conventional analyses by the rise of the New Right. The political issue at stake was absolutely fundamental: it was whether the rise of the New Right represented a 'functional' response to a structural crisis in the 'fordist regime of accumulation', as Hirsch and Jessop argued, or whether, as Clarke implied, the rise of the New Right resulted from a catastrophic political defeat of the working class, and so was determined not by the functional requirements of capitalism but by the outcome of the class struggle. The former analysis implied that 'we have to bid farewell to some anachronistic conceptions of politics and class struggle' (Hirsch, 1983, p. 87, below p. **??**), the latter that we have to learn the lessons of defeat, refuse to accept the forms which capital and the state seeks to impose on the class struggle, and concentrate on 'the building and rebuilding of collective organisation ... so that the divisions within the working class and the fragmentation of working-class experience can be broken down through the development of a united movement' (p. 130, below p. **??**).

The paper does not address these political issues directly, but through a methodological and theoretical

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

critique of the 'structural-functionalist' approach which dominated the state derivation debate.[25] central methodological argument is that this approach fails to distinguish different levels of abstract its analysis of the state, a failure which follows immediately from the attempt to derive the 'essence' state from its functional necessity.

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

The central theoretical argument of the paper is that 'the essential feature of the state is its character; its autonomy is the surface form of appearance of its role in the class struggle' (p. 115, p. **??**). This approach is then developed by dismissing the various arguments put forward in support claim that the autonomy of the state is its essential feature, and by dismissing all attempts to prov logical necessity of a state, to conclude that the necessity of the state is not logical but historical, political response of the bourgeoisie to the threat of the organised working class. However the argu does not propose to replace one form of logic by another, a structural-functionalism by an instrumen class-functionalism. The historical development of the capitalist state form has to be understood no logical unfolding of structures, but as a product of a class struggle in which the reproduction of the like the reproduction of all other social relations, is the object and the result of a permanent class str

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

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

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

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

1.8 Global Capital and the Nation State

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

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

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

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

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

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

Barker's critique is rather more dubious when it goes beyond a questioning of the *autonomy* of the state to question its *specificity*, which seems to be implied in his identification of the state with capital as state capital. The substantive arguments against this approach had already been rehearsed in the earlier discussions of the internationalisation of capital and the nation state from which Holloway and Picciotto's paper had originally emerged, in which it had rapidly become clear that an identification of the state with capital made it impossible to grasp the contradictory relationship between the internationalisation

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

of capital and the nation state. What Holloway and Picciotto's paper sought to do above all w theorise the relationship between capital and the state as neither an identity nor an autonomy but *contradictory unity* of differentiated forms of capitalist power.

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

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

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

1.9 Class Struggle, New Social Movements and the Welfare St

The theoretical debate over the state had more or less died out by the end of 1977, not because it had resolved by the clear victory of one side or another, but because the fundamental points of disagre had been identified and clarified, at which point there was nothing more to do than to agree to Moreover the priorities in the debate had never been to develop theory for its own sake, but fo purposes of political clarification. From 1977 theoretical debate took second place to political str each approach to the state having its own political implications for the socialist response to the While neo-Ricardians and Fundamentalists sought to develop their state-centred strategies of so reformism, others sought to explore the political implications of the contradictory relationship betwe working class and the state which had been brought to the fore in the German debate.

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

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

The political difference between these two approaches can be best seen in their different analy the relationship between the working class and the state. For Hirsch's structural-functionalist ac

[28]The Working Group on European Integration continued to meet occasionally, but the most active groups national the 'Law and the State Group' and the 'State Apparatus and State Expenditure Group' while the most active local were in London and Edinburgh.

(and more broadly for both the Frankfurt school and for the French Regulation theorists), the working class has been incorporated into the structure of the 'fordist security state' through the 'mass integrative apparatuses' of trades unions and social democratic parties, so that the 'class struggle' is displaced onto the marginalised strata and the 'new social movements' whose aspirations cannot be met by traditional forms of class politics. This analysis had ambiguous political implications. The new social movements were the modern version of Lenin's vanguard, forging an alliance with the marginalised, excluded and dispossessed in order to lead the struggle for liberation on behalf of all humanity. However, as it became clear that the mass of humanity was not following the lead of the vanguard, despite the deepening crisis of the Keynesian Welfare State, divisions opened up in the politics of the new social movements in the 1980s. The left, whose focus was the plight of the marginalised strata whose material needs were not met by traditional class politics, tended to adopt a populist pluralism, seeking to reinvigorate social democracy by abandoning its class basis in order to build a popular front around a minimalist humanitarian programme. Meanwhile the right, whose focus was the aspirations of those rebelling against the bureaucratic and authoritarian forms of the Keynesian Welfare State, moved towards a populist and anti-statist libertarianism.

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

The implication of this analysis is that the struggle over the form of the state cannot be dissociated from the struggle over the content of state activity. The political priority is not to reject traditional class politics as reformist, in favour of an absorption into the politics of the 'new social movements', it is to develop the progressive potential inherent in all forms of class struggle, by developing new forms of class politics which could challenge the alienated forms of capitalist power. The need is to integrate content and form, struggles in and against the state, by building on popular aspirations and popular frustrations to create new forms of class organisation and new forms of class struggle. The task is not to reject class politics, but to broaden it. 'The old forms of organisation simply have not adapted to the new circumstances — not that they ever did give adequate expression to the anger of many groups. New forms of struggle are needed which answer to the needs of *everyone* involved, both in terms of appropriate forms of organisation and of defining what it is we are fighting for' (London- Edinburgh Weekend Return Group, 1980, p. 141).

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

In and Against the State.

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

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

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

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

The cuts in welfare expenditure provoked growing collective resistance which began to overcon
fragmentation and division of the working class, raising the possibility of building new forms of po
organisation and developing new forms of collective provision under collective control. However
struggles could not simply involve the defence of working class autonomy against encroachment b
state, building up to the revolutionary moment at which the collective organisation of the working c
ready to overthrow the state. They had to engage with the state, to extract concessions from the
without accepting the forms which the state sought to impose on them. 'The problem is to or
without institutionalising ... not on the basis of individuals but of class' (London- Edinburgh We
Return Group, 1979, p. 212). Thus the class struggle 'takes place constantly within the framework
established state apparatus' (Edinburgh CSE Cuts Group, 1978, p. 1). The class struggle is necessa
struggle *in and against* the state.

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

The State and Everyday Struggle

Despite the populist anti-intellectualism of its introduction, the final paper in this collection, John
loway's 'The State and Everyday Struggle', sought to draw together the theoretical insights gained th

the work of the late 1970s.[29] The paper begins by summarising the strengths of the German 'state derivation' approach, and defending it against those who have misinterpreted it either as an 'economic reductionism', or as concerned only with the economic role of the state. It then identifies the fundamental importance of the concept of 'form'. Marx's critique of political economy sought to establish that the economic categories expressed the superficial independence of the fragmented forms in which capitalist social relations are expressed in everyday experience. The theoretical and practical task of socialism is to overcome, both intellectually and politically, this fragmentation and fetishisation of social relations, to restore their essential unity.

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

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

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

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

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

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

Holloway insists that he is not falling back into the idea of the state apparatus as a neutral instrument, whose class character is determined by the class struggle, yet he clearly distinguishes the state apparatus, defined as the 'institutional network of financial and administrative controls', from the state as a 'form of

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

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

capitalist social relations', which would imply that the apparatus is not in itself capitalist. The confus
only increased by Holloway's relapse into structuralism, in defining the state apparatus as 'the institu
fossil of past struggles to reproduce bourgeois forms'.[31]

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

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

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

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

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

The priority accorded to the struggle against the state was reinforced by a critique of attempts to de
autonomous struggles within the state. Time and again concession and incorporation have withere
base of class power and organisation, so that when individuals and policies came under attack ther
no defence: 'a period of working class strength and militancy is followed by a period of concessio
incorporation. It was a risky and costly strategy for capital and it made a new assault necessary.

[31] Holloway only avoids the issue by reverting to his populist anti-theoreticism (below p. **??**) precisely at the point a
theoretical clarification is politically essential.

also laid the ground for that assault — because when it came, working class organisations were no longer rooted in real strength'. Labourism had merely prepared the way for Thatcherism, whose triumph showed that 'to pursue power by winning positions of influence for the working class within the terms of the state form of social relations is mistaken'. This criticism applies to left-wing reformists as much as to the right: 'Too often even the most left-wing Labour councillors see the battle as taking place within the council chamber rather than in the schools and the housing estates', leaving them identified with the apparatus, and so the policies and practices, of the state. In conclusion the Group presciently asked: 'When the crunch comes, when Whitehall's commissioners move in to deal with over-spending, will people in these areas unite to protect the councils that defended 'their' services? We hope so, but we fear not' (London-Edinburgh Weekend Return Group, 1980, pp. 137–140).

1.10 Beyond the Fragments: the Recomposition of Class

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

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

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

The collapse of actually existing socialism should not conceal the limits of capitalism. As capitalism on a world scale begins to move once more into a phase of crisis, and class struggle begins to rear its ugly head, the questions posed to the left in the 1970s will increasingly present themselves again. But they will present themselves in a more comprehensive and a more acute form. The globalisation of capital has advanced to an unprecedented degree, while the crisis of the state has extended to the Soviet block, so that the political issues faced by the left can only be addressed on a global scale. But is the left simply going

to wrap social reform in the rhetoric of socialism, while reinforcing the alienated forms of economi
political relations, to reproduce the fragmentation and division of the working class in the face of the
of capital and the state? Or is it going to take up the challenge of building a socialist movement, bas
the principles of democratic self-organisation, solidarity and internationalism, which can prefigure
form of society?