KAPITALISTATE

10/11

KAPITALISTATE

WORKING PAPERS ON THE CAPITALIST STATE

DOUBLE ISSUE

10/11

THE STATE & STATE THEORY IN WESTERN EUROPE

Mark Kesselman	**France: Socialism Without the Workers**
Jonas Pontusson	**Comparative Political Economy: Sweden & France**
Joachim Hirsch	**Fordist Security State & New Social Movements**
Bob Jessop	**Accumulation, State, & Hegemonic Projects**
Simon Clarke	**State, Class Struggle, & Capital Reproduction**
Stephen Eric Bronner	**Political Economy & the Nazi Triumph**

REVIEWS

M. Brian Murphy, **Liberalism's Impasse;** Les Guliasi, **On State Autonomy;** Dennis R. Gordon, **Dependency Revisited**

$6.00

Kapitalistate is aimed at furthering Marxist analyses of the state. The journal is published by KAPITALISTATE, P.O. Box 5138, Berkeley, California 94705, U.S.A.

Subscriptions: Individuals – $18.00 for four issues ($22.00 foreign); Libraries and institutions – $28.00 for four issues ($32.00 foreign).

Double Issue 10/11: Individuals – $6.00 ($8.00 foreign); Libraries and institutions – $12.00 ($16.00 foreign).

Back Issues (Nos. 3, 6, 7, 8, & 9): Individuals – $5.00 ($6.00 foreign); Libraries and institutions – $10.00 ($12.00 foreign).

We would like to invite those who are doing work on the topic of the state to submit articles and book reviews to us for publication. Please send *three* copies of manuscripts to our address above.

We continue to be committed to producing a journal under a collective process. The *Kapitalistate* network is made up of informally associated groups and individuals who contribute to the journal, review manuscripts and papers, and share information and ideas on each other's work and projects. If you are interested in knowing more about the network or would like to become involved, please write to us directly or to one of the network coordinators.

Canada: Pierre Hamel, Louis Maheu, Arnaud Sales; *Denmark:* Peter Gundelach, Jens Hoff, Ole Norgaard; *Finland:* Raimo Blom, Risto Erasaari, Henri Melin; *Great Britain:* Simon Clarke, Ian Gough, Bob Jessop, Sol Picciotto; *Italy:* Laura Balbo, Carlo Carboni, Ada Cavazzani, Sergio Fabbrini, Ota de Leonardis, Alberto Martinelli, Paolo Palazzi, Tamar Pitch, Enrico Pugliese; *Mexico:* Miguel de la Torre; *United States:* Anatole Anton, Piers Bierne, Donald Celland, Jens Christiansen, Gordon Clarke, Nancy di Tomaso, Charles Fox, David Gold, Paul Goldman, Nora Hamilton, Jeanne Hahn, Steve Katz, Rhonda Levine, Clarence Lo, Sheryl Lutjens, Harold McDougal, Martin Murray, Chuck Noble, Jim O'Connor, Anno Saxenian, Julia Wrigley, Alan Wolfe, Erik Olin Wright; *West Germany:* Elizabeth Flitner, Joachim Hirsch, Gero Lenhardt, Margit Mayer, Claus Offe.

Members of the San Francisco Bay Area *Kapitalistate* editorial collective who produced this issue are: Colin Bell, Jorge Chapa, Les Guliasi, Paul Johnston, Patricia Morgan, M. Brian Murphy, Patrick O'Donnell, Jonas Pontusson, Merle Weiner, and visitors Sergio Fabbrini and Peter Gundelach.

CONTENTS

INTRODUCTION: The State and State Theory in Western Europe 3

Socialism Without the Workers: The Case of France 11
Mark Kesselman

Comparative Political Economy of Advanced Capitalist States: Sweden and France 43
Jonas Pontusson

The Fordist Security State and New Social Movements 75
Joachim Hirsch

Accumulation Strategies, State Forms, and Hegemonic Projects 89
Bob Jessop

State, Class Struggle, and the Reproduction of Capital 113
Simon Clarke

Commentary and Critique 131
Simon Clarke; Bob Jessop

REVIEWS

Political Economy and the Nazi Triumph 135
David Abraham, *The Collapse of the Weimar Republic*
Stephen Eric Bronner

Liberalism's Impasse 151
Alan Wolfe, *America's Impasse*
M. Brian Murphy

On the Concept of State Autonomy 165
Eric A. Nordlinger, *On the Autonomy of the Democratic State*
Les Guliasi

Dependency Revisited 171
Richard R. Fagen, et al., *Capitalism and the State in U.S.-Latin American Relations*
Dennis R. Gordon

CONTRIBUTORS

MARK KESSELMAN is professor of government at Columbia University. He has written books and articles on French and American politics and theories of advanced capitalism. His recent publications include an essay in *The Left Academy,* edited by Bertell Ollman and Edward Vernoff, and articles on the French Socialist government appearing in *Politics & Society, The Insurgent Sociologist, Dissent,* and *Telos.* Kesselman is also the editor of the forthcoming collection *The French Workers' Movement: Economic Crisis and Political Change,* published by Allen & Unwin.

JONAS PONTUSSON is a graduate student in the Department of Political Science at the University of California, Berkeley, and a member of the *Kapitalistate* editorial collective. His primary research interests are twentieth-century Marxism, theories of the state in advanced capitalism, and Western European political economy. He is currently working on a dissertation project on problems of industrial change, state interventionism, and the breakdown of institutionalized class compromise in Sweden during the 1970s.

JOACHIM HIRSCH is professor of political science at the University of Frankfurt am Main, West Germany. His work includes *Wissenschaftlich-technischer Fortschritte und Politisches System (Scientific-technological Progress and the Political System)*, published in 1970, and *Staatsapparat und Reproduktion des Kapitals (State Apparatus and Reproduction of Capital)*, published in 1974, as well as numerous articles, few of which have been translated into English. His most recent book is *Der Sicherheitsstaat, Das "Modell Deutschland," Seine Krise und die Neuen Sozialen Bewegungen (The Security State: The "German Model," Its Crisis, and the New Social Movements)*, published in 1980. The article appearing here is a summary of many of the themes presented in *Der Sicherheitsstaat.*

BOB JESSOP is lecturer in government at the University of Essex. He is the author of *Social Order, Reform, and Revolution* (1972); *Traditionalism, Conservatism, and British Political Culture* (1974); and *The Capitalist State* (1982).

SIMON CLARKE is currently the chairperson of the Sociology Department at the University of Warwick, Coventry, England. He has written mainly on Marxist theory, South African capitalism, and the capitalist state. His most recent book is *Marx, Marginalism, and Modern Sociology* (Macmillan and Humanities). Clarke has also written *The Foundations of Structuralism* (Harvester and Barnes & Noble), and was the coauthor of *One-Dimensional Marxism* (Allison & Busby and Schocken). Clarke, long active in the Conference of Socialist Economists, which publishes the journal *Capital and Class,* is presently the organization's secretary and convenor of the CSE State Group.

STEPHEN ERIC BRONNER teaches political science at Rutgers University and has written extensively on European politics and culture. His works include *A Revolutionary for Our Times: Rosa Luxemburg* (Pluto Press, London, 1981); an anthology coedited with Douglas Kellner entitled *Passion and Rebellion: The Expressionist Heritage* (Universe Books, New York, 1982); and a novel, *A Beggar's Tales* (Pella Press, New York, 1978).

M. BRIAN MURPHY teaches political theory at the University of Santa Clara and is a member of the *Kapitalistate* editorial collective. He is currently working on the politics of democratic organizing in the Caribbean region.

LES GULIASI is a sociologist and member of the *Kapitalistate* editorial collective. His current research interests are in energy policy and state administrative reform.

DENNIS R. GORDON teaches comparative politics at the University of Santa Clara. His major area of research is in comparative economic development with a special focus on the Andes region.

Introduction: The State and State Theory in Western Europe

This double issue of *Kapitalistate* appears during a period of great political confusion in both Europe and North America. In the midst of a continuing economic crisis there have been dramatic and sudden shifts in the ruling coalitions, public ideologies, and policies of those who govern. The changes are hardly consistent: conservative regimes have come to power in the United States and Britain, while forms of socialism have won electoral power in France, Greece, and Spain. But neither social reaction nor social democracy seems able to resolve the manifold conflicts and worsening conditions of Western capitalism. In the midst of the muddle, the Left seeks a critical analysis which can inform progressive action.

Central to that analysis is a continuing examination of the state and state power. The essays in this issue of *Kapitalistate* make a significant contribution to the Left's exploration of politics and power in the capitalist state. They are primarily focused on the European experience, and are plainly rooted in the recent political developments in France, Sweden, Germany, and Britain. But at the same time they aim at the broader theoretical task shared by all of us at *Kapitalistate:* the development and elaboration of an adequate theory of state power in all capitalist nations. The European experience and perspective is crucial and instructive—at both the practical policy level and at the level of theoretical understanding. Especially for American readers who seek to learn from the European experience, these essays can teach us about the limits of social democracy, the significant differences in the class alliances that constitute different movements for socialism, the alternative strategies of domination advanced by ruling coalitions, and alternative fundamental perspectives on the nature of state power itself.

These are all worthy topics, and the bare listing of them captures neither the complexity nor the political immediacy of the debates of which the essays are a part. Their significance will be found, finally, in their relevance to the continuing work of committed men and women. But there is a more immediate context of debate and dialogue from which most of the essays emerge, and it may be valuable to spell it out.

Four of the five major essays here were originally presented at a conference on the contemporary state, hosted by the University of Calabria

and *Kapitalistate* in Cosenza, Italy. For three days in June, 1982, representatives of the international *Kapitalistate* "network" gathered to discuss current developments in contemporary politics and in the theory which addresses that politics. The conference participants found themselves faced with a double crisis: the crisis of late capitalism, and the crisis of a critical theory adequate to understanding the major dimensions of contemporary conflict and change. There was a willingness at the conference, reflected in the essays here, to question the old assumptions about state theory, class relationships, and movements for radical change. There was in Cosenza, as here, a critical debate about the most advantageous directions to move in social, political, and economic research. And there was in Cosenza, as here, an urgency about the need for a better understanding of the passage through which we are moving.

There was, then, a close connection between our discussions of contemporary events and the theory appropriate to those events. Drawing upon a rich Marxist tradition and the experience of diverse social movements, the European theorists came to Cosenza prepared to discuss the wild swings between conservatism and crisis-ridden social democracy which increasingly characterize the entire West. Both European and North American theorists at the conference shared the belief that the political implications of our theoretical work had become problematic, that any easy and presumed relationships between state theory, value analysis, crisis theory, and the emergence of radical working-class movements—a relationship at the heart of much work in the past decade—was in disarray. The theoretical articulation of the relationship between political-economic analysis and radical politics—of the working class, as some insisted, or not—is still in the process of development.

The State in Crisis

In the middle of our discussions loomed two major issues: the role of the state in managing the crisis of capital, and the character of the working class and working-class movements. Sharing an analysis of the expansion of the state in the postwar period, we are now faced with the contradictory moves of the state in austerity. The essays by Hirsch, Jessop, and Clarke are all rooted in the attempt to better understand these moves. Hirsch's study of the West German "security state" is a careful study of one line of development, in which the state penetrates "society in all its divisions." Hirsch's careful attention to the impact of this penetration on the alliance of social forces in Germany provides a model of analysis which combines an attention to the structural characteristics of modern state institutions with a detailed account of the political organizations and parties that constitute German politics.

Mark Kesselman's essay on France (not presented at Cosenza) explores the alternative line of European development—a social democracy with

corporatist tendencies. Without as detailed an account of the structures of the state itself as some of the other essays, Kesselman provides a rich and complex account of the actual political alliances which produce what he calls "socialism without the workers." Kesselman's piece raises two extremely important issues—the limits of reforms that are not rooted in a mass radical movement, and the corporatist character of reforms that are organized through the existing anti-democratic institutions of the state. Failing to democratize the world they seek to reform, the French socialists may end up managing capital in the name of simple growth or stability.

This was a repeated theme at Cosenza: the degree to which social democracy and social reaction come to share a common role of stabilizing capitalism during its difficult times. No one sought to minimize the enormous differences between a mean reaction and the hopes of social democrats, and no one sought to deny the international context which so savagely constrains even the most aggressive reformer. But we did want to locate the limits of social-democratic reform in an appreciation of the history of working-class organizing and politics, and that meant facing some difficult issues.

The Working Class Reconsidered

The role of the working class, its very definition, the relationship between class fractions and the changing character of the state and capital, and the significance of the "new social movements," were all issues hotly contested at Cosenza. And these are issues central to the work of Pontusson, Hirsch, Kesselman, Clarke, and Jessop, for all of them are intent upon understanding the complex of social forces that constitute struggles over and through the state.

There was a general acknowledgment at Cosenza that the role of the working class as an agent of radical change had become problematic. At the very least there was agreement that the broadest trend has been for the incorporation of working-class parties and unions into the administration of the bourgeois economic and social order. This incorporation has made hitherto "private" matters (wages, benefits, investment, even nominal "planning"" of the economy) often nominally public—matters of the state and of political debate. One might have imagined, and some have argued, that this would provide the occasion for grassroots struggles among workers and among communities of the poor and excluded to raise their claims in an increasingly public manner.

Occasionally this has happened. All too often, however, the tendency has been towards the incorporation (and consequent transformation) of these movements in the bureaucratically and "rationally" organized institutions of state policy. This is a process Hirsch details as the "statization" of movements: as the crisis-response mechanisms of the administrative

bureaucracy are strengthened, parliamentary bodies are marginalized or bureaucratized, and the leadership of working-class parties merges into corporatist arrangements for the management of a slightly adjusted status quo. By the mid-seventies, many of Europe's labor parties had assumed the uncomfortable role of administering austerity programs for capital. This is not a uniform or simple process, and different nations express different experiences of distinct class alliances which definitively affect the political outcome; Jonas Pontusson's incisive study of France and Sweden makes this point well.

When the traditional working-class parties and unions have entered into the circles of established power, they have of course tended to lose much of their popular strength and mass participation. While their increasingly centralized bureaucratic structures give them a strong hand in setting the terms of accommodation, they are at the same time less and less able to mobilize strong mass action or educate their constituencies in the arts of democratic struggle. This has, of course, sharpened the gap between the working class and its nominal leadership, but this gap does not permit us to speak blithely of some nascent radical configuration just waiting to unify and unite.

The actual social history of the working class tells another story—of division and fragmentation (certainly more than a simple "co-optation"). In both the United States and Europe, the long wave of economic crisis combines with the transformation of the international division of labor to narrow the sectors of the population that benefit from economic expansion. This has the effect of increasing the numbers and kinds of marginal people: the unemployed and partly employed, immigrants from colonial and neo-colonial lands, workers in weaker and declining industries, students, women, third-world men and women. It is from the ranks of these diverse sectors that many of the "new social movements" have emerged—the women's movement, student movements, environmental and anti-nuclear movements, peace activists, immigrant civil rights groups, squatters' rights and tenants/housing movements. These varied movements are not specifically of and by the working class, and while their struggles are often directed at the social consequences of capitalist development (and at the capitalist state), they are frequently tangential to the labor-capital struggle.

In this context, one of the major issues at Cosenza—and one demanding our theoretical attention in the next period—is the adequate understanding of the emerging social formation in which these new social movements play such an important role. What is the role and place of the modern state in mediating these movements? This is a central concern of Hirsch's essay, as he locates the emergence of new social movements in the (German) context of the security state.

What are the implications of these analyses for our understanding of

the state itself? How are we to better understand the new institutional arrangements and ideological character of the contemporary state? What are the implications for radical action of our analysis of this state, especially the state in austerity? It is plain, for instance, that austerity programs aimed at cutting back social expenditures are most often linked to a continuing expansion of the authoritarian apparatus—thus changing the terrain on which the Left organizes. One tendency much debated at Cosenza was the possibility that we are witnessing a transition into a new form of society in which the state not only regulates markets but increasingly colonizes daily life in the search for stability. Some theorists speak of this in terms of the increasing role of the military and the police; others speak more broadly of the emergence of a "statist" mode of production as an important (if still subordinate) part of the capitalist social formation. Such a mode would be bound up with the replication of capitalist relations, yet would possess its own mediated principles of social organization and productive relations.

State Theory Reconsidered

But all debates about the role of the state (and new or emerging relationships mediated through the state) require an acknowledgment that the *theory* of the state must have a distinctive character. No theoretical analysis of state institutions or state relations can have the methodological clarity Marxists have often sought to find in value theory. The state is *always* an instance of political struggle, and as such *cannot* be theorized with the same generality or abstract precision that value theory brings to the development of capital. There was a general acceptance at Cosenza that state theories which attempted to reduce the state to an instance of the value relation would be doomed to a formalist irrelevance. In three of the essays in this issue—Jessop, Clarke, and Hirsch—there is an explicit effort to formulate a theory of the state that fully appreciates the complexity of political struggle as a determinant of both state form and policy. What exactly this means is in some dispute, especially between Clarke and Jessop, but both are arguing for a theory that elevates "class struggle" from a residual category to a central focus.

Jessop does this through a theoretical distinction between "accumulation strategies" and "hegemonic projects." Accumulation strategies are undertaken by fractions of capital which must also secure political hegemony; and the requirements for securing this hegemony may make the accumulation strategies problematic. Conversely, the vigorous pursuit of an accumulation strategy may threaten the political hegemony of the coalition that has political rule. The value of this analysis is that it systematically focuses attention on the concrete political contradictions in a nation (or region) and refuses to reduce politics and ideology to an instance of the capital relation.

While Clarke disagrees with Jessop's formulation, his own effort also seeks a way of understanding the state as a concrete mediation of the class struggle over the reproduction of capital. Explicitly arguing that many earlier theories of the state have confused the abstractions of value analysis with the rather more concrete requirements of class struggle, Clarke situates the role of the state in the relationship between classes. As he argues at some length, this places the state in a realm of historical study, not in the abstractions of the value circuit.

Clarke and Jessop share a general critique of past state theories that reduce the state to an instance of value. "Capital-logic"—a mode of analysis that sought to ground the study of the state in the developmental dynamics of accumulation theory—had emerged in Germany as an important challenge to the social-democratic instrumentalism which suggested that the state was a neutral apparatus. The capital-logicians had located the state in the value circuits of capital, reminding us that the state was, after all, part of the capitalist social formation. They shared this view with the "state-derivationist" school, with whom they also shared a density and obscurity of analysis, thus making their work all but inaccessible. Having reminded us of the laws of value, these theories did not seem capable of understanding the development of social conflict where it actually had emerged; they obscured the role of social relations and cultural specificities in societies, and offered no guides to the actual politics of repression or (conversely) the increased social consumption that mark actual state activity. Moreover, they often seemed capable of analysis only after events. While the capital-logicians spoke of the state as the guarantor of the conditions of capital accumulation—just as the French structuralists could speak of the state as the guarantor of social cohesion—this insight was not helpful in developing a political strategy in actual concrete national states.

The issue of strategic relevance was not, many at Cosenza agreed, simply an issue of practice chiding theory. It was an acknowledgment that strategic relevance comes from a theory capable of specificity, and that the state has to be conceptualized in such a way that the political specifics of actual situations are brought into clearer view (rather than remaining structurally hidden). The great virtue of the new work being done now is that it seeks an approach to state power and state institutions that brings concrete struggles into view. But no new paradigm now exists to locate the functions and tasks of the modern state, if "paradigm" must mean a methodological exactness proffered by the economists and the structuralists. We in Cosenza arrived at a broad recognition that the state can only be understood through the study of actual historical class conflicts; the best of new theory aims to focus such historical and contemporary analysis.

Some Political Implications

All of these theoretical reflections bear upon the political practice of the Left during these times of crisis. As theorists whose primary focus remains the modern capitalist state, we are thrust into debates about the emerging structures of the political economy (both nationally and internationally) and the complex class antagonisms that will animate the coming period. Our own work is focused on the role of the state in this emerging context, and on the struggles likely to develop within the state. Beyond that, our concern is to articulate a view of political practice, a critique of strategy. Unless we move from analysis of state structures into the obvious political implications of that analysis, we will not have achieved the real meaning of *critique:* that criticism of contemporary practices and ideologies which leads to a liberating practice. This journal has always tended towards an appreciation of the radical demand for democratic restructuring, both within the state and at the workplace; we must now move to clarify the implications of that tendency.

It is with this in view that *Kapitalistate* is seeking essays for our next issue—on the political practices, institutions, and contradictions of the "new social movements." What are the radical implications of these movements, their relationship to traditional views of the working class, the significance of them in actual state policy and institutional development? This is one way—among others of significance, we realize—of making our analysis of struggles within and through the state far more historically concrete. We remain committed, of course, to publishing theoretical work which seeks the deepest understanding of these movements and the state they confront.

Finally, a few notes about the American context. State theory has often lagged behind Europe, here in America, just as American social democracy is far less evident than its European counterpart. Even though the American state is everywhere, it is less evident than its European counterpart. The modern welfare state is very restricted, and the extension of the state into economic and social life has been carried out through peculiarly commodified relationships. Where expenditures have equaled or exceeded those of other welfare states, actual services have lagged behind, absorbed into a wide variety of private industries organized to profit off the state's largesse (health care is probably the most egregious of examples; housing would serve as well). The result in the United States has been an expanded state sector with few clear outlines, few distinct parameters of policy and debate.

Perhaps more important, the state has never been an *object* of debate on the left in quite the same way as in Europe because Labor and the Left have never been incorporated into political power, even nominally. Lacking the social power to force an accommodation, the Left (in or out of the

unions) has been reduced all too often to social critic. And the national organs of official participation—most notably the Democratic Party—are so confused and reactionary that few progressives can figure out a way to make an impact on them. Now more than ever we need a theory of state power in a society that refuses even to speak of capitalism. Moreover, the Left is facing a very real problem in the United States, where its traditional isolation combines with the peculiarities of Reagan's assault on the welfare state to produce a curious anomaly: the Democratic Party can now appear in opposition with virtually *no* substantive solutions to the structural and historical dilemmas facing the nation. Significant parts of the US labor movement and the formally organized Left are responding to Reagan with hopes of a revitalized Democratic Party without having the barest outline of an understanding of the corporatism proffered by the leading candidate for the Democratic nomination. If Mondale wins with no significant change in his barely warmed over vision of better cooperation between business and labor, the crisis of European social democracy will be played out here behind a veil of confusion rare in our experience.

Socialism Without the Workers: The Case of France

Mark Kesselman

Imagine the following: in his inaugural address, the president of a major industrialized capitalist nation declares that his primary goal is to unite socialism with liberty. This is no fantasy: it occurred in May 1981 following François Mitterrand's election as France's first socialist president in the Fifth Republic. Yet, the election of a self-proclaimed socialist government is quite another matter from a socialist transition. To what extent is the current French government achieving Mitterrand's goal?

Despite over a century of socialist struggles, there has never been a durable case of democratic socialism. Three flawed alternatives can be identified. The best known is a Leninist strategy, exemplified by socialist revolutions in the capitalist periphery or semi-periphery. These regimes have been characterized by "substitutionism," in which the revolutionary party progressively dominates the masses it purports to represent, thereby stifling tendencies toward collective, democratic appropriation of production, politics and culture.[1] The dictatorship of the party-state exercised in the name of the masses is hardly equivalent to democratic socialism.

Second, social democracy has frequently deflected socialist goals within advanced capitalist nations. While social democratic regimes purport to seek a parliamentary road to socialism, they have uniformly abandoned a socialist commitment and strengthened capitalist hegemony. The process has consisted of a displacement of goals: from the long-term achievement of socialism by structural reforms to the short-term achievement of immediate welfare measures. Although this appears merely to shift emphasis

Research support was provided by a Rockefeller Foundation Humanities Fellowship; typing assistance, by the Research Institute on International Change, Columbia University. I am grateful for suggestions from Fred Block, Carl Boggs, Keitha Fine, Helmut Grueber, Jonas Pontusson, and the *Kapitalistate* editorial collective. The revised draft of this article was submitted in November 1982 and only minor changes have been made to take account of events since then. —M.K.

between two complementary priorities, the result has been quite different, for measures deisgned to produce material improvements for the broad mass of the population require the cooperation of capital—and the price extracted is relinquishing socialist aspirations. Capitalist cooperation is required because even a socialist government must maximize the surplus available for new investment and redistribution to its supporters and, given private ownership of the means of production, this involves assisting capital accumulation.[2] As Adam Przeworski points out, structural constraints thus seem more influential than doctrinal revisionism or the moral failings of social democratic leaders in undermining socialist goals. Jonas Pontusson suggests that the historial transformation of social democracy "into a movement of social reform, concerned with the redistribution of income rather than the reorganization of production, was in large part a product of the experience of assuming governmental responsibilities within the framework of capitalism."[3]

A third mode of failure to achieve democratic socialism has occurred in nations like Chile (1970–73), Portugal (1975–76), and (possibly) Nicaragua (1980 to the present), which pursued socialist goals while simultaneously seeking peaceful accommodation with capital. Typically in these circumstances, the government is squeezed between the conflicting demands of capital and labor. Redistributive measures to the working class produce a temporary rise in living standards. But increased demand also stimulates inflation, imports, and international trade deficits. The result: material gains are soon undermined by economic dislocation, which erodes political support for the regime and provides an opportunity for domestic and international capitalist sabotage.[4]

Is it possible to avoid these multiple pitfalls and launch a democratic socialist transformation? The Marxist tradition points the way but provides little concrete assistance. Until the First World War, Marxists argued that socialism would emerge organically from the conflictual development of capitalism. This was based upon the confident expectation that workers were becoming the immense majority of the world's population, that they were predisposed to socialist goals, capable of organizing production in a collective, democratic manner, and would soon achieve socialism on a global scale. These illusions were shattered by the First World War and the Bolshevik revolution. Moreover, it has become apparent that the class structure of advanced capitalism is highly variegated, workers do not uniformly share socialist goals, immense obstacles exist to organizing production democratically, working classes are sharply divided by ethnic, racial, gender, and national differences, and the domino theory (whether held by left or right) provides a poor guide to revolutionary change.

Perry Anderson has suggested that, although the possibility of democratic socialism was crushed for generations following the First World War, the May 1968 uprising in France and subsequent class struggles have resuscitated democratic socialist tendencies.[5] Developments since the publication of *Considerations on Western Marxism* suggest that Anderson was overly sanguine. Yet the election in 1981 of a Socialist-Communist party coalition in France espousing democratic socialist goals promises new progressive possibilities.

However, while the Socialist-dominated government has sponsored enormously significant structural reforms, the changes do not point as yet toward a democratic socialist transition. Instead, the situation might be termed socialism without the workers; an experiment in which, for the first time in advanced capitalism, the middle strata created by monopoly capitalism are attempting to organize power on their own.

This article examines the French Socialist Party's rise to power, describes the reforms sponsored by the Socialist-Communist government elected in 1981, and analyses the character of the regime. I argue that the Socialist Party's ascendance and the character of its program are a response to the growth of the middle strata in France—the congeries of new forces sandwiched between capital and labor (including technocrats, schoolteachers, professors, technicians, managers, and engineers) who have proliferated with the development of advanced capitalism. The middle strata achieved a breakthrough in France because of acute class tensions and a stalemate between capital and labor. Other influential factors were a crisis and restructuring of French capitalism, which discredited the ruling right parties, the existence of majoritarian political institutions, and the decline of the French Communist Party (PCF).

The rise of the Socialist party (PS) is intertwined with the growth of the middle strata; both are related to the forced-march concentration of French capital in the 1960s. The PS project principally reflects the interests of the middle strata, as opposed to those of declining precapitalist and early capitalist forces, national or international capital, or the working class. In the 1970s, the PS made a virtue of necessity by assigning priority to recruiting the middle strata, for the working-class political terrain, occupied in North Europe by social democratic parties, was occupied in France by the PCF. Although the PS is internally divided, its predominant orientation reflects the contradictory interests of the middle strata squeezed between labor and capital.

Both the middle strata and workers are salaried employees of capital and inclined to oppose capital's dominance. But most of the middle strata would oppose an alliance with the working class that aims to diminish the division of labor and democratize relations of production and politics, for this development would undermine the middle strata's privileged position in the division of labor.

The middle strata have been the primary beneficiaries of the French Socialist government's policies. On the one hand, the government has

substantially increased the scope of the public sphere, to the detriment of private capital. Especially in conjunction with other PS reforms, reducing the dominion of private capital potentially creates new latitude for state managers, engineers, research workers, and professionals. On the other hand, while the Socialist government has rationalized industrial relations and extended representative mechanisms in the workplace, it has discouraged collective self-organization of production, which would challenge the division of labor.

The character of the current French regime cannot be explained exclusively by reference to the middle strata. International constraints have impelled the government to rationalize the French productive apparatus to improve France's competitive standing relative to the United States, Japan, and West Germany. But a dominant motif underlying the Socialist rise to power is a new class project.

While it is premature to assess the full significance of Socialist rule, it seems doubtful that the middle strata can organize power on their own (without substantial coercion, which is most unlikely in France). At present, the Socialist government has not forged a project capable of attracting the active support of other social forces. This relative isolation has left the government vulnerable to pressure from the right.

Rebirth of the Socialist Phoenix

The magnitude of the Socialist Party's 1981 triumph can be gauged by the fact that the PS had not occupied a national political office since the 1950s and risked becoming a splinter party by the 1960s. (For example, the PS candidate received 5 percent of the popular vote in the 1969 presidential elections.) After its 1981 electoral sweep, the PS controlled the presidency, the prime minister's office, most cabinet positions, and an absolute majority of seats in the National Assembly. This ranks among the major political reversals in recent French history.[6]

Much credit for the party's rebirth should be attributed to François Mitterrand. Most Socialist Party leaders preferred a centrist "third force" stance independent of both the PCF and the right. Yet, given sharp class polarization in France and the winner-take-all features of the Fifth Republic's presidential system, centrist alternatives are invariably squeezed between left and right.

Mitterrand displayed a unique grasp of what was required for a leftist political party to gain power in the Fifth Republic. He doggedly sought to forge an alliance between the Socialist and Communist parties in which the PS would become the dominant force. He reasoned—correctly, as 1981 demonstrated—that when the PS began to outstrip the PCF, it would be favorably situated to recruit discontented centrist voters (who might vote for the PS as a way to express opposition to existing rightist

parties—but only if their fear was allayed that the PS was subordinate to the PCF). At the same time, the PS represented itself to working-class and leftist voters as a genuinely leftist alternative, yet a more feasible one than the PCF.

The Socialist Party program was a blend of old and new left. Borrowing heavily from the PCF emphasis on nationalization, it also advocated decentralization and democratizing the community and cultural spheres (*autogestion*). While promising substantial reforms, Mitterrand's 1981 presidential campaign stressed moderation and continuity (his campaign slogan was "la force tranquille"). Mitterrand's campaign posters were bathed in soft tricolor hues; the most effective poster displayed a paternal Mitterrand in a bucolic setting, a village replete with church steeple prominent in the background.

Mitterrand doubtless calculated that the middle strata provided the best source for PS recruitment efforts. This was a logical necessity given, on the one hand, the decline of traditional class forces in France (primarily the peasantry and small-town petite bourgeoisie); on the other, the PCF's hegemony over the working class. All political parties appealed to the middle strata. However, the right was handicapped by its ties to pro-capitalist forces and the PCF by its incomplete de-Stalinization and the priority it assigned to preserving its working-class support.

Were it not for the economic crisis, however, the PS would probably have failed to achieve power. Prime Minister Raymond Barre's supply-side economic policies, which sought to restructure French capitalism by tolerating massive layoffs in the steel, textile, and shipbuilding industries, provided lavish help to the PS. Not surprisingly, a majority of French voters were unwilling to accept stagflation in order to defend the franc and the competitive position of France's multinational corporations.

Three other factors facilitated the PS ascendance. One was the PCF's sectarian turn after 1977, when the party repudiated its Eurocommunist phase. During the early 1970s, the PCF had embarked on a fresh course of liberalizing party doctrine, seeking an alliance with the PS, and criticizing the Soviet Union as a desirable socialist model. The "new look" was designed to attract the middle strata and prepare for governing jointly with the PS following an electoral victory. But when the PS began pulling ahead of the PCF in public opinion polls and election returns, PCF leaders reversed course and scuttled the Union of the Left alliance with the PS. The about-face was designed to prevent the left from reaching power (with the PCF in a subordinate position) and to protect PCF hegemony over the working class—the party's key resource. Party leaders engaged in racist attacks on immigrant workers, adopted a reactionary line on drugs, homosexuality, and crime, and advocated stiff tax measures to "soak the rich." This chauvinist appeal probably hastened the decline that the PCF was trying to stem. In the 1981 presidential

campaign, PCF candidate Georges Marchais's strident posture contrasted sharply with Mitterrand's dignified demeanor. Whereas, going into the presidential campaign, the PCF did not trail far behind the PS in public opinion polls, at the election itself Marchais received 15 percent of first ballot votes to Mitterrand's 26 percent. Worse yet, from the PCF's viewpoint, was that Mitterrand outpolled Marchais among workers by 33 to 30 percent.[7] As a result, the PCF was forced to accept near-token representation in the Socialist government, or risk being even further marginalized.

Second, the PS was assisted by divisions within the right, primarily due to a split between international versus national and local capital. The Giscard-Barre strategy of pruning French capital to compete better in the international economic arena decimated large segments of French business. Unwilling to swallow the bitter medicine of Barre's supply-side austerity medicine, concocted to assist French multinational capital, many business groups flocked to neo-Gaullist Jacques Chirac. At the runoff ballot of the presidential election, the left was more united than the right.

Third, once the left pulled ahead, it benefited from Fifth Republic electoral laws and centralized political institutions. The Socialist Party parlayed its 38 percent share of the popular vote at the first ballot of the legislative elections into an absolute majority of seats in the National Assembly. By winning the 1981 elections, the PS obtained five years of legislative control and seven years of presidential control. (Compare this with Salvador Allende.) And the French president and prime minister enjoy prerogatives that dwarf those of chief executives in any other liberal democracy. The Socialist Party gained a historically unique opportunity to promote socialist transformation of an advanced capitalist nation.

And yet an electoral sweep does not guarantee socialist hegemony. First, in order for a durable shift to occur within France, the Socialist government will need to exercise power for many years. However, the PS won the 1981 elections by a slender plurality. The major voting shifts occurred within left and right blocs, not across the left-right political divide. The left's majority is quite fragile. The right won a series of legislative by-elections and local elections in early 1982, and achieved substantial gains in the 1983 municipal elections.

After the 1981 elections, François Goguel, a prominent political scientist and retired member of the Constitutional Council, asserted that the PS margin of victory was insufficient to constitute a mandate to sponsor sweeping changes.[8] The right repeated this criticism with increasing virulence as it recovered from its traumatic defeat. In light of over twenty years of conservative rule, and dire prophecies about what might be

expected if the left won, the government was frequently put on the defensive and forced to demonstrate its legitimacy.

The Socialist government was further constrained by strongholds of conservative resistance in the state apparatus and the economy. Although the Gaullist and Giscard forces had gradually colonized the upper reaches of bureaucracy during decades in office, the PS was unwilling to incur the political costs of sponsoring sweeping and rapid changes. Moreover, France's highly specialized recruitment process for key administrative positions—several elite training schools (the *grandes écoles*) and organizations (the *grands corps*) have a near-monopoly on top administrative positions—further limited the government's latitude. While it is difficult to prove, many top administrators doubtless oppose Socialist reforms and, in the absence of popular mobilization, have displayed a certain lethargy in implementing reforms.

The principal opposition to the new regime, however, came from capital, reflected above all in a refusal to invest. While private investment had stagnated for years before the Socialist victory, a political motivation may also underlie the continuing absence of private investment, in face of state-sponsored investment incentives and social expenditures which have boosted aggregate demand. (The failure to expand production meant that over half the newly created demand in 1981–82 was absorbed by imports, thereby increasing France's international trade deficit and weakening the franc.) The Socialist government was soon reduced to exhorting business leaders to invest by appealing to their sense of civic duty and patriotism. But private investment continued to lag and producer-based interest groups began to mount more active opposition against the government. While France is not Chile and there is little danger of outright subversion, the government has been isolated and weakened. Small capital has been especially opposed to the Socialist policies. Competitive capital feels itself threatened economically by industrial relations reforms and tax increases, and threatened ideologically and culturally by Socialist rhetoric. This has created a tense and embittered political climate.

The Four Political Cultures

The Socialist Party is a conglomerate of factions; its internal divisions help explain conflicting tendencies in the government's program. While the party does not dictate government policy—the reverse is far more true—the current government consists nearly exclusively of the party's ruling directorate.[9]

Several years ago, a spirited debate revolved around the alleged opposition between two political cultures within the left: a traditional Marxist-Jacobin tradition, favoring centralized decision-making, productivist

values, and statism; and a "new left" approach, nourished by anarcho-syndicalist and progressive Catholic currents, advocating grass-roots participation, local autonomy, improvements in the quality of life, and a strengthening of civil society.[10] With hindsight, one might suggest that the contending positions within the PS differed less than their thunderous rhetoric might suggest. Indeed, PS electoral fortunes may have been enhanced by such ideological disputes: they allayed fears about a PS monolith and enabled the party to appropriate the mantle of both leftist traditions.

The matter is even more complicated, for one can discern two other political cultures within the Socialist Party. One is a social democratic current, rooted in working-class areas traditionally sympathetic to the Socialist Party, which emphasizes welfare state benefits and other concrete reforms. A fourth current, identified by Hugues Portelli as shaping the entire character of the Socialist Party and program, has links to the anticlerical, radical republican tradition incarnated in the Third and Fourth Republics by the Radical Party.[11]

The four political approaches inform the major factions within the Socialist Party of the past decade: the CERES faction represents the Marxist-Jacobin approach; the Rocard faction, the participatory one; Prime Minister Pierre Mauroy (mayor of Lille and leader of the PS in the industrial North) heads the social-democratic current; and Mitterrand dominated the faction deriving from the radical republican political culture. (Although Mitterrand's central role within the party and his shifting tactical alliances preclude identifying him with a single faction, he continues to maintain favored ties with his former factional associates.)

The government's structural reform program has been inspired by all four approaches. For example, CERES was especially attached to nationalization and quite suspicious toward decentralization—the mirror image of the Rocardian approach. While these differences were the source of factional strife and stalemate within the party, they also contributed to a potentially creative orientation which synthesizes the range of socialist possibilities within advanced capitalism.

Factions were formally abolished at the PS "victory congress" in October 1981 when, for the first time, the party unanimously approved a single resolution. Factional competition continues, however, in barely disguised form and has caused divergences within the cabinet. Nonetheless, Mitterrand continues to exercise tight control over the party organization; his factional lieutenants occasionally appear as distrustful of rival PS factions as of other political parties!

Autogestion represents a fifth leftist approach, not articulated within the Socialist Party's current factional configuration or reform program. Espoused by several currents in the middle 1970s, and enshrined in official party statements at that time, the doctrine was dropped from

party discourse as the PS moved toward assuming state power. While the specific content of *autogestion* (self-management) is controversial, it might be defined as the attempt to erode the division of labor between those who formulate and those who execute policy. By contrast, the Socialists' grand design seeks to strengthen patterns of liberal democratic decision-making.

Given the complex configuration of forces within the Socialist Party, it is difficult to assess the party's overall character. The most plausible alternatives include:

A catch-all party? Several French scholars consider the PS a catch-all party. Otto Kirchheimer described such a party as one whose electorate does not possess sharply defined class contours but replicates the variegated social structure of advanced capitalism. Catch-all parties present themselves as the most technically competent to administer a complex capitalist system and to stimulate economic expansion, ostensibly in the interests of all groups.[12] The major evidence that the PS is a catch-all party comes from the party's great strength among all major social forces (Table 1), and the fact that the socioeconomic composition of the PS electorate is a close replica of the French social structure (Table 2).

However, the PS diverges in two critical respects from the catch-all

Table 1. Voting Preferences, Legislative Elections, June 14, 1981

	PCF	PS-MRG	UDF	RPR	OTHER	TOTAL
TOTAL	16%	39%	19%	21%	5%	100%
SEX						
Men	17	39	20	20	4	
Women	15	38	18	22	7	
AGE						
18–24	18	44	14	17	7	
25–34	17	46	16	15	6	
35–49	17	37	18	23	5	
50–64	18	42	19	16	5	
65 and over	10	27	27	30	6	
SOCIAL GROUPS						
Farmers	6	32	28	32	2	
Shopkeepers, Artisans	10	35	19	31	5	
Executives, Professionals, Industrialists	7	38	19	28	8	
Lower-level supervisors, white-collar workers	16	45	18	14	7	
Blue-collar workers	24	44	15	14	3	
Inactive, retired	16	29	23	26	6	

SOURCE: *Le Nouvel Observateur,* SOFRES post-election poll, July 14, 1981.

party model. Catch-all parties eschew an ideological and particularly a socialist appeal. Their strength lies in fine-tuning the existing political and economic system. The PS, however, proclaimed its socialist commitment, and sponsored substantial structural reforms.

The PS also differs from the catch-all model in seeking a specific (if somewhat elusive) class base: the PS terms the coalition of class forces which it seeks to represent as the *front de classe*.[13] This is what Mitterrand meant when he declared, in his inaugural address, that France's sociological and political majorities were finally united. The *front de classe* is vague enough to include most citizens. But it nonetheless is intended to exclude capitalists and the self-employed. Further, by its allusion to the concept of class, it evokes (in quite veiled form) the concept of class struggle.

A new social democracy? The Communist Party and the ultra-left interpret the PS as a social democratic party, despite its strenuous opposition to this designation.[14] Like the first interpretation, this approach both clarifies and obscures the character of the PS. In common with social democratic parties, the PS seeks to capture the state by electoral means, relying on parliamentary methods to sponsor redistributive measures and structural reforms.

Table 2. Socioeconomic Composition of Socialist Party and Overall French Electorate, Legislative Elections, 1978 and 1981

	Socialist Party 1978	Socialist Party 1981	Whole Electorate 1978
SEX			
Men	48%	49%	48%
Women	52	51	52
	100	100	100
AGE			
18–24	12	15	11
25–34	21	23	21
35–49	26	24	27
50–64	22	26	22
65 and over	19	12	19
	100	100	100
SOCIAL GROUPS			
Farmers	6	5	8
Shopkeepers, artisans	5	6	6
Professionals and top-level executives	6	11	10
Lower-level supervisors, white-collar workers	26	26	22
Blue-collar workers	31	31	29
Inactive, retired	26	21	25
	100	100	100

SOURCE: SOFRES, post-election poll, unpublished.

However, virtually all leftist parties within advanced capitalism (including communist parties) subscribe to this strategy. More significant is that the Socialist Party, and French society generally, differ in important respects from the social democratic situation as it evolved in Northern Europe after the Second World War. Social democracy has reflected a class compromise linking monopoly capital, a unified labor movement, a social democratic party acting as the political arm of organized labor, and a state controlled for long periods by the social democratic party. The PS has privileged ties neither with monopoly capital nor the labor movement. French unions are weak, decentralized, and divided, which precludes national-level "deals" along social democratic lines.[15] The CGT, the largest union, is tightly allied with the PCF.

Nor can the PS program be considered social democratic. Whereas social democratic parties have typically accepted capitalist control of the economy, the PS assigned major priority to nationalizing large segments of banking and industry. Perhaps the PS is seeking to devise a new form of social democracy appropriate to crisis conditions in France. (Fundamentals of social democracy are being rethought, as evidenced by the Swedish Meidner plan.) But the PS is a far cry from the traditional view of social democracy.

A new Radical Party? Portelli has stressed the parallel between the PS and the Radical Party, which acted as a linchpin of the Third and Fourth Republics.[16] First, the PS has affinities with the anticlerical, republican tradition which was the wellspring of radicalism. Second, many Socialist Party leaders gravitated to the PS from the Radical Party and its satellite groups. (The Mitterrand faction in the PS emerged from the radical current through the political clubs of the 1960s.) Third, the PS represents the new urban petite bourgeoisie; the Radical Party, the traditional, small-town petite bourgeoisie. Moreover, there is continuity between the two parties' social base (schoolteachers are the leading example). Finally, both parties utilize a radical rhetoric while operating comfortably within the existing system.

However, Portelli ignores a crucial contrast between the two parties' programs: although the Radical Party used state power to reward its supporters in clientelist fashion, it never dreamed of replacing private owners by state control. Despite parallels, the PS should no more be equated with the Radical Party of the past than with other previous models. While each illuminates the character of the PS, none identify what is most distinctive and significant about it.

Party of the middle strata? What makes the PS distinctive is that it serves primarily as a vehicle for representing the contradictory interests of the middle strata, who design and manage complex production processes, sell their skills to capital and the state, and produce the ideological underpinnings of advanced capitalism. At the same time, many members

of the middle strata contest the legitimacy of capitalism (both after working hours and, for a few gadfly members of the academy, as a vocation).

One way to define the contours of the middle strata is by excluding groups beyond their frontiers: manual and white-collar workers at the lower reaches, top-level state and economic managers, capitalists, and rentiers at the upper reaches, and the traditional petite bourgeoisie and self-employed at the lateral reaches. A key issue is the relationship of the middle strata to the two polar classes in advanced capitalism.[17] Some theorists view the middle strata as a new working class, whose exceptional status and skill impel them to advocate qualitative demands, e.g., issues of control and environmental protection, rather than quantitative demands for material improvements. Other theorists interpret the middle strata as servants of capital, whose assigned task is to manage and reproduce capitalist social relations: thus, the middle strata do not seek self-representation politically or ideologically. A third approach sees the middle strata as a nascent ruling class, which dominates by its monopoly of technical and hierarchical position.

The position taken here is that the middle strata share interests with both labor and capital, as well as having distinctive interests of their own. At present, they have little alternative to hiring themselves out as servants of monopoly capital or the state; but this is neither unique to the middle strata (manual and white collar workers, are, of course, in a similar situation), nor—despite the privileges they reap from their favored relationship to capital—in their best interest. The middle strata's claim to power and privilege derives from possessing administrative and technical skills, not capital. Their interests would be better served in a society governed by meritocratic rather than profit-maximizing criteria. (How a meritocratic society would function cannot easily be specified.)

Alvin Gouldner emphasized the contradictory aspect of the middle strata's political position: "The New Class, then, is prepared to be egalitarian so far as the privileges of the old class are concerned. That is, under certain conditions it is prepared to remove or restrict the special incomes of the old class: profit, rents, interest. The New Class is anti-egalitarian, however, in that it seeks special guild advantages—political powers and incomes—on the basis of its possession of cultural capital."[18]

Alfred Sohn-Rethel derived the disturbing conclusion from this situation:

> Abolition of private capital by the abrogation of its property rights does not automatically dispose of the antithesis of intellectual and manual labor. Only conscious political action by the revolutionary forces can overcome this obstacle to socialism and make the direct producers the power that masters, handles and develops the means of production. Otherwise the development and disposal of the forces of social production remain the privilege of scientists and technologists, of experts and specialists who, enmeshed with a vast bureaucracy of administrators, carry on a reign of technocracy.[19]

Evidence that the Socialist Party and government represent the interests of the middle strata derives from the social base of the Party's electorate, membership, and leadership; and (more importantly), the character of the Socialist program. Members of the middle strata, especially schoolteachers, form the bulk of PS militants. As one ascends the party hierarchy, one also ascends the ranks of the middle strata. Whereas executives in the public and private sector, along with professionals, represent 6 percent of the French social structure, they constitute 14 percent of PS members and, along with teachers and university professors, 61 percent of delegates to party congresses, 72 percent of the PS parliamentary delegation, and 80 percent of its ruling directorate.[20] By contrast, although manual and white-collar workers represent 55 percent of the French social structure, they constitute only 15 percent of PS members, 5 percent of delegates to PS congresses, and 2 percent of the party's parliamentary delegation and ruling directorate. There were more graduates of the highly selective École Nationale d'Administration than manual and white-collar workers among Socialist deputies elected in 1981. Nearly half the PS deputies elected in 1981 are high school teachers and university professors; high-level bureaucrats and managers (mostly in the public sector) and professionals accounted for the remainder.

It would be reductionist to ascribe exclusive importance to the class composition of the PS membership. The key to the character of the PS regime is the major Socialist policies and reforms. While government redistributive measures have benefited workers, the process by which reforms were initiated as well as the content of major reforms have primarily served the interests of the middle strata. Technicians, managers, elected officials, teachers, research workers, and administrators are the new historical subject in socialist France. Socialist structural reforms are highly significant—but not a first step toward a democratic socialist transition. (Such a transition can be briefly described as the process by which the direct producers and citizens organize production and politics, thereby undermining the division of economic and political labor.) The Socialist project looks toward organizing society under the aegis of the middle strata; what might be termed socialism without the workers. There is a thread running through the major Socialist reforms: the effect of weakening the sway of capital, stabilizing relations between capital and labor, and rationalizing the administrative and productive apparatus is to enlarge the sphere of middle strata control. This is a variegated process, ranging from increasing the scope for managerial initiative (as opposed to that of capital), to increasing the latitude for participation in newly strengthened local governments by consumer associations and citizens

(often members of the middle strata). A summary of Socialist reforms suggests how they will serve the interests of the middle strata.

The Socialist Grand Design

The government sponsored a wide array of measures in its first year in office. One can distinguish short-term measures to deal with the political crisis that produced a left electoral victory, medium-term measures to deal with the economic crisis, and long-term structural reforms of the French economy. This review will be followed by an attempt to characterize the "grand design" underlying these measures.

Political Crisis Management. When the Mitterrand government entered office, groups throughout the social and political structure were clamoring for change. France was among the most inegalitarian of advanced capitalist nations, unemployment had quadrupled under Giscard, and for decades governments had acted with ill-concealed disdain toward half the French—those that finally elected a Socialist government in 1981.

The government's first actions were designed to demonstrate "le changement" yet to restrain popular expectations. These twin objectives were reflected in a host of symbolic measures, e.g., extensive consultation with labor unions, cancelling the Plogoff nuclear power plant, and curtailing the extension of the Larzac military base. The government granted modest increases in the minimum wage, family allocations, and retirement benefits. It championed civil liberties and rights, e.g., it regularized the situation of undocumented immigrant workers; sponsored the abolition of capital punishment, the State Security Court, and repressive legislation ostensibly designed to protect law and order; and liberalized state-controlled telecommunications. By its initial reforms, the government sought to demonstrate its leftist commitments and determination to set France on a new course. However, more substantial action was needed to deal with the economic crisis.

Economic Crisis-Management. The government assigned first priority to stemming the rapid growth of unemployment in the 1970s (fewer than 400,000 were unemployed when Giscard became president in 1974; 1.7 million by the 1981 election). The government's other economic priorities included reviving economic growth, renewing investment, "reconquering French markets" (to reverse the increasing penetration of France by multinational firms), and modernizing the productive apparatus to improve France's international competitive position.

The government's economic approach reflects a combination of Keynesian demand management and traditional French *dirigisme*. Public sector employment has been expanded and incentives given to local governments and private employers to create jobs. The government sought to increase employment by "sharing work": reducing the standard work week to 39 hours in 1982 (with a target of a 35-hour week by 1985),

extending paid vacations from four to five weeks, and lowering the retirement age.

The government emphasized the need to restructure the French productive apparatus, in order to compete with other major capitalist nations. Deindustrialization occurred rapidly in France in the late 1970s. The reconquest of French internal markets was not merely a chauvinist slogan; since 1974 the value of industrial imports increased from 25 to 40 percent of all industrial goods purchased in France. Whole industries had been sacrificed on the altar of the free market and state nonintervention. The Socialist government sought to reverse French industrial decline by nationalizing banking and industry, sharply increasing state expenditures for technological research and development, and expanding vocational training. State industrial policies were planned for key industries, e.g., electronics, biochemistry, and machine tools.

Structural Reforms and the Grand Design. The government's ambitions reach beyond achieving political and economic stability. Its ultimate goal is to transform class relationships and the entire political economy. Four structural reforms can be identified as central: decentralization of the state administration; extension of the planning apparatus; a "new citizenship" to strengthen union representation and collective bargaining; and nationalization of banking and industry.

Decentralization. The Socialist government's governing style is remarkably similar to that of previous Fifth Republic governments. Despite extensive consultation with organized groups, reforms continue to be prepared within the state bureaucracy. The president and prime minister continue to wield enormous power; the legislature's truncated role has barely changed. The Socialists have sought to use the state rather than transform, much less smash it. Decentralization is the one institutional innovation that promises to alter the structure and style of the state; the Socialist government sponsored the most important territorial redistribution of power in a century. Prime Minister Mauroy may not have exaggerated when he described the decentralization reform as the "grande affaire du septennat."[21]

The decentralization reforms are to be introduced in stages from 1981 through 1986. The reforms:

(*a*) abolish the tutelle (supervision) exercised by the prefect over subnational governments and simplify technical regulations for local governments' social investments;

(*b*) transfer the executive power of the departmental and regional governments from the prefect to the elected president of these governments; authorize the president to prepare the legislative agenda and supervise local administrative personnel; and increase prefectoral supervisory powers over state field agencies;

(*c*) extend the jurisdiction of subnational governments over urban land

use, planning, housing, transportation, education, and health; as well as increase the local tax base; and,

(*d*) create directly elected regional governments with powers of regional planning and development.

Observers as diverse as Marx, Tocqueville, and Crozier have remarked on the imbalance in France between state and civil society. The reforms aim to alter this situation as well as to fragment national conflicts, reduce state vulnerability to political protest, and defuse class tensions. Until now, the state has been the target of most localized conflicts, thereby potentially politicizing them and widening their scope. (Recall that the May 1968 uprising was sparked by a university occupation, and yet quickly involved the minister of education, prime minister, and president.) But decentralization does not unequivocally diminish the state's role. First, the state will be strengthened when relieved of the crushing weight of local regulation. Second, administrative efficiency will increase since prefectoral authorities become responsible for coordinating state field agencies. Third, strengthening regional governments vis-à-vis the patchwork of department governments will streamline the political system. Most important, reducing the state's responsibility for regulating local conflicts frees it to assume a far larger task: the organization of production, especially given the planning reform which is designed to strengthen the state's overall steering capacity.

Planning. The Socialist government sought to reverse the drift away from planning in recent years. For the first time, the director of the planning agency was elevated to cabinet-level status and Michel Rocard, named to head the planning agency, was accorded the especially powerful title of Minister of State. (This was mitigated by the fact that Rocard was Mitterrand's arch-rival for Socialist Party leadership, and his appointment may have effectively nullified the planning agency's influence!) Henceforth, planning is to be continuous, salient, and more closely integrated with the budget process. Planning is to be "democratized" by involving interest groups (especially organized labor) in the planning process. Planning is to be decentralized, with regional governments participating in drafting the national plan and developing their own regional plans. The state will negotiate "planning contracts" with nationalized industries, private firms, and regional governments, which provide state assistance in exchange for these agencies' setting targets of investment, employment, technological development, and other goals to help achieve planning goals. A report to Rocard suggested the ambitious scope of the reform: "Planning should develop a social and economic vision that will attract a wide consensus..."[22] In addition to its specific substantive goals, the process of planning is intended to provide a model for conflict regulation. In the report's words, "Decentralized planning should be pedagogic."[23]

The Ninth Plan (the first prepared under Socialist government sponsorship) begins in 1984 and aims to persuade the French that the economic crisis will be deep and durable, that the first priority must be modernizing the productive apparatus, and that consequently sacrifices will be necessary. Thus, the newly extended, decentralized, and "contractualized" planning apparatus is being used to negotiate the terms of austerity and extract the resources for new investment. The conflicts involved in preparing the Ninth Plan in 1982 reflected the government's changed emphasis from its initial optimism in 1981.

The "New Citizenship." The term refers to strengthening union and workers' rights within the workplace. Reforms initiated in 1982 constitute a major overhaul of French industrial relations legislation (one third of the existing labor code was modified). The Auroux reforms (named after the minister of labor who elaborated the legislation) compel employers to engage in annual plant-level wage bargaining, empower works committees to be informed about the firm's economic activities and to be consulted prior to major changes in the firm's operations, limit employers' disciplinary powers and their right to hire temporary workers, and provide workers with released time to discuss working conditions. Workers in nationalized firms have gained additional powers, including representation on the corpoate boards governing the firm and the right to participate in shop-floor councils to discuss working conditions.

These changes seek to rationalize social relations of production by reducing the arbitrary character of employer authority. A government report declares, "Only the existence of structures for dialogue within the firm will permit negotiation to replace conflict. This is not merely a matter of equity but imperative for efficiency."[24] The minister of labor declared that the industrial relations reforms were mutually beneficial: by making employers aware of the "human dimension of the firm and [workers] aware of its economic dimension, plant-level democracy will rapidly raise efficiency, thereby absorbing any increased production costs."[25]

Each of the reforms is important; they are more significant in tandem. The government uses the term "contractualization" to describe the underlying social model, which involves institutionalizing conflict. According to the government, contractualization is intended to reconcile divergent goals, e.g., planning and participation; vigorous state action, and decentralization and pluralism; an enlarged public sphere and an enlarged sphere of civil society; and modernization of production and social solidarity.

Rarely in French history have reforms of such magnitude been introduced in such a brief period. (The lustrous Popular Front achieved less.) Yet the reforms seem to have little to do with socialism. With the exception of planning, they merely compensate for the fact that France has

lagged behind other advanced capitalist nations in developing mechanisms for mediating social conflict.

Nationalization. The Socialist government's claim to forging a new direction rests on the nationalization of industry, banking, and finance. Legislation passed in 1982 nationalized five major industrial conglomerates, thirty-nine banks, and two large investment houses; provided for public control over two armaments manufacturers; converted multibillion-dollar state loans to France's largest steel producers into public ownership, and involved shared state control of three French subsidiaries of multinational corporations.[26] As a result of the 1982 nationalization measures and others dating from the Popular Front and Liberation period, more than one-third of all French industrial production is now carried on within the public sector, including a substantial portion of steel and nonferrous metals, pharmaceuticals, electrical equipment, petrochemicals, electronics, armaments, aeronautics, synthetic fibers, energy, and office equipment. The newly nationalized firms employ nearly one million workers within France and have annual sales exceeding $40 billion. The nationalized firms are in key industries, utilize advanced technology, and represent a large proportion of France's major producers.

In other capitalist nations, nationalization has been on a smaller scale and in reprisal for capitalists' wartime collaboration or to rescue lame ducks. The Socialist government targeted for takeover profitable, technologically advanced firms that had achieved a monopoly position in key industries, were in jeopardy of being taken over by multinational corporations, or were deemed essential to French national independence and security. The reform was carried out by peaceful, parliamentary means; generous compensation was provided the firms' stockholders. But the significance of the reform should not be underestimated. It represents an audacious attempt within advanced capitalism to socialize the commanding heights of the economy.

Possibly even more consequential is the nationalization of the bulk of French banks remaining in private hands (most were nationalized at the Liberation). Since virtually all savings and credit in France are now within the public sector, the state has a unique capacity to steer investment flows.

The impact of nationalization depends on the goals set for the nationalized firms and how production is reorganized in the public sector; implementation of the reforms will take years. However, one can gain some indication from government instructions to directors of the nationalized firms and from legislation reorganizing the firms. The government intends to make the public sector the cornerstone for its activist policy of industrial renovation and technological development. Nationalized firms are expected to pursue target levels regarding investment, employment, and regional development consistent with the national plan and planning

contracts that firms negotiate with the planning agency and the ministry of industry. They have been instructed to employ traditional management methods and to emphasize profit maximization. While firms are to serve as "laboratories of social experimentation," public-sector workers will not receive substantial advantages over private-sector workers, ostensibly to prevent the development of a dual economy.

At the initial stage, nationalization has made little difference. Since much of the banking sector was already nationalized, an elaborate machinery was in place for steering credit and investment. Intervention by the planning agency, the ministries of finance and industry, and by specialized economic agencies at the levels of the macro-economy, industry, and firm has long been accepted practice in France. Moreover, there was little change in the managers directing nationalized firms—not because private capital colonized the state bureaucracy but because large French corporations frequently recruit their top executives from the higher civil service. (Several of the newly appointed chief executives of the nationalized industries and banks headed the same or comparable firms before nationalization.)

Further, the Socialist government has been extremely cautious in imposing new goals on the public sector. There are few changes in the labor process in the nationalized firms. Workers henceforth elect one third of nationalized firms' boards of directors (the government appoints the remaining directors) and workers are entitled to released time to participate in union meetings and consultative shop-floor councils. The impact of these changes will probably be slight. What, then, is the rationale for nationalization?

The Rationale for Nationalization

With the predominant tendency throughout advanced capitalism toward greater benefits for private capital, in the vain hope that this will stimulate growth, why has the French state eliminated private capitalist control over large sectors of the economy and substantially increased direct state responsibility for production and finance? Might the French example of extending public control prove infectious? And might socialism without the workers, notwithstanding its limitations, eventually prove a stage toward democratic socialist transformation (i.e., socialism *with* the workers)? The Socialist government has extended the public sphere of production and finance for reasons involving the historically specific French situation, the deepening economic crisis, France's chaotic class relations, and the middle strata's bid for power. Each of these factors will be examined in turn.

1. The continuity of state management. Although extending the nationalized sector is a giant step, it is closely linked to an ancient French

tradition of state management (known variously as *dirigisme* or *étatisme*). In the postwar period, France pioneered central planning of a capitalist economy: state planners directed economic reconstruction in the late 1940s and played a key role in fostering industrialization and corporate concentration beginning in the 1950s. When General de Gaulle returned to power in 1958, he soon realized that his ambitious foreign-policy goals required a stronger French industrial base. Under de Gaulle's aegis, state planners and administrators helped direct the transition to monopoly capitalist industrialization.[27] (De Gaulle, hardly a radical, termed planning an "ardent obligation.")

Moreover, there is a long tradition of public ownership in France. After the Second World War, many banks were nationalized, along with air and rail transport, the Renault automobile company, coal mining, and gas and electric production and distribution. Popular support for state-organized production is greater in France than in other capitalist nations: over half the French support nationalizing key industries, compared to two-fifths in Italy and Belgium and less than one-third in other European nations.[28]

This widespread support is based on sound reasons. French public enterprises are efficient and well-run, flagships of the French economy and symbols of national pride. They are not starved for capital (indeed, the public sector accounted for most new investment since the middle 1970s). Their chief executives are top graduates of the most prestigious schools; the civil service is a favored career choice and the École Nationale d'Administration and the École Polytechnique are the most selective graduate institutions in France. Private business enjoys quite little prestige, perhaps because capitalists have been unable to deliver benefits without substantial state supervision and assistance.

The popularity of state economic direction was enhanced by France's rapid economic growth during the heyday of planning in the 1950s and 1960s. Whether state planners deserve the credit they received can be questioned: during this period, France was riding the escalator of international economic growth. (At this same time, social democratic governments in Northern Europe and conservative administrations in the United States were reaping political dividends from economic growth.) Yet French growth was unusually high until recently—second only to Japan. And a centralized, interventionist state directed by a talented, self-confident administrative elite probably contributed to this result.

Moreover, the popularity of state economic direction grew with the onset of economic stagnation in the middle 1970s, which coincided with the neo-liberal Giscard's ascendancy to the presidency. Giscard ostensibly diverged from the statist tradition. For example, he ended state sponsorship of prestigious national economic projects and initiated a policy of industrial "redeployment," which relied on market forces to streamline

the industrial apparatus. However, Giscard's failure to stimulate economic revival probably contributed to increased state intervention. Save for his own supporters, every political party (including the neo-Gaullists) criticized state passivity and advocated vigorous action to resolve the crisis. Further, Giscard can hardly be considered a proponent of a minimal state. His praise of market forces was belied by extensive state intervention to support declining industries and firms. And the state sector grew substantially during his period in office (taxes rose from 36.3 percent of French GNP in 1974 to 41.6 percent in 1980).[29] Most new investment in France during the late 1970s came from the state bureaucracy and nationalized firms. In light of developments like Giscard's staggering loans to private steel producers, Denis Lacorne observes, with only some exaggeration, "In further nationalizing French industry, Mitterrand will do in the open what Giscard did in the closet."[30]

2. Nationalization became more appealing because of the economic crisis. Public support in France for state direction of the economy increased in the past decade.[31] The crisis provides structural reasons why the French example may have a wider impact, especially if the nationalized firms outperform private industry in France and internationally. While France is presently moving against the tide, Fred Block has observed:

> Stagflation undermines a nation's position in the world market and in the competitive state system. . . . This means that it is increasingly in the interests of state managers to attempt to solve the problems of stagflation through a further extension of state power. Even without a grand design to pass the tipping point, state managers will be pulled by objective economic circumstances to pursue more statist policies.[32]

Advanced capitalism currently represents a kind of international laboratory experiment, pitting public control of production in France against the prevailing neo-liberal trend elsewhere. The competing alternatives are not discrete cases without reciprocal influence on each other; continued international stagflation severely limited the French Socialists' capacity to revive the French economy in their first years in office. Yet some comparison is possible regarding different attempts to deal with the crisis. The French Socialist government seeks to focus the nation's energies on technological research and development, long-range industrial policies, and investment to modernize the productive apparatus. Such goals require a mobilization of resources on a wider scale and within a longer time frame than is possible for individual units of capital. This is a major reason for nationalization, which enables the state to act directly to pursue national priorities.

Yet, even if social investment for long-range goals is indirectly productive, it will not bear fruit for years. In the short and medium run, it may

increase inflationary pressure and reduce productivity without contributing to growth—and periodic elections provide a way to sanction governments that cannot deliver short-term material benefits. It is uncertain whether the Socialist government can absorb short-run costs and, eventually, reap the benefits of long-run social investments. (Thanks to Fifth Republic institutions, and barring unforeseen disaster, the government can rely on a parliamentary majority until 1986 and control of the presidency until 1988.) At the early stages, however, the prospects appear somber, in part because of errors in the government's short-term economic management.[33]

3. The government seeks to use nationalization to help institutionalize class conflict in France; it represents a functional equivalent to social democracy, where class compromise has been achieved in more voluntarist fashion. As noted above, many of the conditions which help stabilize class conflict in Northern Europe do not exist in France. However, the state sector has exhibited some tendency toward stabilized class relations. Labor unions are better organized there, and collective bargaining, labor-management grievance tribunals, and advisory commissions more common. Private employers in France have traditionally resisted such mechanisms for stabilizing class conflict, a major reason for the Auroux reforms. Extending the sphere of state-organized production may enable the state to tip the balance toward a more "mature" system of industrial relations.

In the current crisis, the state has sought to use the increased control over labor markets that nationalization provides to sponsor an incomes policy. Following the end of a general wage freeze in 1982, the state limited civil servants' wage increases and attempted to end the indexing of wages in the public sector, while urging private employers to follow suit. Nationalization thus provides the state with the means to shape class relations for significant numbers and to provide a model that may influence class relations more generally.

4. Nationalization serves the interests of the middle strata by reducing their dependence on capital and providing them with greater autonomy to rationalize French industry and compete in world markets.

Gouldner's description could have been written with France in mind:

> Socialism is the final removal of that limit [on the power of the New Class]. In collectivizing the means of production the power of the moneyed old class is destroyed. In transferring the means of production to state control, thus swelling the bureaucratic apparatus of the state, socialism extends the domain in which the New Class' cultural capital holds sway. It is precisely because control of production by the state is a mechanism advantaging the New Class that this is supported by them rather than democratizing the means of production.[34]

The French nationalization reforms reflect what Karl Korsch called capitalist socialization: "the replacement of the capitalist private owner with functionaries of the state."[35] In an analysis quite applicable to the Socialist government, Carl Boggs suggests that the Eurocommunist parties adhere to a "vision of democracy that for the most part does not go beyond the bourgeois political-institutional realm or a hierarchical concept[ion] of authority relations. Beneath this lies the problem of rationalization: the Eurocommunist parties are committed to a transformation process that bolsters the growth of productive forces in a way that is at odds with the potential for comprehensive democratization."[36]

Boggs sees the middle strata as the key force behind rationalization: "While no longer dependent upon monopoly capital, the middle strata would thus help to extend the social division of labor. . . . The institutionalization of the separation between mental and physical work in both production and administration would simply extend the realm of technocratic domination over the working class."[37] He notes, "Many technicians, scientists, and civil servants—the more narrowly technocratic groups—have come to oppose capitalism, but their 'socialist' leanings are motivated by the desire for job or professional autonomy, social reform, and rational planning within a bureaucratic framework."[38] Boggs warns that Eurocommunism "would not change the subordinate position of the working class in the social division of labor; on the contrary, it would simply legitimate it in an even more rationalized form."[39]

Konrád and Szelényi argue that intellectuals in Eastern Europe are a relatively unified ruling class because, through their control of the state bureaucracy, they monopolize the function of direction and redistribution. According to Konrád and Szelényi, the situation is different in advanced capitalism, because of the relative separation and autonomy of the economic and political spheres.[40] However, despite divergences on many issues, theorists of advanced capitalism agree that a central tendency has been (at least until the most recent period) the erosion of this separation, with an increasing interpenetration of the two spheres. The French socialist reforms provide new impetus toward merging the political and economic spheres—with the middle strata managing the merger. (This is not to suggest that the middle strata can act autonomously. They are forced to seek class allies within France and confront international economic and political constraints.)

The Socialist Party project initially reflected conflicting tendencies toward bureaucratic rationalization, liberal democracy, and *autogestion*. (Socialist democracy would probably involve a rough balance among the three.) But, as the project began to be implemented, *autogestion* virtually disappeared from socialist rhetoric—a victim of the party's "responsible" new look. As described above, it is nowhere evident in reform measures.

Moreover, unlike previous periods when the left reached power in France, there was virtually no tendency toward working-class self-organization following the 1981 elections.(The Popular Front and Liberation provoked a wave of popular demonstrations and sit-down strikes.) Given working-class demobilization, the weakened and captive state of the PCF, and the collapse of the far left, it was predictable that socialist reforms would be gutted of their radical bite, especially when the right mobilized against the reform proposals.[41] Jean-Pierre Chevènement, minister of industry and research and leader of the PS left-wing CERES faction, recognized the new reality when he declared that the government's objective in the current period is not building socialism but constructing a modern republic.[42] "The French model," declared Chevènement, "combines vigorous public direction with the flowering of decentralized initiatives. This is the meaning of the mixed economy, in which the public and private sector are complementary rather than conflictual."[43]

Prime Minister Mauroy exemplified the government's attitude when describing the Auroux reforms: "Workers should possess citizen rights within the firm; our intention is crystal clear in that regard. However, this does not mean dual management. Workers should [merely] be able to make their voices heard through their union representatives."[44] The minister of labor assured employers that the government intends to "preserve the undivided authority of management."[45] According to the cabinet minister responsible for reorganizing production within nationalized industries, the newly created shop-floor councils are "intended neither to be a permanent debating society nor a means of challenging hierarchical authority."[46] Reorganizing production should counteract tendencies toward deskilling among managers and enable them to exercise greater initiative. "A manager who feels responsible in the firm is an effective manager."[47] The minister said nothing about counteracting deskilling among workers and increasing their initiative.

While the "new citizenship" extends liberal democratic and meritocratic principles within production, the approach lags two steps behind socialist democracy: first, the new mechanisms are nearly wholly consultative; second, they enshrine representative principles and the existing division of labor. They do not provide for shop-floor democracy—as has already partially occurred in some social democracies. In effect, the new citizenship restricts the suffrage to the middle strata. Workers gain a consultative voice.

There is a partisan factor buttressing Socialist caution: empowering the working class risks empowering the PCF-CGT axis. While the PS outpolled the PCF among the working class in 1981, it remains an electoralist party rooted in the middle strata and with a fragile organizational base among workers. Despite the PCF's severe crisis, it has ten times more workplace cells than the PS, and a large proportion of PS workplace sections are organized in the state bureaucracy, not private industry. Ironically, the already feeble PS organization was further weakened by the party's electoral victory, a Socialist government installed in power for at least five years, and the wholesale appointment of party leaders to state positions. Under these circumstances, the PS was fearful that the PCF would appropriate the power flowing from redistributive measures.

A review of socialist reforms suggests that the government is serving as midwife to ease the transition to a mode of pluralist and corporatist regulation long prevalent elsewhere. But this is not the full significance of the reforms. France is unusual both in embracing Keynesianism when it has been under attack elsewhere and grafting direct state control of production onto Keynesian demand management. What are the prospects for French socialism without the workers?

Prospects for the Socialist Project

The predominant tendency in the first years of French Socialist rule has been toward capitalist socialization, in which the middle strata—primarily elected representatives, officials of the state administrative apparatus and managerial, scientific and cultural personnel—obtain increased autonomy from both labor and capital. Although the French project seeks to emulate patterns of pluralist and corporatist regulation common elsewhere (what might be summed up by Chevènement's term "the modernized republic"), it is quite distinctive in major respects. Socialism without the workers sharply diverges from social democracy, which rests on a class compromise between capital and labor under the aegis of a state controlled by a majoritarian social democratic party. Rather than confining state intervention to the sphere of circulation and enshrining capitalist control of production, as in social democracy, the Socialist Party project has reduced the sphere of private capitalist control and politicized relations of production by uniting political and economic control in the same hands.

The question is, whose hands? I suggest that the middle strata have emerged as the principal force in the new situation. Capital has been unanimously opposed. The working class is not directly engaged in the structural reform process nor do the reforms substantially change relations of production and politics at the level of shop floor and neighborhood.

A key to the Socialists' weakness is that the strategy so brilliantly adapted to electoral exigencies proved a liability once the PS reached power. First, the party has continued to seek to placate most major social forces. Mitterrand has argued that his first priority is national unity.[48] This approach discourages active mobilization by popular forces. For example, Mitterrand has described his goal as seeking change by a process of a "tranquil revolution." But a revolution that does not engage

popular energies may be a contradiction in terms. Ralph Miliband argues that a leftist government "has only one major resource, namely its popular support. But this support, expressed at the polls, has to be sustained through extremely difficult times, and it has to be mobilized. . . . What is required [is] . . . a flexible and complete network of organs of popular participation operating throughout civil society."[49]

There has been a virtual absence of popular mobilization in France since the 1981 elections. Social movements like the environmental and women's movement seem moribund, in good measure because of their disillusionment with the Socialist government. In addition, they have been weakened as autonomous forces because some of their leaders were appointed to positions in the state apparatus. The Communist and Socialist parties and leftist trade unions are even less inclined to represent social movements and radical demands. Their leaders also occupy positions at the summit of the state. Further, despite opposition to government policies from many sectors on the left, there is a fear that active protest may jeopardize the first progressive government in France for generations. This judgment may be erroneous: widespread radical initiatives at the grass roots could provide salutary support and momentum to strengthen the government's resolve. This is especially true because the absence of active support and pressure from the left does not mean social peace.

The tranquil revolution has witnessed much protest and mobilization—but it derives from conservative forces seeking to defend privilege in the face of government reforms. Among the groups taking to the streets to demonstrate against the government have been café owners, shopkeepers, truckers, farmers, small business, managers, and artisans—and the list grows monthly. Although the government has not been destabilized by these constant attacks, it has been weakened.

In its first year in office, the government legislated most of its promised structural reforms but, in response to rightist opposition, compromised on nuclear energy, tax reform, social welfare, and reorganization of nationalized industry. Rather than pacifying the right, these concessions provoked a vicious circle of renewed rightist pressure and leftist demobilization.

In June 1982, the government abruptly reversed course. While initially denying it had changed—which was patently false and damaged its credibility—it switched from reformism to austerity measures, including a four-month wage and price freeze and an austerity budget for 1983. Social spending was curtailed, minimum wage increases reduced from earlier targets, and social insurance costs shifted from capital to labor. The government thus abandoned a Keynesian, redistributive approach in favor of an orientation, championed earlier by Planning Commissioner Michel Rocard and Minister of Finance Jacques Delors, which emphasized the value of economic "rigor" and the need for sacrifices to spur economic modernization. In the new view, according to Prime Minister Mauroy, "We must prepare ourselves for a crisis which will be long and deep."[50]

The Socialist government retains quite extensive support. But, given its close victory margin in 1981, a small loss of votes would produce a massive political shift. The left suffered a setback in the 1983 municipal elections; more important, there is no reason why its austerity measures will not further erode support. If the right is able to overcome its divisions, the left's future looks bleak.

Many of the regime's difficulties derive from the international economic conjuncture. The government's expansionary measures in 1981 anticipated a widely predicted international economic upturn that never occurred. Like the Olof Palme government in Sweden in the middle 1970s, the French Socialists gambled that their actions would position France favorably when the revival occurred. The result, however, was to intensify inflationary tendencies, increase imports, and weaken the franc. When French currency reserves were rapidly approaching depletion in the spring of 1982, the franc was devalued (for the second time within a year) and the new phase of austerity launched.

The government cannot be held responsible for the destructive effects of Reaganomics (high U.S. interest rates battered all currencies and promoted international stagflation). However, both the form and content of socialism without the workers exhibit substantial deficiencies. Regarding form, the Socialist project assumes that structural change can be instituted from above by liberal democratic, parliamentary means, without active mobilization. The medium of its reformist route reflects limitations in the content of the Socialist government's message. The Socialist project involves a productivist approach, in which nationalization, planning, and labor solidarity are to assure rapid economic growth. The broad majority of manual and white-collar workers are quite passive objects in this process, which is designed and managed by the middle strata. A qualitative social transformation takes a back seat to quantitative growth. In terms of its class base and ideological vision, socialism without the workers exhibits a failure of nerve and imagination. The Socialist project aims to devise a new strategy for improving France's competitive position in the international division of economic and political labor. But it does not challenge the division of labor, either within France or on a wider level.

And yet, before dismissing the French Socialist approach, one needs to weigh the constraints and assess the alternatives. As a medium-rank power, France cannot opt out of the world capitalist system nor forge a new bloc which escapes the harsh realities of international economic competition. And, before rejecting the Socialist government's productiv-

ist and gradualist approach, one should be able to suggest a superior historical route. French Socialists have been haunted by twin nightmares: Britain's economic decline (which was interpreted as a result of productivity declines and deindustrialization) and the Chilean debacle, which was interpreted as a result of undue audacity.

Given the Socialist government's orientation, challenging the division of labor will perforce require challenging the state. The process will doubtless involve not smooth progress toward a tranquil revolution but mobilization within a twilight zone of legality that involves confrontation with the state. While of course the government would prefer united support for its own first priority of economic and political modernization, structural reforms have created a precedent for politicizing relations of production and politics. If workers in even one factory within the nationalized sector launched an occupation—it is after all *their* factory—and organized production in a nonhierarchical fashion, the example could prove infectious. This occurred on a massive scale in France in May-June 1968 and at the Lip watch factory in 1973, under less propitious conditions.

The shape and outcome of such a radicalizing dynamic cannot be predicted; nor is my aim "politique fiction." All that can be concluded at an early stage of French socialism without the workers is that the project reveals conflicting tendencies, including the seeds of new progressive struggles. Given the grim tendencies prevailing elsewhere, as Greta Garbo said in *Queen Christina:* "not bad, not bad."

NOTES

1. Norman Geras, "Classical Marxism and Proletarian Representation," *New Left Review,* no. 125 (January-February 1981): 75-89.

2. Adam Przeworski, "Social Democracy as a Historical Phenomenon," *New Left Review,* no. 122 (July-August 1980): 27-58; and Przeworski, "Material Interests, Class Compromise, and the Transition to Socialism," *Politics & Society,* vol. 10, no. 2 (1980): 125-53.

3. Jonas Pontusson, "Gramsci and Eurocommunism: A Comparative Analysis of Conceptions of Class Rule and Socialist Transition," *Berkeley Journal of Sociology,* vol. 24 (1980): 188.

4. Serge-Cristophe Kolm, *La Transition socialiste, la politique économique de gauche* (Paris: Éditions du Cerf, 1977).

5. Perry Anderson, *Considerations on Western Marxism* (London: New Left Books, 1976).

6. For accounts of the Socialist Party 1981 electoral victory, see George Ross and Jane Jenson, "Strategy and Contradictions in the Victory of French Socialism," in Ralph Miliband and John Saville, eds., *Socialist Register, 1981* (New York: Monthly Review Press, 1981): 72-103; Jonas Pontusson, "Apropos Mitterrand: State Power, Class Coalitions, and Electoral Politics in Post-War France," *Kapitalistate,* no. 9 (1981): 123-39; and Tony Daley and Jonas Pontusson, "The Left Victory in France," *Socialist Review,* vol. 11, no. 6 (November-December 1981): 9-55. For a fine analysis of the PCF in the recent past, see George Ross, "French Communism with Its Back to the Wall: The Twenty-fourth Congress of the French Communist Party," *Socialist Review,* no. 65 (September-October 1982): 85-120.

7. *Le Nouvel Observateur,* July 4, 1981: 42.

8. François Goguel, *Le Monde,* November 11, 1981. For an effective rebuttal, see Jérôme Jaffré, "De Valéry Giscard d'Estaing à François Mitterrand: France de gauche, vote à gauche," *Pouvoirs,* no. 20 (1982): 5-28.

9. An earlier version of the next several paragraphs appeared in my "French Socialism at the End of the Beginning: The Grand Design and its Vicissitudes," *The Tocqueville Review,* vol. 4, no. 1 (Spring/Summer 1982): 92-104. For analyses of the relationship between the Socialist Party and the Socialist government, see Roland Cayrol, "Le Godillot et le commissaire politique: Six contradictions à propos du Parti socialiste," *Projet,* no. 161 (January 1982): 32-41; and Pierre Avril, " 'Chaque institution à sa place . . .' Le Président, le parti et le groupe," *Pouvoirs,* no. 20 (1982): 115-26.

10. Pierre Rosanvallon and Patrick Viveret, *Pour une nouvelle culture politique* (Paris: Le Seuil, 1977).

11. Hugues Portelli, *Le socialisme français tel qu'il est* (Paris: PUF, 1980).

12. Otto Kirchheimer, "The Transformation of the Western European Party Systems" in Joseph LaPalombara and Myron Weiner, eds., *Political Parties and Political Development* (Princeton: Princeton University Press, 1966): 177-200. Interpretations of the PS as a catch-all party include Pierre Grémion, "Régionalisation, régionalisme, municipalisation sous la Ve République," *Le Débat,* no. 16 (November 1981): 5-15; and Colette Ysmal and Roland Cayrol, "The Social Bases of the Communist and Socialist Parties in France," unpublished paper.

13. Paul Bacot, "Le Front de classe," *Révue Française de Science Politique,* vol. 28, no. 2 (April 1978): 277-95.

14. For PCF analyses, see J. C. Poulain et al., *La social-démocratie au présent* (Paris: Éditions Sociales, 1976); and Danièle Bleitrach et al., *Classe ouvrière et Social-démocratie: Lille et Marseille* (Paris: Éditions Sociales, 1981). For a Trotskyist view, see Jacques Kergoat, "France: De l'agonie de la SFIO à la réconstruction du nouveau parti socialiste," in John Ross, ed., *Profils de la Social-Démocratie Européenne* (Paris: PEC, 1982): 219-86.

15. This is not to say that the PS would not prefer such a situation—which would also involve further marginalizing the PCF. Some government reforms aim at promoting this development. See my "Prospects for Democratic Socialism in Advanced Capitalism: Class Struggle and Compromise in Sweden and France," *Politics & Society,* vol. 11, no. 4 (1982): 397-438.

16. Portelli, op. cit.

17. See Alvin W. Gouldner, *The Future of Intellectuals and the Rise of the New Class* (New York: Seabury Press, 1979); Pat Walker, ed., *Between Labor and Capital* (Boston: South End Press, 1979); Erik Olin Wright, *Class, Crisis and the State* (London: New Left Books, 1978), ch. 2; Wright, "Varieties of Marxist Conceptions of Class Structure," *Politics & Society,* vol. 9, no. 3 (1980): 353-70; and Val Burris, "Capital Accumulation and the Rise of the New Middle Class," *Review of Radical Political Economics,* vol. 12 (Spring 1980): 17-34. For the middle strata within France, see Andrew Feenberg, "France: The New Middle Strata and the Legacy of the May Events," in Carl Boggs and David Plotke, eds., *The Politics of Eurocommunism: Socialism in Transition* (Boston: South End Press, 1980): 131-68; Monique Dagnaud, "La classe 'd'alternative,' réflexion sur les acteurs du changement social dans les sociétés modernes," *Sociologie du Travail,* vol. 23, no. 4 (October-December 1981): 384-405; George Ross, "Marxism and the New Middle Classes," *Theory and Society,* vol. 5:, no. 2 (March 1978): 163-90; and Christian Baudelot, Roger Establet, and Jacques Malemort (Toiser), *La Petite Bourgeoisie en France* (Paris: Maspéro, 1974).

18. Gouldner, op. cit.: 20; italics removed.

19. Alfred Sohn-Rethel, *Intellectual and Manual Labour: A Critique of Epistemology* (London: Macmillan, 1978): 177- 78.

20. Hugues Portelli, "Nouvelles classes moyennes et nouvel parti socialiste," in

Georges Lavau, ed., *Les Classes moyennes et la politique: Enjeu, stratégies et mobilisation* (Paris: FNSP, forthcoming); and Patrick Hardouin, "Les caractéristiques sociologiques du Parti socialiste," *Révue Française de Science Politique,* vol. 28, no. 2 (April 1978). For some excellent analyses of the government's class base and political project, see André Granou, "L'hypothèque moderniste," *Les Temps Modernes,* no. 430 (May 1982); 1931-57; Alain Lipietz, "Quelle base sociale pour le 'changement'?" ibid.: 1889-1930; and Kergoat, op. cit. The growth of the middle strata in France is described in Luc Boltanski, "L'Université, les enterprises et la multiplication des salariés bourgeois, 1960/1975," *Actes de la récherche en sciences sociales,* no. 34 (September 1980): 17-44.

21. For a fuller description, see my "The Tranquil Revolution at Clochemerle: Decentralization in France and the Crisis of Advanced Capitalism," in a forthcoming volume edited by Michael Aiken and Terry MacDougal on national-local linkages and leftist oppositions in advanced capitalism. For a discussion of the Socialists' governing style, see my "The General's Revenge? French Socialism and the Fifth Republic," *Telos,* no. 55 (Spring 1983).

22. "Rapport au Ministre d'État sur la planification décentralisée," unpublished report presented to the Minister for Planning, Paris, October 20, 1981: 8.

23. Ibid.: 9.

24. *Plan Intérimaire: Stratégie pour deux ans, 1982-1983* (Paris: La Documentation Française, 1981): 30.

25. *Le Monde,* May 15, 1982. For a fuller analysis of the Auroux reforms, see my "Socialist Possibilities and Capitalist Realities: All's Quiet on the French Leftist Front," in Paul Zarembka, ed., *Research in Political Economy,* vol. 6 (Greenwich, Conn.: JAI Press, 1983, forthcoming).

26. For a full description, see André G. Delion and Michel Durupty, *Les Nationalisations 1982* (Paris: Economica, 1982).

27. See Peter A. Hall, "Economic Planning and the State: The Evolution of Economic Challenge and Political Response in France," in Maurice Zeitlin, ed., *Political Power and Socialist Theory: A Research Annual* (Greenwich, Conn.: JAI Press, 1982), vol. 3: 175-213; and Stephen Cohen, *Modern Capitalist Planning: The French Model* (Cambridge: Harvard University Press, 1969).

28. See Volkmar Lauber, "Acceptable Austerity? French Economic Policy under Giscard and Barre," unpublished paper delivered at the 1981 annual meeting of the American Political Science Association, New York, September 3-6, 1981.

29. Suzanne Berger, "Lame Ducks and National Champions: Industrial Policy in the Fifth Republic," in William G. Andrews and Stanley Hoffmann, eds., *The Fifth Republic at Twenty* (Albany: State University of New York Press, 1981): 292-310; Stephen S. Cohen, "Y a-t-il une stratégie française face à la crise?" *Les Temps Modernes,* vol. 38, no. 42 (November 1981): 757-802; and Alain Lipietz, "Redéploiement industriel: le legs du libéralisme," *Le Débat,* no. 16 (November 1981): 39-49.

30. Denis Lacorne, "The Americanization of France? French Economic Policy in the 1970s," unpublished paper delivered at the 1981 annual meeting of the American Political Science Association, New York, September 3-6, 1981: 62, 73.

31. *Expansion,* October 2-15, 1981.

32. Fred Block, "Beyond Relative Autonomy: State Managers as Historical Subjects," *New Political Science,* vol. 2, no. 3 (Fall 1981): 45.

33. Serge-Cristophe Kolm, "Quelle politique économique?" *Critique Socialiste,* no. 42 (Spring 1982): 29-43.

34. Gouldner, op cit.: 61; italics removed.

35. Karl Korsch, "What Is Socialization? A Program of Practical Socialism," *New German Critique,* no. 6 (1975), p. 69. Korsch distinguished this situation from socialist socialization, in which "the social process of production is considered a public affair of the producing and consuming whole," ibid.: 61.

36. Carl Boggs, "The Democratic Road: New Departures and Old Problems," in Boggs and Plotke, op. cit.: 435.

37. Ibid.: 461-62.

38. Ibid.: 462.

39. Ibid.: 463.

40. George Konrád and Ivan Szelényi, *The Intellectuals on the Road to Class Power* (New York: Harcourt Brace Jovanovich, 1979): 76. They distinguish the group termed intellectuals ("rational redistributors") at the top from executants, whom they term middle strata. I extend the ranks of the middle strata upward to include upper-middle-level managers. These ambiguities suggest the difficulty in drawing sharp boundaries.

41. For other analyses of this tendency, see Gérard Althabe, "La gauche et le 'compromis social,'" *Non!,* no. 13 (May-June 1982): 55-62; Granou, op. cit.; and Lipietz, op. cit.

42. *Le Matin,* May 28, 1982. See my "The Modernized Republic versus Democratic Socialist Transition: Dilemmas of Socialist Strategy in Advanced Capitalism," *The Insurgent Sociologist* (forthcoming 1983).

43. *Le Monde,* September 15, 1982.

44. *Le Monde,* September 17, 1981.

45. Jean Auroux, "La révolution du bon sens," *Droit Social,* no. 4 (April 1982): 258.

46. Interview with Jean Le Garrec, *Le Point,* no. 500 (April 19, 1982).

47. Ibid. Also see Guy Groux, "Changement politique, droits des travailleurs et négotiations professionelles en France," presented to Conference on "La division du travail et le développement des relations industrielles," Berlin, February 1982; and my "Socialist Possibilities and Capitalist Realities."

48. *Le Monde,* May 4, 1982.

49. Ralph Miliband, *Marxism and Politics* (London: Oxford University Press): 188; italics removed from original.

50. *Le Matin,* October 12, 1982. See Rocard's analysis in *Le Monde,* July 14-15, 1982, and September 10, 1982.

Comparative Political Economy Of Advanced Capitalist States: Sweden and France

Jonas Pontusson

Introduction: Theoretical Framework

This essay addresses what I consider to be the critical weakness of Marxist theorizing on the state: the failure to generate categories that enable us to conceptualize and explain the differences among advanced capitalist states. My discussion seeks to illustrate the significance of national variations and the value of a comparative approach to the problems of state theory by contrasting the postwar political economies of Sweden and France.[1] Let me begin by clarifying the theoretical stakes involved here, and the premises that inform my analysis of the country cases.

The common claim that politics and economics are today "more" related than they used to be rests on very dubious theoretical grounds. Surely, the point is rather that the way in which politics and economics are related to each other has changed in the course of capitalist development. Posing the problem in these terms immediately introduces a new dimension. For the way in which politics and economics are related to each other varies not only over time, but also from one country to another.

While the "expansion of the state" may perhaps be described as a universal trend of advanced capitalism, it has in fact assumed very different forms. Such differences can partly be seen as "residues" of divergent historical experiences of the transition from feudalism to capitalism. As I shall attempt to show in this essay, however, the evolving relationship between state and economy in the twentieth century has itself been a source of differentiation. In particular, the restructuring of politics and

This article is a revised version of a paper presented at the International Conference on the State in Cosenza, Italy (June 24–26, 1982). I wish to acknowledge the critical and constructive feedback provided by the conference participants as well as the *Kapitalistate* editorial collective and, on an individual basis, by Anders Broström, Michael Burawoy, Tony Daley, Lennart Erixon, Anders Gullberg, Ann-Britt Hellmark, Matti Niva, Peter Swenson, Göran Therborn, and Ronald Tiersky. —J.P.

economics that occurred as a result of the Great Depression, the Second World War, and the ascendancy of labor in the 1930s and '40s, appears to have been something of a watershed, determining the different paths of development that countries would follow in the postwar period.

The problem of explaining national variations among advanced capitalist states speaks to the failure of integrating empirical analysis in Marxist state theory. But to criticize the lack of empirical grounding does not get to the heart of the matter. Nor does it constitute an adequate basis for an alternative approach. For the neglect of empirical research is a consequence of the way in which Marxists have gone about theorizing on the state. The tendency to rely on functionalist explanations (to a greater or lesser extent present in most theorists) in effect forecloses the empirical investigation that constitute a necessary moment of theoretical progress.

From the functionalist perspective, the state is typically seen as performing certain functions that are necessary for the reproduction of capitalism, and the postwar changes in its role are treated as a response to objective imperatives generated by capitalist development. The "relative autonomy" of the state is said to be necessary in order for the state to fulfill its functions as the regulator of the economy and/or the guarantor of social cohesion. This mode of argumentation falters on (at least) three counts.

First, the requirements of capitalist reproduction and the consequent needs of capital as a collective entity cannot be derived from some abstract notion of the capitalist mode of production. These requirements or needs are affected by the configuration of class forces, and must therefore be understood in the context of concrete social formations at a particular stage of development.

Secondly, to identify certain requirements of reproduction does not constitute an *explanation* of the role assumed by state. Such requirements may be fulfilled more or less successfully, and perhaps not at all. They may also be fulfilled in different ways—ways which do not necessarily involve state regulation or intervention (e.g., the "anarchy of capitalist competition" might also be regulated by private cartels). The need to account for such divergent outcomes does not arise within a functionalist framework.

Thirdly, the fact that the state performs functions that are necessary for the reproduction of capitalism does not mean that *everything* the state does is functional with this reproduction. Our theory must leave open the possibility of various forms of "dysfunctionality" in the state's articulation with the capitalist mode of production.

The rejection of functionalism need not entail a wholesale rejection of Marxist state theory. The alternative approach that I want to advance draws on the components of this theoretical tradition.[2] It is distinguished from functionalism in that it rests on a *historical mode of explanation* in

which state functions and state structures are seen as products of class conflict.

The extent and the modes of state action to secure the conditions of capitalist reproduction are contingent on the balance of class forces, and in turn affect the evolution of the state itself. Within limits defined by the relations of production, the distribution of power among classes and class fractions varies over time and across countries as a result of the structural changes that accompany capitalist development, the organizational strength of different classes, and the outcome of specific class conflicts. As my comparative discussion of Sweden and France will indicate, the compromises and coalitions that classes (or class fractions) enter into constitute a critical link between the distribution of class power and the institutional arrangements of the political economy.[3]

Having said this, let me immediately distinguish my approach from various attempts to avoid the pitfalls of functionalism by retreating to a "pluralist" conception of the state as a (simple) reflection of the distribution of power in society.[4] In the latter view, state policies merely register the distribution of power among classes that are formed, and acquired their interests and power resources, outside the realm of the state. This line of reasoning completely ignores the "materiality" of the decision-making structures and administrative machinery of the state. By contrast, I want to argue (*a*) that the distribution of class power must be conceived as embedded in the structures of the state as well as the economy; and (*b*) that the state, as an arena of class conflict, shapes the way classes perceive and act on their interests.

The state is a "pre-given structure" in any concrete class conflict. To be sure, the structures of the state do change. The process of change is of a protracted nature, however, and the (unintended) consequences of the interaction between class forces play a more important role than the (willful) designs of particular classes or other actors.

The evolution of class conflict cannot be understood in isolation from the process of capital accumulation. The latter constitutes the source of class antagonisms. It determines the composition and interests of particular classes as well as the long-term evolution of relations of power among them. The cyclical fluctuations of the capitalist economy, moreover, determine the concrete conjunctures in which various class forces confront each other. Yet these formulations are misleading to the extent that they imply a simple, linear causality. The class struggle must be viewed as an integral part of the process of capital accumulation rather than a derivative of the latter. Workers' struggle to improve the "terms of exchange" with capital provides a major impetus for changes in the production process as well as a source of the crisis tendencies inherent in capitalist development.

The analysis of state intervention in the economy would appear to be

particularly promising for empirically-oriented efforts to integrate "class logic" and "capital logic." On the one hand, the politics of economic policy have become a crucial arena of class conflict in the postwar period, and the focal point of coalitional arrangements among various class forces. On the other hand, economic policies address problems and contradictions generated by the process of capital accumulation and illustrate, with particular clarity, the structural constraints which the dynamics of the capitalist economy impose on the exercise of political power (by labor, but also by other political actors). These constraints can be seen as an expression of the systemic power of capital.

So long as economic growth depends on private investment, effective policies to promote growth must conform to the needs of collective capital. As suggested earlier, however, this "imperative" leaves open a range of policy options. Also, we cannot assume that economic policies will in fact conform to the needs of capital. The point is rather that policies will either be ineffective or will generate new problems and contradictions if they do not conform to the needs of capital.[5]

My discussion of the Swedish and French cases focuses on the dynamics of class conflict at the political level, and does not provide an adequate treatment of the relationship between class conflict and capital accumulation. Moreover, the discussion tends to identify "classes" with the actors/organizations that represent them, and thereby avoids a number of thorny theoretical issues. Any attempt to address these problems would require a much more careful reconstruction of each social formation than what is possible in a relatively short comparative essay.

Marxist discussions of the state have typically focused on the relationship between the state and the dominant class(es). The neglect of the relationship between the state and the dominated classes, and the working class in particular, reflects the functionalist assumption that the capitalist nature of the economy and the state preclude the possibility that these classes could exercise power in any meaningful sense. The problem of explaining variations among the advanced capitalist countries suggests the need to shift the focus of analysis—or to begin from the other end, so to speak.[6] For the position occupied by labor in the political economy appears to be a critical feature distinguishing these countries from each other. It is in this context that the comparison between Sweden and France assumes its theoretical significance.

Sweden represents the prototype of a strong and highly integrated labor movement. The level of workforce unionization (ca. 85%) is considerably higher than that of any other advanced capitalist country (with the exception of Israel). Organizing separate categories of workers, Swedish unions are highly centralized, and peak organizations play an important role in collective bargaining as well as policymaking. Very close ties exist between the powerful blue-collar confederation (LO) and the social

democratic party (SAP), which has enjoyed the longest tenure in government of any Western working class party (1932–1976). The labor movement has been able to influence economic policy in Sweden to a greater extent than in any other capitalist country.

By contrast, French labor has been notoriously weak in the industrial as well as the political arena. The level of unionization (ca. 20%) is one of the lowest among the advanced capitalist countries. The union movement is organizationally decentralized, and has been plagued by competition for the same constituency as well as political-ideological divisions. French employers have successfully resisted the institutionalization of collective bargaining. Since the beginning of the Cold War, French politics have been dominated by bourgeois parties, and labor has been almost totally excluded from the increasingly centralized and bureaucratized process of policy-making.

Recent electoral realignments in both Sweden and France partly alter this picture, but that is a matter which I shall not address directly. Focusing on the boom period of postwar capitalist development, the following discussion explores the relationship between labor's position in the political economy and the role of the state. I shall argue that labor's relationship to the state has had important consequences for the state's relationship to capital, and the character of political-economic arrangements in general.

The discussion will be divided into two parts (each in turn divided into several sections). In the first part, I shall develop some analytical categories that might be used to distinguish political-economic arrangements in the advanced capitalist countries. These categories will be illustrated with reference to Sweden and France, and used to draw out the distinctive features of each case as they evolved in the period of postwar expansion (the 1950s and '60s). My description of *how* the Swedish and French political economies differ points to some reasons *why* they differ. In the second part, I shall pursue the problem of explaining national variations further by means of a comparison of the dynamics of class conflict and the structural changes that postwar expansion entailed.

Patterns of State-Economy Relations

In order to grasp the consequences of labor's position in the political economy, it is necessary to distinguish different aspects of the evolving relationship between state and economy in the postwar period. Very broadly, I think we can identify three dimensions of the expanding role of the state: (1) the growth of the welfare state; (2) the increasing significance of interventionist efforts to promote and shape economic development; and (3) the development of corporatist arrangements, linking organized interests to the formulation and implementation of state policies. These three dimensions of change have not been adequately distin-

guished in the Marxist literature (nor in the non-Marxist literature), and their relationship to each other has consequently not been analyzed in a systematic fashion.

The following comparison of Sweden and France suggests that the relationship between the welfare state, state interventionism, and corporatism affects the concrete forms assumed by each development. The changes which political-economic arrangements have undergone since the late 1960s will here be largely ignored, and the picture of the Swedish and French cases presented in this part of the essay is admittedly rather static.

1. Paths of Welfare State Development. The development of the welfare state will be treated in a less detailed manner than state interventionism and corporatism. I am primarily concerned with its relationship to the latter developments. From a political-economic point of view, the notion of the "welfare state" can be defined in terms of the socialization of the costs of reproducing labor power and the use of state policy to alter the distribution of rewards and opportunities by the market mechanisms of the capitalist economy. The distribution of rewards and opportunities may be altered through minimum wage legislation, the structure of taxation, social security and other transfer payments, as well as the public provision of social services (on an individual or collective basis). The provision of non-commodified services would appear to be particularly important for it involves the state directly in the reproduction of labor power. Some quantitative analyses suggest, moreover, that the provision of welfare benefits has more significant redistributive effects than the structure of taxation.[7]

All advanced capitalist states have assumed increased responsibility for the provision of social services, but some states have done so to a far greater extent than others. Such services have also been financed in quite different ways. Sweden and France represent polar cases in these respects. Non-military government spending accounted for 44% of the Swedish gross national income in 1970, as compared to 37% for France, and it seems safe to assume that a greater part of the government budget was devoted to welfare services in the Swedish case. The ratio of direct to indirect taxes is much higher, and the structure of income taxation is far more progressive in Sweden than in France.[8]

More than that of any other capitalist country, the Swedish welfare state has been characterized by the ideology and practice of universalism. Most welfare benefits have acquired the character of citizen rights rather than residual aid to the poor and most needy, and their provision has tended to be on a collective basis. To mention only the most obvious example of universalism, the pension reform of 1960 provided a comprehensive and compulsory public system of earnings-related (and inflation-

protected) pensions to supplement existing flat-rate pensions. Private pension schemes virtually disappeared as a result. The reform was enacted against the resistance of the bourgeois parties, and the LO unions played a critical role in mobilizing popular support behind it.

The quantitative and qualitative differences that distinguish the development of the welfare state in Sweden from that in France must surely be seen as an expression of the strength of Swedish labor and the long experience of social democratic rule. Swedish social democracy cannot be treated simply as a "historical substitute" for a bourgeois political force capable of promoting the reforms required by advanced capitalism.[9] Yet the limits of the welfarist achievements of social democracy must be considered as well. As many Marxists have pointed out, the welfare state does not change the basic sources of inequality in capitalist society, but rather alters their effects at the level of income and consumption. Though we should not foreclose the possibility that welfare state developments might affect the distribution of income between labor and capital, the available empirical evidence suggests that the redistributive effects of the welfare state have primarily been a matter of redistribution of income among wage earners. This is *not* to deny the progressive character of income equalization. Nor do I wish to imply that the development of the welfare state lacks significance for the conflict between labor and capital.

Even welfare reforms that have no redistributive effects whatsoever may have important consequences for the process of class formation and the balance of class forces. The Swedish pension reform illustrates this point. Based on existing income differentials, the new pension system has nonetheless eliminated divisions between various categories of wage-earners, and has provided white-collar strata with a material stake in the maintenance of the welfare state. Housing policy and other welfare reforms can also be said to have contributed to the unification of the Swedish working class.[10]

In a somewhat different vein, one might argue that the welfare state reduces labor's subordination to capital to the extent that the "social wage" (transfer payments and public services) assume increasing importance for the reproduction of labor power (relative to the wage paid by the employer).[11] This apparent tendency towards the "de-commodification of labor" might be interpreted as a response to the social problems generated by the increasing dominance of capitalist relations of production, and the demise of "traditional" forms of welfare provision (notably the family), rather than a step towards socialism. It is, in any case, checked by the fiscal constraints on state expenditures.

Precisely because the public sector produces non-commodified services, its continued expansion depends on the productive output of the private sector. This dependent relationship does not imply that the welfare state adjusts itself to the fluctuations of the economy in an automatic

fashion. The point is rather that the "dysfunctionality" represented by the continued expansion of the public sector in a period of protracted economic crisis alters the interests of various class forces and tends to undermine the coalitional base of the welfare state. At the same time as tax pressures generate opposition to welfare spending, however, economic stagnation generates increased welfare needs. The adjustment process is a political one, and its outcome cannot be assumed as pre-given. Just as the development of the welfare state varies among the advanced capitalist countries, so does the incidence and scope of "welfare backlash," and these variations seem to be closely related.[12]

2. *Modes of State Intervention.* The notion of state interventionism carries a less uniform meaning than that of the welfare state. If only to distinguish it from the latter, it might be defined as the use of political power to secure the conditions for the extended reproduction of capital (i.e., the production, realization and reinvestment of surplus value).

Marxists have either confused the expansion of the welfare state and the growth of state intervention in the economy or treated them as parallel developments. Typically, both developments are seen as a response to the changing requirements of capitalist reproduction. But those Marxists who reject the functionalist approach tend to convey a similar picture by identifying welfarism and interventionism as expressions of working-class power.[13] From either of these premises, there appears to be a close correlation between the level of welfare state provision and the degree of state interventionism. Even the most cursory comparison of Sweden and France challenges the idea of such a correlation. Above all, this comparison points to the need to distinguish different forms of state intervention.

For our present purposes, three criteria will suffice to distinguish various forms of state intervention.[14] First, forms of state intervention can be distinguished in terms of whether the state intervenes in the sphere of production or in the sphere of distribution. The former category includes state ownership and various infrastructural investments; the latter includes efforts to counteract cyclical fluctuations through demand management and to restrain wage pressures through incomes policy. Secondly, forms of state intervention can be distinguished in terms of their degree of selectivity. The state may intervene to prevent or promote the development of particular sectors and firms as well as to shape the general environment in which business operates. Though state intervention in the sphere of distribution tends to be of a more general character than state intervention in the sphere of production, demand may be stimulated on a sectoral basis and laws may affect the conditions of production on an economy-wide basis (e.g., occupational safety and environmental protection). In a capitalist economy, selective interventions at the firm level require the state to act in the marketplace. Thirdly, then, selective

forms of state intervention can be distinguished in terms of whether they occur through capital markets or through labor markets.

Cases of all these forms of intervention can be found in most advanced capitalist countries. But they seem to be combined in ways that enable us to speak of distinctive *modes of state intervention.* At this level, one might also distinguish states in terms of the extent to which interventions are coordinated and planned. The instrumentalities of state intervention are closely related to its purposes. In any concrete situation, the extended reproduction of capital does not constitute an end in itself, but rather a means to satisfy particular interests. Though necessarily constrained by the fact that its effectiveness depends on the marketplace decisions of private capital, state interventionism has evolved in different ways as a result of the balance of class forces at the political level.

The postwar development of the Swedish political economy rested on an accommodation between labor and capital which began to take shape as social democracy consolidated control of the government in the 1930s. To secure the cooperation of the business community, social democratic governments restricted their aims to the promotion of the general conditions of full employment and a more equitable distribution of the expanding economic pie. The strategic economic decisions that would ensure growth were left in the hands of private capital.[15] The expansionary component of the social democratic recovery program in the 1930s was in fact quite modest, and Keynesianism did not assume its full significance until after the war, when the development of the welfare state came to serve as a mechanism of demand stimulation.[16] The turn towards welfarism in effect represented a retreat from the social democratic program of 1944, which advocated the introduction of economic planning and the extension of public ownership. This program was met by the united opposition of employers and bourgeois political forces, and the ensuing confrontation resulted in a setback for the social democrats in the 1948 elections. The terms of the "historical compromise" worked out in the 1930s were thus reconfirmed.

In France, by contrast, the leftist governments of the immediate postwar period (1944–47) implemented a program of extensive nationalizations and established a planning agency. These reforms provided the institutional framework for subsequent efforts to promote economic modernization under conservative auspices. Public ownership remains a prominent feature of the French economy. In the mid-1970s, state enterprise accounted for roughly 20% of fixed investments in France, as compared to 10% in Sweden.[17] But the size of public ownership does not adequately capture the differences that separate the two countries in this respect. Generally speaking, state enterprise in France has been of a more industrial and profitable character than in Sweden. It has also been used more consistently for interventionist purposes. Nationalized firms (such as

Renault) have played an important role in their introduction of new products and production technologies in France.

Though the notion of planned development came to assume an important ideological function in the 1960s, long-term economic planning has never been anything more than a matter of forecasting economic trends in Sweden. In contrast to France, planning never acquired a separate institutional existence within the state. To be sure, French planning has never been quite what it pretended to be, but behind its ideological façade and the elaborate econometric models developed in the 1960s, we find a reality of considerable significance. Planned targets have seldom been achieved, and in this sense planning has had little effect on economic growth. Considered as a *political process,* however, French planning has served as an important mechanism of coordination of state intervention and collaboration between big business and the state.[18]

French planning was from the very beginning linked to the use of finance as an instrument of selective intervention in the economy. The underdevelopment of French stock markets has made private capital dependent on credit as the principal external source of financing new investment. Dependence on long-term borrowing implies fixed costs which must be paid regardless of fluctuations in the business cycle, and thus provides banks or other lending institutions with a potential leverage in corporate decision-making. But long-term credit also entails risks for the lender. The nationalization of commercial banks and the regulatory framework established immediately after the war has in this context provided the French state with the means to influence lending practices, and to direct the flow of credit through loan guarantees and administratively established interest rates. By manipulating the terms of credit available to capital, state bureaucrats have been able to engage in detailed bargaining with corporate management, and to affect the allocation of industrial investment in a selective fashion.[19]

Though credit has also been a vital source of external financing for Swedish capital, the financial system has in Sweden been dominated by the big private banks. Financial markets have been regulated, but typically not manipulated by the state. Other forms of state intervention in the process of capital formation have also tended to be of a more restricted character than in France. The system of investment reserves illustrates the point. Established in 1938 and expanded in the 1950s, this system provides virtually complete tax exemption on corporate profits set aside for future investment in special funds, the release of which must be authorized by the state. Such releases have been used as a selective instrument to counteract recessionary trends in particular sectors of the economy. Until the early 1970s, they were very seldom, if ever, tied to corporate marketplace strategies.[20]

The growth of public pension funds since 1960 is frequently cited

as evidence of a gradual "socialization of the investment fraction" in Sweden. At their peak in 1970–73, the public pension funds accounted for 35% of supply in the organized credit market (55% of the market for stocks and long-term credit). As the number of pensioners and the average size of their pensions have increased, however, the significance of the funds as a mechanism of capital formation has declined rapidly.[21] Furthermore, the regulations governing placement policies severely restrict the use of the public pension funds as instruments of intervention. Among other things, the funds were formally prevented from investing in equity capital until 1974, and the legal restrictions are such that corporate stock still accounts for no more than one percent of total pension capital. The pension funds have primarily been used to finance public spending and housing construction rather than to promote industrial development.

To the extent that the state has intervened directly in the restructuring of the economy in Sweden, this has first and foremost occurred through labor markets and not, as in France, through capital markets. In terms of both its budgetary resources and its strategic role, the Labor Market Board (AMS) became the single most important agency of state intervention in the 1960s. The board administers unemployment insurance, regional employment programs, temporary relief work, and placement services as well as extensive retraining and relocation programs designed to promote the mobility of labor. It is also responsible for the release of investment reserve funds, mentioned earlier.[22]

The Swedish emphasis on manpower policy reflects the primary concerns of organized labor, and the character of its wage-bargaining strategy (to which I shall return). One might argue that labor's ability to coordinate its economic and political power around specific policy objectives in the labor-market arena has enabled it to overcome business resistance to selective state intervention. But it can also be argued that such resistance has been less pronounced in this arena. For manpower policy, however selective, would almost by definition seem to be of an adjustive character. Focused on addressing the societal *consequences* of structural economic change, manpower policy in Sweden, as elsewhere, has been subordinated to the process of capital accumulation.

Like the Keynesian bias of general economic policy, the importance of manpower policy points to the close articulation between state interventionism and the development of the welfare state in the Swedish case. With full employment as the linchpin of social democratic hegemony, the purposes of economic and social policy have tended to merge at the level of ideology. The relationship between state intervention and public welfare provision has been much more tenuous in the French case, with regard to instrumentalities as well as ideology. On the other hand, policies to promote capital formation have been of a more general character

and have respected the autonomy of corporate management to a far greater extent in Sweden than in France. Paradoxically, the constraints on state intervention imposed by the systemic power of capital appear to become more pronounced as labor's political power increases. In the following section, I shall attempt to suggest that these constraints are embedded in labor-integrative structure of policy-making rather than simply imposed on policy-makers from without, as it were.

3. Interest Representation and Policy-Making. The third aspect of the evolving relationship between state and economy that I wish to discuss concerns the institutional framework of policy-making, and the mode of interest representation in particular. The notion of "corporatism" provides a convenient point of departure. The burgeoning literature on corporatism includes various critics of the pluralist conception of state policy as a product of the competition among interest groups that are independent of the state and mobilize support on a voluntary basis. Their analyses focus attention on the (apparently growing) importance of a relatively limited number of hierarchically organized interest groups that represent distinctive economic interests rather than compete for the same potential constituency. Yet the notion of corporatism implies something more than the mere existence of "producer groups" organized in this manner. For our present purposes, corporatism can be defined as a set of institutional arrangements whereby organized economic interests are linked to each other and/or the state in a way that entails mutual dependence. This definition encompasses a wide range of disparate developments, and I shall attempt to distinguish different forms of corporatism.[23]

The growing integration of organized economic interests in the policy-making process would seem to be the most universal feature associated with the notion of corporatism. This development is related to the state's increasing involvement in the economy, and the strengthening of the executive-administrative apparatuses of the state (at the expense of parliamentary institutions). Rather than exerting pressures on policy-makers from "outside," interest groups have become directly involved in the formulation of policies that concern them.

Policy-making consequently tends to assume the character of bargaining. Tripartite agreements between the government, unions and employers constitute the most obvious example. But bargaining may be of a more informal character, and may have a more restricted scope, pertaining to the relations between the government and particular interests. Corporatist arrangements may thus be distinguished in terms of the level at which they are formed (i.e. their degree of centralization), and the interests that are included.

The development of corporatism also varies in terms of the strings attached to participation in the policy-making process. Though powerful

interests can obviously not be ignored, the government and the state bureacracy may be able to influence the demands that are placed upon them by providing interest groups with access (and various other "benefits") on a selective basis. The autonomy of interest groups is further eroded to the extent that they may become involved in, and partly responsible for, the implementation of state policies. At the same time, however, corporatism imposes constraints on the "autonomization" of the executive-administrative apparatuses of the state as effective policies come to presuppose the cooperation of organized interests.

In most Western European countries, bipartite relations between the state and organizations representing agriculture, small business and various segments of industry have long (if not always) been characterized by corporatist traits. The most distinctive features of the postwar period, and particularly the period since 1960, are (*a*) the "encorporatization" of relations between the state and organized labor, and (*b*) the development of a qualitatively new kind of corporatist arrangements, organized around the "management" of the conflict between labor and capital. Typified by tripartism, the latter development would first and foremost appear to be a response to the problem of containing wage pressures in conditions of (nearly) full employment or, in other words, a consequence of labor's increasing marketplace power.[24]

The dynamics of corporatist arrangements organized around the conflict between labor and capital differ fundamentally from those of other (more traditional) forms of corporatism. On the one hand, they assume a much more central role for the political economy as a whole. On the other, they tend to be characterized by a much greater instability.

As suggested earlier, the corporatist integration of labor constitutes a major source of variation among advanced capitalist states, and Sweden and France represent polar cases in this respect as well. Once again, the comparison of these two cases highlights the pitfalls of conceiving national variations in terms of a continuum. To characterize Sweden as a case of "strong corporatism" and France as a case of "weak corporatism" does not adequately capture the polarity between them.

The organizational weakness of the unions, and the massive shift of manpower from agriculture to industry that accompanied postwar transformation of the French economy meant that wage pressures never posed a serious threat to the extended reproduction of capital in general. Hence there was little need for an incomes policy that would require the corporatist integration of labor. At the same time, the competitive relationship between the union confederations and their decentralized structure effectively precluded such a policy.[25]

The French case indicates the need to qualify the commonly held assumption that the development of corporatism follows from the development of planning and state intervention in the sphere of produc-

tion. The institutional framework of planning established in the immediate postwar period included various consultative mechanisms, designed to promote producer group collaboration. But organized labor was quickly marginalized, and planning increasingly came to assume the character of informal bargaining between state bureaucrats and corporate management.[26] Not only the unions, but also the organizations representing sectoral business interests (typically dominated by small and medium-sized firms) have largely been bypassed in the formulation and implementation of selective policies to promote economic change.

Reinforced by the constitution of the Fifth Republic, the centralized nature of the state bureaucracy and its (relative) insulation from popular pressures would seem to be a crucial component of the pattern of direct relations between the state and big business that has accompanied the growth of state interventionism in France.[27] Arguably, business resistance to selective state intervention has been reduced by the fact that policy objectives emanate from within the bureaucracy itself. But selective state intervention has not rested on mutual understanding alone. Equally important, the ability to manipulate credit flows and to influence the terms on which firms can borrow has enabled state bureaucrats to use marketplace incentives (or penalties) in bargaining with corporate management. A noteworthy feature of this type of state intervention is that it requires no public discussions. By publicly exposing the close collaboration between big business and the state, planning became a political liability for the Gaullist regime in the late 1960s. The subsequent retreat from planning has enhanced the central importance of finance-based intervention at the firm level.

One might well argue that the postwar development of state interventionism has in France been accompanied by a "de-corporatization" of economic policy-making.[28] Yet this tendency has been constrained by the political need to integrate small and medium-sized business. The capacity of the state to intervene selectively in favor of certain firms or sectors derives primarily from those state agencies that are linked to the financial system and have an inter-sectoral sphere of competence. Much as in other countries, the regulatory agencies of the Ministry of Agriculture and the Ministry of Industry have partly been captured by the sectoral interests that they are supposed to regulate, and interest groups continue to play an important mediating role at this level. From the point of view of the political economy as a whole, what distinguishes the French case is not so much the absence of corporatist arrangements, but rather the way in which they have been structured around the political exclusion of labor.[29]

In Sweden, by contrast, the integration of labor constitutes the pivot of corporatist tendencies in the postwar period. Consultative mechanisms initially designed to secure business support for the economic policies

of social democratic governments were gradually extended to include union representatives, and became increasingly formalized in the 1960s. Interest groups have been provided regular access to policy-making through informed contracts, participation in the official investigations that usually preceded reform initiatives, and representation on the boards of various state agencies.[30] Most notably, the Labor Market Board (AMS) is run by a body representing the major parties of the labor market. The unions command a formal majority, but the effective implementation of AMS policies depends on the collaboration of the employers and thereby presupposes some degree of consensus in the policy-making process.

In terms of the formal features of interest representation, other countries have actually moved much further in a corporatist direction than Sweden. The Swedish case is distinguished by the absence of tripartite agreement of a formal nature, for example. The corporatist cost of the political economy derives rather from the close articulation between economic policy-making and economy-wide collective bargaining. Wage negotiations between the union confederations and the employers' organizations at the national level have included bargaining over matters of government policy, and have served to define the political as well as economic parameters of state intervention in the economy.

The development of corporatism in Sweden might thus be described as a "spillover effect" of the centralization of collective bargaining. At the same time, however, this centralization has made it possible to solve the problem of containing wage pressures without direct government involvement in the process of collective bargaining. As I shall describe in the next section, LO has in effect assumed responsibility for securing the profit margin necessary to sustain economic expansion. Its wage-bargaining strategy can perhaps be seen as the "functional equivalent" of an incomes policy, but it is not a matter of indifference whether wage restraint is administered by the unions or by the state.[31] Most importantly, LO's strategy has prevented the conflicts between unions and labor governments that have accompanied incomes policy experiments in other countries (especially Britain). The absence of incomes policy would also seem to have contributed to the relative stability of corporatist arrangements designed to promote collaboration between labor and capital.

Theories of corporatism typically exaggerate the extent and permanence of labor integration in advanced capitalism. This tendency stems in part from their focus on organizational interest, as opposed to the class interest which organizations represent, and the failure to integrate an analysis of the economic conditions that have made the integration of labor possible. It is also related to the way in which corporatism has been conceived as "global" system of interest representation and policy-making.[32] The preceding discussion suggests that corporatist arrangements must rather be conceived as *partial elements* within a broader struc-

tural framework. The "encorporatization" of economic policy-making has been constrained by the continued importance of parliamentary politics as well as the development of direct relations between big business and the state. It has also been restricted to certain kinds of economic problems.

The comparison of Sweden and France points to a definite relationship between the corporatist integration of labor and the scope or character of state interventionism. Corporatist bargaining and consensus formation appears to be biased in favor of Keynesian-type policies, which leave the distribution of costs and benefits to be determined by market forces. By contrast, selective state intervention typically involves decisions that will benefit some economic actors at the expense of others. Selective policies formulated under corporate auspices are likely to be of a "protectionist" character, maintaining existing marketplace relations. The orientation of Swedish manpower policy indicates that this argument does not necessarily apply to labor adjustment. Yet the emphasis on manpower policy is itself indicative of the limits of labor integration in Sweden. Whereas the mobility of labor has been regulated jointly by labor and capital through collective bargaining and corporatist policy-making, the mobility of capital has not been subjected to such regulation.

It is hardly necessary to point out that my analysis does not deny that Swedish labor has been able to exercise real power through corporatist mechanisms. The argument that corporatism offsets the numerical superiority of the working class in the electoral arena by providing equal representation to labor and capital misses the crucial point that capital can, directly or indirectly, influence state policies by a variety of other means. The access to policy-making provided by corporatist arrangements would seem to be more important to labor than to capital. Precisely because labor can only act effectively through its organizations, however, corporatist arrangements have also been a greater constraint on labor than on capital.[33] The critical issue here is not whether labor can exercise power within a corporatist framework, but rather on what terms it can do so.

Dynamics of Class Conflict

In the preceding discussion I have tried to show that political-economic arrangements in Sweden and France differ in a systematic fashion, and that these differences can be treated as consequences of labor's position in the political economy. I have suggested, moreover, that Swedish labor has become integrated because of its strength, and that French labor has been excluded because of its weakness. My argumentation raises the obvious question, why does the strength of labor differ? An adequate answer to this question would require an extensive discussion, and I merely want to point to some relevant considerations.

To answer the question why the strength of labor movements differs obviously presupposes some notion of what constitutes "labor strength." In the introduction, I suggested that Swedish labor is stronger than French labor because: (1) the unions organize a much greater proportion of the workforce; (2) the union movement is more unified and centralized; and (3) labor politics are hegemonized by a single party, with close ties to the unions. Any explanation of these differences must proceed from a historical account of the formative experiences of each labor movement. The consequences of the timing and character of industrialization would appear to be particularly important, and will be discussed briefly below.[34] The process of industrialization has affected not only the structure of the labor movement, but also the character of other class forces and the coalitional options available to labor. Having laid out the kinds of coalitional arrangements formed in the course of the 1930s and '40s, I shall attempt to elucidate their signficance for the patterns of postwar capitalist development, the role of the state and the power of labor. My previous description of the Swedish and French cases will be complemented, and to some extent qualified, in the course of the discussion.

1. Consequences of Industrialization. Production for export markets played a critical role in Swedish industrialization, which occurred later and more rapidly than in most other West European countries. By way of its effects on industrial structure and production process, the pattern of industrialization promoted the growth of unionism and the dominance of industrial forms of organization. The competition of more industrialized countries forced large-scale production in a specialized range of products. At the same time, Swedish industry could borrow advanced technology from abroad and skip the earlier stages of industrialization, based on craft production. A fairly homogeneous working class was thus created, and its unionization was facilitated by the (relative) absence of legal constraints and state repression.

The pattern of industrialization in Sweden shaped the organization of capital as well as labor, and this too had important consequences for the evolution of the labor movement. Export dependence made Swedish employers highly vulnerable to wage pressures, and the concentration of capital made their coordination possible. The creation of a centralized and militant employers' organization (SAF) in effect forced the unions to centralize their organization in turn.[35] This crucial point shows that consequences of industrialization must be related to the dynamic interaction between labor and capital. It also reminds us that the "strength of labor," conceived in organizational terms, is by no means coterminous with the "weakness of capital." Quite the contrary, the Swedish case suggests that the organizational strength of one side reinforces that of the other, at least in the industrial arena.

In contrast to Sweden, the labor movement actually emerged prior to the industrial revolution in France. Its emergence might be described as a result of the proletarianization of artisan production and the political struggles surrounding the creation of the Republic.[36] Herein lie the roots of the syndicalist orientation of the unions, the tension between unions and parties, labor's confrontational relationship to the state as well as the split between the labor movement and the Catholic segements of the working class.

Though the industrial revolution began earlier than in Sweden, France too can be characterized as a "late industrializer." Yet the process of industrialization was of a much more uneven character. The peasantry and urban petty bourgeoisie retained much of their economic and political importance, and came to provide a mass base for conservative republican politics.[37] The peasantry also remained a sizable segment of the Swedish population until the postwar period, but the Swedish peasantry differed from the French in important respects. It enjoyed a greater degree of economic independence, and was politically organized in a separate party.[38]

The unevenness of the industrialization in France meant, above all, that the concentration of industrial capital did not proceed beyond a certain point. The unionization of the workforce was constrained by the small size of productive units, paternalistic management-labor relations, and anti-union legislation. A sizable segment of the working class, typically under the ideological sway of the Catholic Church, was never integrated into the organizational life of the labor movement.

The structural weakness of labor's position has in many respects been reproduced in the course of the postwar transformation of the French economy. On the other hand, the strength of the Swedish labor movement has been reinforced during the postwar period. Capitalist development may be said to promote the collective strength of the working class by increasing the number of wage-earners and the size of productive units, and by eliminating craft particularisms.[39] But it also generates a proliferation of managerial functions, and new forms of working class stratification. The extent to which the tendency to promote labor strength is realized would seem to depend very much on the concrete forms which capitalist development assumes and its political auspices. These variables affect each other.

I suggested earlier that social democratic welfare reforms have contributed to the unification of the Swedish working class. Similarly, labor legislation initiated by the social democrats has had the effect of standardizing employment practices and strengthening local union organizations. The legal obstacles to the unionization of the public sector have been removed (1936), and public employees have been provided the right to

strike (1965).[40] One might also argue that policies to promote full employment have strengthened labor's marketplace positions.

Rather than simply a reflection of labor strength, the exercise of political power by labor has itself been a source of strength in the Swedish case. This in turn points to the critical significance of the dynamics of class conflict and the class coalitions that were formed in the 1930s and '40s.

2. Worker-Peasant Coalitions. The political ascendancy of Swedish social democracy was made possible by the formation of coalitional government with the Agrarian Party in 1932. This "red-green" alliance rested on a trade-off between public-sector job creation and agricultural tariff protection. It allowed the social democrats to consolidate control of the government, and thereby forced the employers to retreat from their militant posture. Within the business community, a more politically neutral and conciliatory attitude was advocated primarily by the representatives of industries producing for the domestic market, which stood to gain most from expansionary government policies.[41] This line came to prevail with the Basic Agreement between LO and SAF in 1938, establishing the institutional framework of joint regulation of industrial relations.

The coalition with the Agrarian Party enabled the labor movement to engage in compromises with capital from a position of strength. At the same time, dependence on Agrarian support constrained labor's ability to enact socialization measures and to extend democratic control of the economy. The pension reform struggle of the late 1950s split the red-green coalition. By this time, however, changes in the class structure of Swedish society had undermined the strategic importance of agrarian support for the social democrats, and the compromise with capital had come to include more export-oriented segments. The pension issue enabled the social democrats to broaden the electoral base among new middle strata, and thereby maintain control of the government.

In France, too, the depression of the 1930s mobilized the working class and intensified the antagonism between the interests of the petty bourgeoisie and peasantry, on the one hand, and those of financial and industrial capital, on the other. The coalitional basis of the Popular Front government of 1936–37 and the Liberation governments of 1944–47 was similar to that which brought the social democrats to power in Sweden.

Fraught with internal contradictions, the dominance of the resistance coalition rested on the fragmentation and discredit of the Right. It did not survive the onset of the Cold War. The communists were expelled from the government in 1947, and the socialists increasingly became the captives of governments dominated by liberal and conservative political forces, which quickly reasserted their hegemony among traditional,

petty-bourgeois strata. The net effect of the parliamentary integration of the Socialist Party under the Fourth Republic (1946–58) was to sever many of its traditional ties to the labor movement.

In a sense, the problem of explaining why postwar political-economic arrangements differ boils down to the question, why did the coalition between the labor movement and agrarian forces endure in Sweden and disintegrate in France? I have already touched on the principal reasons for this divergence, such as the unity and organizational strength of labor and the character of the peasantry. The accommodation between organized labor and the employers can also be said to have reduced the "external" pressures on the red-green alliance in Sweden. Finally, the significance of the Cold War for the disintegration of the resistance coalition in France illustrates that the different positions which these countries occupy in the international system have had important consequences for domestic class coalitions.

3. Politics of Structural Change. As I have already indicated, the experience of labor reformism had, despite its brevity, an enduring impact on the postwar evolution of the French political economy. The structural reforms initiated by left-dominated governments—planning, nationalizations, and state control of the financial system—failed to institutionalize working-class power. By linking the state to the advanced sectors of capital, however, they contributed to a shift in the balance of forces within the ruling-class coalition that was subsequently restored. These reforms were conceived as a means to curtail the postwar dominance of private capital, and were implemented against the resistance of the business community. It was only over a period of time, and largely as a result of the weakness of the labor movement, that the reforms of the immediate postwar period came to be accepted by big business and to serve as mechanisms of state promotion of the advanced sectors of capital (characterized by the use of advanced technology, a potential for international competitiveness, and high degrees of corporate concentration).[42]

The installation of the Gaullist regime in 1958 provided a stable political formula for economic modernization under conservative auspices. The traditional strata were, in effect, trapped within the Gaullist coalition. They were partly deceived by the traditionalist-conservative ideology of Gaullism, but they were also bought off.[43] Small business and agriculture were cushioned against market pressures through price controls, direct subsidies, and protection against foreign competition.

At the same time, postwar capitalist development has brought about a transformation of the role of small business. Small, less efficient and more labor-intensive productive units have come to serve as suppliers to big industrial firms. The economic viability of this "secondary sector"

depends on its ability to adjust the size of the workforce to short-term fluctuations in demand.

The French "economic miracle" of the 1950s and '60s rested on and, in its initial phases, reinforced the weakness of the labor movement. The massive influx of people from rural backgrounds into the industrial workforce and changes in the process of production undermined the position of organized labor.[44] The employers' refusal to recognize union rights at the workplace was backed by legal statutes until 1968, and such rights remain very limited. Labor legislation has also promoted competition among the unions.[45]

The tax breaks provided to property-owners and small business have effectively precluded welfare state redistribution in France. Much of the subsidization of the traditional strata, moreover, has been paid for by the working class through inflated prices on items of popular consumption (food in particular). In this sense, the coalition between big capital and the traditional strata has made the political exclusion of labor not only possible, but indeed necessary.

Even if the costs are shouldered by the working class, protection or subsidization reduces (perhaps eliminates) the marketplace incentives for moving resources from declining to expanding sectors of the economy. It thus constitutes a major obstacle to the restructuring of capital that is a necessary component of its expanded reproduction. The French pattern of selective intervention via the financial system, and the institutional separation between "protectionist" and "interventionist" state apparatuses, can be seen as a response to this problem. Through its control of the financial system, the state has been able to allocate capital to the expanding sectors, behind the protective barriers and inflationary biases built into the French economy. The conflict of interest between different segments of the ruling-class coalition has thereby been eased. Critically, this "solution" depended on the structural reforms implemented under pressure from the labor movement.

The Swedish case represents a political formula for the promotion of structural change in the economy which is fundamentally different from the French one. As noted earlier, labor's organizational strength and the conditions of full employment brought the problem of containing wage pressures to the fore in Sweden. LO recognized the need to address this problem in order to secure the conditions of economic expansion, but rejected an incomes policy as a threat to the unity of the labor movement. The unions and the government gradually came to accept an alternative strategy proposed by LO economists, the so-called "Rehn-Meidner Model."[46] Linked to the redistributive aims of the labor movement, this strategy rested on the principle of equal work, irrespective of the employer's ability to pay, and meant concretely that LO would pursue

across-the-board wage increases that would improve the relative position of workers at the lower end of the wage hierarchy.

The pursuit of a "solidaristic wage policy" was intended to promote the restructuring of capital and the productivity increases that would make it possible to reconcile high wages with price stability. On the one hand, the equalization of wage differentials would serve as mechanism of legitimating the restraint of wage pressures in firms or sectors operating at high efficiency and producing for expanding markets. On the other hand, the effort to improve the relative position of low-wage categories of workers would have the effect of "squeezing" the profit margins of inefficient firms and declining industrial sectors.

LO's new strategy was formally adopted in 1951, but did not assume any real significance until the practice of economy-wide wage negotiations at the national level was institutionalized in the late 1950s. The centralization of collective bargaining was actually imposed by the employers, hoping to contain wage pressures in general by this mechanism. Though the advanced sectors of export-oriented capital stood to gain from the differential profit squeeze implied by LO's wage-bargaining strategy, their willingness to accommodate a reduction of wage differentials was restricted by their reliance on marketplace incentives to recruit qualified workers. The maintenance of employer unity, moreover, made resistance to the principle of wage solidarity imperative for SAF.

Subject to contradictory pressures, the process of centralized collective bargaining has always been of a conflictual nature, and the goals of LO's strategy have only partially been achieved. Wage drift at the local level has tended to offset the egalitarian profile of wage increases agreed apon at the national level.[47] A stable trend towards the reduction of wage differentials does not become noticeable until the late 1960s. To be sure, LO's solidaristic wage policy might have prevented a further increase of wage differentials. To claim that the structural transformation of Swedish industry in the 1960s was a direct result of labor's strategy remains a very questionable proposition, however.

LO's wage-bargaining strategy has nonetheless contributed to corporate concentration, and constrained the development of a secondary sector in Sweden. In contrast to the French pattern of state-promoted capitalist development, the Swedish system of centralized collective bargaining may be described as a mechanism of reconciling the interest of organized labor and big capital, at the expense of traditional strata and small business.[48] This characterization seems to be at least partly confirmed by the fact that the centralization of collective bargaining and the implementation of LO strategy coincided with the break-up of the government coalition between social democracy and the Agrarian Party. Indeed, one might argue that the break-up of the red-green alliance was an essential precondition for LO's ability to pursue its strategy of structural change, for the Agrarian Party refused to support the expansion of government spending in the area of manpower policy. From labor's perspective, the government's commitment to an "active manpower policy" was a necessary complement to the unions' "solidaristic wage policy," since the profit squeeze implied the latter would result in structural unemployment in certain sectors of the economy.

This discussion indicates the inadequacy of conceiving the Swedish model of capitalist development in terms of Keynesian demand management. Labor's strategy to promote structural change via collective bargaining and labor-market policies marked a step beyond traditional Keynesianism. Yet it rested on Keynesian premises in the sense that it left the allocation of resources to be determined by market forces (or corporate decisions).[49] The profits squeeze generated by the principle of wage solidarity simply reinforces existing (pre-given) differences in profitability among firms, and neither LO's wage-bargaining strategy nor the state's manpower policies have had as their purpose to alter the direction of structural change.

The constraints on state interventionism in postwar Sweden must be seen as a consequence of the ideology of the labor movement as well as the systemic power of capital, the structures of policy-making, and the social democrats' dependence on the parliamentary support of the Agrarian Party. This ideological orientation went largely unchallenged so long as favorable economic circumstances made it possible to achieve full employment and welfare state expansion by means of policies that conformed to the dynamics of the open market economy.

To sum up, Sweden and France can be treated as two distinctive political-economic "formulas" of postwar capitalist development, with different distributional and structural consequences. These formulas can be explained in terms of different configurations of class power and class coalitions, which have both defined the critical problems of structural change and generated their solutions. In each case, the state has developed distinctive interventionist capacities, and state interventionism has served to reconcile the conflicting interests of dominant class coalitions. The match between "problems" and "solutions" has neither been automatic nor a matter of deliberate design. It has rather been a product of a complex and contradictory process in which different class forces, and other actors, have pursued more narrowly (and "selfishly") defined objectives.

By Way of Conclusion

Considered on their own terms, the Swedish and French models of postwar capitalist development were highly successful until the late 1960s. The protracted economic crisis that began in the following decade, however, has assumed more serious proportions in Sweden and France than

in most other advanced capitalist countries, and has in both countries resulted in major political changes. Space does not permit an analysis of the break-up of postwar settlements, but some brief comments on this subject seem necessary to round off the preceding discussion.

From the perspective developed above, the break-up of postwar settlements might be conceived as a two-fold process. On the one hand, the economic crisis has intensified the contradictions and altered the terms of conflict among the various class forces whose integration provided the stability of political-economic arrangements. On the other hand, the distinctive capacities of state intervention that were developed in the period of capitalist expansion have proved inadequate to cope with the new kinds of economic problems generated by the crisis. These two dimensions are closely related. Most notably, the intensification of conflict within the existing coalitional base of each political economy has made policy innovation more difficult.

Yet this conceptualization is deceptive in that it treats the break-up of postwar settlements simply as a consequence of the economic crisis, and in turn treats the crisis as something which appears, so to speak, out of nowhere in the mid-1970s. The erosion of postwar compromises and coalitions and, indeed, the economic crisis itself can in part be attributed to the structural changes that accompanied growth, and must be seen as an integral part of the pattern of capitalist development in each country. The analysis presented above does not bring this point out in an adequate fashion.

I do not wish to deny that "exogenous" changes in world markets—such as oil price increases and competition from newly industrialized countries—constitute an important cause of the economic troubles that surfaced in the 1970s. The point is rather that their importance must be understood as a consequence of the increasing international dependence that resulted from postwar capitalist development.

Stimulated by social democratic policies and the dynamics of collective bargaining, the internationalization of Swedish capital constituted an essential component of the economic expansion that made the welfare state achievements of the 1960s possible. Over the long run, however, the process of internationalization had tended to undermine the structural basis of compromise between labor and capital. The benefits which business stands to gain from the expansion of the domestic market have become considerably less compelling, and intensified international competition has reduced the employers' ability to accommodate real wage increases. At the same time, the declining propensity of capital to invest in domestic industry has delegitimated wage restraint without any strings attached, and forced the labor movement to question private control of the investment process. The transformation of social structure that

accompanied postwar growth can also be said to have destabilized the process of collective bargaining as the growth of white-collar unions has enhanced competition among different categories of wage-earners, and undermined LO's coordinating role.[50]

Similarly, the demise of labor-exclusive politics in France must in part be seen as a consequence of changes in economic and social structure by rapid transformation of the economy in the 1950s and '60s. Though its effects were delayed and cushioned by state policies, this transformation ultimately could not but undermine the position of traditional strata and extend the potential base of the labor movement. The installation of the Gaullist regime and its policies served to mobilize and unify the forces of the opposition. Despite the trials and tribulations of Left unity, the electoral support of the Left grew steadily from the mid-1960s onwards. At the same time as the regime became increasingly dependent on the political support of small business and traditional strata, their continued subsidization became increasingly incompatible with the expansion of the advanced sectors of capital as a result of the transformation of the economy and its growing international dependence. Government efforts to relieve the state of responsibility for declining sectors, and to depoliticize the process of structural change in the name of "liberalization" failed, yet contributed to the growing divisions within the ruling-class coalition.[51]

The electoral breakthrough of the French Left in 1981 was made possible by the collapse of Right unity, and organizational weakness of the labor movement remains a conspicuous feature of the French case. Recent developments in France nonetheless remind us that the mobilizational capacities of labor cannot be treated as a function of organizational strength alone, and that the political exclusion of labor does not necessarily perpetuate labor weakness *ad infinitum*. On the other hand, the experience of the 1970s points to the limits of labor's power in Sweden.

The policies pursued by bourgeois as well as social democratic governments in the 1970s have kept the level of unemployment comparatively low, and the welfare state has cushioned the social consequences of the economic crisis in Sweden. These features of the political economy have restricted the disintegrative effects that the crisis has had on labor movements in most other capitalist countries (including France). Yet the ability of the Swedish labor movement to influence the process of structural change has been almost entirely of a defensive nature, and the viability of protective mechanisms has gradually eroded. The focus of manpower policy has shifted from the promotion of labor mobility to the maintenance of existing employment, and maintaining the aggregate level of employment has increasingly come to depend on the continued expansion of the public sector. Selective state intervention in the restructuring

of capital has expanded greatly, but industrial policies have been of an *ad hoc* character and have primarily served to bail out and consolidate declining industries.

Arguably, welfare provision and state interventionism have undermined the "natural dynamics" for capitalist recovery, and contributed to the protracted nature of crisis.[52] In any case, they have brought about a very serious fiscal crisis of the state. The labor movement's inability to pursue an offensive response to the problems of structural change might, of course, be attributed to the reversal of government and opposition in 1976. The argumentation developed earlier suggests that it can also be seen as a consequence of the corporatist framework of policy-making and the structural constraints on state interventionism built into the Swedish political economy. The evolution of industrial policy under the new social democratic government should provide a means to "test" the latter interpretation.

The discussion in this essay implies that the institutional framework of the state and its relationship to the economy pose structural obstacles to the extension of democratic control of the economy in both Sweden and France. But the character of such obstacles differs. The contrast between the two cases might be summed up by saying that private control of the investment process constitutes the principal obstacle to the extension of democratic control in Sweden, while the state's autonomy from popular pressures constitutes the principal obstacle in France. This characterization is meant to indicate the "front lines" of class conflict. Needless to say, it is *not* meant to imply that the interventionist state in France is prefigurative of socialist planning, nor that the corporatist mode of interest representation in Sweden is prefigurative of socialist democracy.

I shall not speculate on the prospects of socialism in Sweden and France.[53] Suffice it to note that the disunity and organizational weakness of the French labor movement leaves a troublesome gap between the socialist government and its popular base, which seems likely to promote an economic strategy that relies on existing mechanisms of state intervention. As I have tried to suggest, however, the process of policy-making is closely related to content of policy, and it seems doubtful that such a strategy would serve the interests of the working class. On the other hand, the centralized and hierarchical structure of the Swedish labor movement constrains its capacity to mobilize popular support for wage-earner funds and other anti-capitalist objectives. What has been a source of strength in a situation of corporatist bargaining and centralized wage negotiations may prove a source of weakness in a confrontation with capital. The power exercised by labor within capitalism is not coterminous with nor directly translatable into the power to transform capitalism.

NOTES

1. The term "political economy" is here used to denote a historically specific set of structures or processes through which politics and economics are linked to each other. The state is a component of the political economy, but the latter does not encompass the state in its entirety (and the same goes for the economy). Though the substance is different, I use the term "political economy" in a way similar to that in which Gramsci used the notion of a "historical bloc." As subsequent notes will indicate, some Marxists have recently begun to investigate political-economic arrangements from a comparative perspective. A fairly extensive non-Marxist literature with this orientation has also emerged. For some particularly useful samples of the latter, see Andrew Shonfield's classic, *Modern Capitalism: The Changing Balance of Public and Private Power* (London: Oxford University Press, 1965); the various contributions to Peter Katzenstein, ed., *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial Societies* (Madison: University of Wisconsin Press, 1978), especially the conclusion by the editor; and John Zysman, *Government, Markets and Growth: Financial Systems and the Politics of Industrial Change* (Ithaca, N.Y.: Cornell University Press, forthcoming).

2. The reader familiar with Marxist state theory wil probably recognize that my approach has been very much inspired by some of the formulations in Nicos Poulantzas, *State, Power, Socialism* (London: New Left Books, 1978).

3. Cf. Gösta Esping-Andersen and Roger Friedland, "Class Coalitions in the Making of West European Economics" in Maurice Zeitlin, ed., *Political Power and Social Theory,* v. 3 (Greenwich, Conn.: JAI Press, 1982), pp. 1–52.

4. See, e,g., Walter Korpi, *The Working Class in Welfare Capitalism: Work, Unions and Politics in Sweden* (London: Routledge & Kegan Paul, 1978), pp. 45–49; and John Stephens, *The Transition from Capitalism to Socialism* (London: Macmillan, 1979), pp. 77–81. According to Korpi, it is the recognition of the inequailty of power resources in capitalist society, and not the conception of the state, that distinguishes Marxism from pluralism. My critique of these authors' treatment of class power and the state is developed in Pontusson, "Socialdemocratin inför socialismen?" in *Häften för Kritiska Studier,* v. 15, no. 6 (1982), pp. 30–58 (English version forthcoming in *New Left Review*).

5. This line of argument has been developed most consistently by Fred Block, "The Ruling Class Does Not Rule: Notes on the Marxist Theory of the State" in *Socialist Review,* no. 33 (May–June 1977), pp. 6–28.

6. Cf. Christine Buci-Glucksmann and Göran Therborn, *Le Défi social-démocrate* (Paris: Maspéro, 1981), esp. pp. 127–130.

7. Cf. Stephens, p. 166, and Francis Castles, *The Social Democratic Image of Society: A Study of the Achievements and Origins of Scandinavian Social Democracy in Comparative Perspective* (London: Routledge & Kegan Paul, 1978), pp. 87–88.

8. See Stephens, p. 168. In 1971, direct taxes accounted for 58.7% of total tax revenues in Sweden, and only 30.3% in France. As the room for income tax increases diminished, the importance of indirect taxation for financing the continued expansion of the Swedish welfare state increased during the 1970s. This development illustrates the limits of welfare state achievements (see below).

9. Such an interpretation is advanced by Mats Dahlkvist, *Staten, socialdemokratin och socialismen* (Lund: Verdandi/Pris:ma, 1975), for example. By means of an elaborate quantitative analysis of seventeen countries. Stephens shows that levels of welfare spending and progressive taxation correlate closely with levels of workforce unionization, electoral support of labor parties, and other indicators of labor strength (chap. 4). The significance of Stephens' findings is limited, however, by the absence of a historical perspective, and the reliance on correlations between different variables rather than an analysis of causal mechanisms. The problems with such an approach are dicsussed by Göran Therborn et al., "Sweden Before and After Social Democracy: A First Overview," *Acta Sociologica,* no. 21 (1978), pp. 37–58. Among other things, the latter present evidence which indicates that Swedish society was already more egalitarian than most

other advanced capitalist countries before the period of social democratic rule began.

10. See Esping-Andersen, *Social Class, Social Democracy, and State Policy: Party Policy and Party Decomposition in Denmark and Sweden* (Copenhagen: New Social Science Monographs, 1980), chaps. 6 and 10.

11. This kind of argument is developed by Samuel Bowles and Herbert Gintis, "The Crisis of Liberal-Democratic Capitalism: The Case of the U.S." in *Politics and Society,* v. 11, no. 1 (1982), pp. 51–93, and Esping-Andersen, "Politics against Markets: De-Commodification in Social Policy" (unpublished manuscript, Harvard University, 1981). See also Ian Gough, *The Political Economy of the Welfare State* (London: Macmillan, 1977), chap. 6, for a discussion of some of the issues involved here.

12. For an interesting analysis of this divergence in two very similar countries, see Esping-Andersen, *Social Class,* passim, or idem, "Social Class, Social Democracy and the State: Party Policy and Party Decomposition in Denmark and Sweden" in *Comparative Politics,* v. 11, no. 1 (October 1978), pp. 42–58.

13. For the latter view, see Stephens, op. cit.; Esping-Andersen, *Social Class;* and Nixon Apple, Winston Higgins, and Mike Wright, *Class Mobilization and Economic Policy: The Struggle over Full Employment in Britain and Sweden, 1930–1980* (Stockholm: Arbetslivscentrum Working Papers, mimeo, 1981). The contrast between my treatment of Swedish economic policy and those of Esping-Andersen and Apple et al. illustrates the significance of choosing to compare one pair of countries as opposed to another.

14. The following typology, which could obviously be extended and refined much further, draws on discussions by Esping-Andersen and Friedland, op. cit., and Zysman, op. cit.

15. Cf. Korpi, pp. 80–85, 320–322.

16. The commonly held notion that the social democratic crisis program in the 1930s rested on Keynesian premises is challenged by Nils Unga, *Socialdemokratin och arbetslöshetsfrågan 1912–1934* (Stockholm: Arkiv, 1976). In support of the thesis that the social democrats, much like bourgeois parties, only advocated deficit spending as a temporary measure, Unga points out that the government began to repay its debts as soon as some signs of recovery appeared in 1934. Be that as it may, there no longer appears to be much controversy concerning the proposition that social democratic policies played a relatively minor role in the recovery (due first and foremost to the devaluation of 1931, and the export boom generated by the arms race on the continent).

17. Lennart Waara, *Den statliga företagssektorns expansion* (Stockholm: Liber, 1980), pp. 80–81. The fact that employment in state enterprises in France at the same time accounted for only 11.5% of the workforce (as compared to 7.1% in Sweden) is indicative of their capital-intensive character (ibid., p. 85).

18. Cf. Stephen Cohen, *Modern Capitalist Planning: The French Model,* 2nd ed. (Berkeley: University of California Press, 1977)—by far the best book on the subject.

19. This analysis is taken from Zysman, chaps. 1 and 3. See also François Morin, *La Structure financière du capitalisme français* (Paris: Éditions du Seuil, 1977).

20. See Andrew Martin, "Economic Stagnation and Social Stalemate in Sweden: in *Monetary Policy, Selective Credit Policy and Industrial Policy in France, Britain, West Germany and Sweden* (staff study prepared for the Joint Economic Committee, US Congress, June 1981), pp. 173–175.

21. Annual pension fees no longer cover annual pension payments. Since the early 1970s, moreover, the real rate of interest on pension fund investments has very seldom kept up with the rate of inflation. On these problems, and the role of the pension funds in the financial system, see Martin, "Economic Stagnation and Social Stalemate," pp. 167–184, 195–212.

22. H. G. Jones, *Planning and Productivity in Sweden* (London: Croom Helm, 1976), chap. 2. Cf. also Gunnar Persson and Lennart Berntson, "The Swedish Labor Market Policy" in John Fry, ed., *The Limits of the Welfare State: Critical Views on Post-war Sweden* (Westmead, England: Saxon House, 1979), pp. 191–203.

23. Cf. Gerhard Lehmbruch, "Introduction: Neo-Corporatism in Comparative Perspective" in Lehmbruch and Philippe Schmitter, eds., *Patterns of Corporatist Policy-Making* (Beverly Hills, Calif.: Sage Publications, 1982), pp. 1–28.

24. Cf. Leo Panitch, "The Development of Corporatism in Liberal Democracies" in ibid., pp. 119–146, and idem, "Trade Unions and the Capitalist State" in *New Left Review,* no. 125 (January–February 1981), pp. 21–43. Other treatments of corporatism from a Marxist perspective include Bob Jessop, "Corporatism, Parliamentarism and Social Democracy" in Schmitter and Lehmbruch, pp. 147–184; and Colin Crouch, "The Changing Role of the State in Industrial Relations in Western Europe" in Crouch and Alessandro Pizzorno, eds., *The Resurgence of Class Conflict in Western Europe since 1968* (New York: Holmes & Meier, 1978), vol. 2, pp. 197–220.

25. The attempt to implement an incomes policy in the public sector, proposed as part of a larger "social contract" by the Chaban-Delmas government in 1969–71, faltered largely on intra-union rivalries. Once some unions rejected the idea, those which were inclined to accept were forced to adopt a tougher attitude so as not to lose rank-and-file support. See Martin Schain, "Corporatism and Industrial Relations in France" in Philip Cerny and Schain, eds., *French Politics and Public Policy* (New York: St. Martin's Press, 1980), pp. 243–266.

26. On the unions' marginalization, the inherent obstacle to their ability to influence the planning process, and their attitudes via-à-vis planning, see Cohen, op. cit., pp. 191–214.

27. See Ezra N. Suleiman, *Elites in French Society: The Politics of Survival* (Princeton, N.J.: Princeton University Press, 1978), chaps. 8–9, for a discussion of the role of the bureaucratic elite in economic policy-making and its linkages to the business community.

28. This points to the basic differences that separate the postwar development of state interventionism from the kind of "planning" that was organized by the Vichy regime during the war. The latter was based on resource allocation and self-regulation by each industry rather than state initiatives to promote economic development.

29. In this and many other respects, the French case resembles the Japanese. See, e.g., T. J. Pempel and Keiichi Tsunekawa, "Corporatism Without Labor? The Japanese Anomaly" in Schmitter and Lehmbruch, pp. 231–270.

30. See Dahlkvist, pp. 198–206.

31. Cf. Apple and Higgins, "Vad gör reformister när de reformerar?" in *Häftern för kritiska studier,* v. 15, no. 6 (1982), pp. 5–29.

32. This critique is developed by Panitch, "Recent Theoretizations of Corporatism: Reflections on a Growth Industry" in *British Journal of Sociology,* v. 31, no. 2 (June 1980), pp. 159–187.

33. Cf. Claus Offe and Helmut Wiesenthal, "Two Logics of Collective Action: Theoretical Notes on Social Class and Organizational Form" in Zeitlin, op. cit., v. 1 (1980), pp. 67–115.

34. A more complete account of the formative experiences of different labor movements would, of course, also have to consider the process of democratization, and the struggle for universal suffrage in particular. I ignore this dimension here, not because I think that it is less important, but rather because treating it would require a more detailed reconstruction of the political histories of Sweden and France. For similar reasons, the discussion in this part generally overlooks the role of specific events, individuals, parties, etc.

35. These arguments concerning the consequences of industrialization for the character of the labor movement are taken from Geoffrey Ingham, *Strikes and Industrial Conflict: Britain and Scandinavia* (London: Macmillan, 1974); see pp. 67–87 for his discussion of the Swedish case.

36. See Bernard Moss, *The Origins of the French Labor Movement, 1830–1914* (Berkeley: University of California Press, 1976).

37. Cf. Stanley Hoffmann, "Paradoxes of the French Political Comunity" in Hoffman et al., *In Search of France* (New York: Harper & Row, 1963), esp. pp. 3–21.

38. The Agrarian Party was formed in 1914–15, but the tradition of political independence can be traced back to the existence of a separate (fourth) peasant estate prior to the introduction of parliamentarism. On the historical reasons for the distinctive characteristics of the Swedish peasantry, see Castles, pp. 134–142.

39. Cf. Giovanni Arrighi, "Towards a Theory of Capitalist Crisis" in *New Left Review,* no. 111 (September-October 1978), pp. 3-24.

40. According to the quantitative analysis presented by Stephens, pp. 98-117, white-collar unionization constitutes the single most important source of national variations in levels of total workforce unionization among the advanced capitalist countries, and this variable correlates very closely with the incumbency of labor parties.

41. Cf. Sven Anders Söderpalm, *Direktörslubben* (Stockholm: Zenit/Rabén & Sjögren, 1976).

42. The importance assigned to the reforms of the immediate postwar period, and hence to the role of labor, distinguishes the present account from conventional treatments of the interventionist state as either an expression of traditional French *étatisme* (see Shonfield, e.g.) or a product of the Gaullist coup in 1958.

43. The argument here is formulated more carefully in Pontusson, "Apropos Mitterrand: State Power, Class Coalitions, and Electoral Politics in Postwar France" in *Kapitalistate,* no. 9 (1981), pp. 123-141. Cf. also Cohen, "The Political Economy of Gaullism" in William G. Andrews and Stanley Hoffman, eds., *The Fifth Republic at Twenty* (Albany: State University of New York Press, 1981); and Suzanne Berger, "The Traditional Sector in France and Italy" in Berger and Michael Piore, *Dualism and Discontinuity in Industrial Societies* (London: Cambridge University Press, 1980), pp. 88-131.

44. According to George Lefranc, *Le Mouvement syndical de la libération aux événements de mai-juin 1968* (Paris: Payot, 1969), membership of the communist-dominated union confederation (CGT) dropped from 5.5 million in 1947 to 2.5 million in 1952. These losses are only to a small part accounted for by the formation of a rival, socialist-oriented confederation (CGT-FO) in 1947.

45. For example, any agreement made between an employer and a union is legally binding for the other unions as well. For a discussion of the underdevelopment of collective bargaining, see Jean Bunel and Jean Saglio, "La Faiblesse de la négociation collective et le pouvoir patronale" in *Sociologie du Travail,* v. 19, no. 4 (1977), pp. 383-401.

46. The circumstances and motives behind LO's wage-bargaining strategy and the history of its implementation are described very thoroughly by Apple, Higgins and Wright, op. cit., and Martin, "Trade Unions in Sweden: Strategic Responses to Change and Crisis" in George Ross, Andrew Martin, and Peter Gourevitch, eds., *Unions and the 1970's Economic Crisis* (London: George Allen & Unwin, forthcoming). Cf. also Martin, "The Dynamics of Change in a Keynesian Political Economy: The Swedish Case and Its Implications" in Colin Crouch, ed., *State and Economy in Contemporary Capitalism* (New York: St. Martin's Press, 1979), pp. 88-121.

47. Most discussions of LO's strategy fail to go beyond a description of how this strategy is supposed to work. For an interesting attempt to assess how it actually has worked and what its consequences have been, see Martin, "Distributive Conflict, Inflation and Investment: The Swedish Case" in Leon Lindberg and Charles Maier, eds. *The Politics of Inflation* (Washington, D.C.: Brookings Institution, 1982). Martin argues that LO must allow a certain amount of wage drift to ensure the acceptance of its strategy by higher-paid workers, but must in turn compensate for wage drift through higher wage demands, and that total wage increases have consequently come to threaten the average level of profitability needed to maintain investment.

48. Cf. Esping-Andersen and Friedland, op. cit.

49. Cf. Martin, "Trade Unions in Sweden." As Martin points out, LO's strategy of structural change actually depends on restrictive fiscal policies to absorb the "excess liquidity" of profitable firms, and thereby prevent them from bidding up the price of labor. Wage drift can partly be attributed to the government's failure to pursue such a policy orientation.

50. See Martin, "Distributive Conflict," and James Fulcher, "Class Conflict: Joint Regulation and Its Decline" in Richard Scase, ed., *Readings in the Swedish Class Structure* (London: Pergamon Press, 1976), pp. 51-98.

51. See Pontusson, "Apropos Mitterrand," pp. 127-131.

52. Cf. Ulf Himmelstrand et al., *Beyond Welfare Capitalism: Issues, Actors and Forces in Societal Change* (London: Heinemann, 1981), esp. chap. 10.

53. For an interesting discussion of labor strategies and prospects of socialism in these two countries, see Mark Kesselman, "Prospects for Democratic Socialism in Advanced Capitalism: Class and Compromise in Sweden and France" in *Politics and Society,* v. 11, no. 42 (1982), pp. 367-438. Cf. also Pontusson, "Socialdemokratin inför socialismen?"

The Fordist Security State and New Social Movements

Joachim Hirsch

I

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

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

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

society, the changes in the forms of surplus production, of class structure, of internationalization of capital, and of societalization in general.

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

II

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

A theory of the state has to be based on a historical theory of the formation of society and its changes. Such a theory does not exist in a developed form. Even Marx's criticism of political economy can only be seen as a basis for that. Regarding contemporary Marxist thought, it seems reasonable to use some approaches concerning the internationalization of capital, as developed within the French debate (see Aglietta, 1976; Palloix, 1977; Lipietz, 1982; and Davis, 1978). In this debate there is no theory of the state in a strict sense, but an analysis dealing with

Marx's theory of accumulation and crisis concerning secular trends in conditions of production, reproduction and socialization. This can be helpful for an analysis of the state, and thus will be described briefly.

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

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

This resulted in a tendency toward a thorough social disintegration, throughout many different social spheres. The destruction of traditional ways of production and ways of life replaced a well-functioning social community by a conglomeration of isolated and atomized workers and consumers (the desolation of the suburbs can be taken as an example). Forced geographical and professional mobility, together with permanent de- and re-qualification processes, led to a disintegration of relationships concerning neighborhood, profession and kinship. The intensification of work, together with simultaneous structural unemployment, caused social marginalization, such as constant unemployment, pressure into

peripheral labor markets, sickness, and a forced dropping out of the achievement-oriented society. The nuclear family, isolated and at the same time overburdened with compensatory emotional demands, not only lost its ability to secure material reproduction for old age and sickness; it also failed as an agency of socialization to help adolescents come to terms with their increasingly difficult roles as flexible and usable workers and consumers.

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

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

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

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

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

To summarize what has been said so far: in order to secure the realization of capital, the need to capitalize society is inherent in the historical process of accumulation. This does not only mean a development of the forces of production in capitalist terms; it also requires a profound change in the division of labor, in class relations, and generally in social relations. Within the capitalist framework, therefore, we have to acknowledge a change in the mode of production. It is based on the destruction of the natural, as well as the social, conditions of capitalist production. To attain these conditions (in capitalist terms), a social organization (a par-

ticular form of state) is now necessary. The resulting statification of society changes the state's character thoroughly, as it no longer can be regarded as a repressive and ideological superstructure. It becomes a main constituent of the "basis" of social life itself. This also means, however, that old ideas of a revolutionary "destruction" of the state have to be revised. The process of revolution has to be thought of in a different way. At the same time, old notions which previously described forms of the bourgeois state, such as parliamentarism, fascism, etc., are no longer sufficient. The "security state" has emerged as a new form in history. In a certain sense it is simultaneously a post-fascist and a post-democratic state, and therefore class struggle is now taking place within a very different arena.

III

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

However, this should not be seen as an inadequacy of theory, but as an expression of contradictory social tendencies that must manifest themselves in specific social conflicts, which in turn cannot be understood without this contradiction. One can expect then that the mode of forming compromises between fractions of capital, as it is mediated via the state apparatus, and of integrating the exploited and oppressed classes, will take on new forms in this historical process and will therefore produce new levels of social conflict. Furthermore, it would be interesting to analyze, along these lines, the contradiction concerning partialization and homogenization of state apparatuses as indicated by Poulantzas. This contradiction, which assumes the shape of increasing supervision and

control by security agencies, leads to major conflicts within political apparatuses.

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

The transformation of political parties into quasi-state apparatuses is mainly based on the fordist restructuring of society. Because of the increasing capitalization of society, resulting in social disintegration, the destruction of the traditional workers' community, the differentiation and fragmentation within the working class, the rise of a "new middle class," and forced mobility, the parties have changed from organizations for political class interests to bureaucratic and mass-integrative apparatuses. In contrast to traditional political parties (bourgeois as well as labor parties), these new parties are characterized by a distinct detachment from social relations and of experience (decreasing activities of members on the lower levels of organization, disappearance of "party social life," especially in labor parties), and a simultaneous increase of bureaucratization. The modern mass parties appear as quasi-state apparatuses with a high degree of centralization, dominated by bureaucratic elites, and at the same time are characterized by a very nebulous social basis and program ("people's parties"). Typical traits include increasing juridical privileges (raising them to the level of constitutional organs) as well as increasing public financing, which in turn leads to a further alienation from their members. This development cannot be explained in the narrow sense of the sociology of formal organizations; rather it is based on the above mentioned fordistic changes in socialization and class structure.

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

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

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

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

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

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

Third, a relative stabilization of mass consumption was achieved, with a simultaneous limitation of wages and a stabilization of profits (mass consumption being the basis of a fordistic way of realization of capital). The modern corporative regulation cartel actually was the political basis

for the Keynesian policy suitable for realization, which could not have been established without disciplined unions. And finally, the economic processes of restructuring, defined by the world market, were carried through and led to intensification of labor, structural unemployment, dequalification, etc. These consequences were accepted by unions out of an interest in the economic stability of the general system, and were supported with certain "social" modifications. As this kind of "social-contractual" form of social regulation became the essential political precondition for capitalism, highly advanced in technological terms, the importance of social-democratic parties (or similar parties) increased. The crisis of these social-democratic parties (in a broad sense) therefore coincides with the crisis of the fordist form of socialization. They have supported this mode of socialization and of accumulation from the New Deal in the United States to the era of reform in West Germany in the late sixties, and with it, are now facing profound difficulties.

IV

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

These moments of crisis mainly result from the fact that the corporatist system of mass integration excludes various interests which can no longer be handled within the political system. A major factor is the separation of mass integrative apparatuses from their social basis as well as their bureaucratic centralization. The system of political apparatuses therefore becomes rather insensitive and unresponsive to social interests and problems. Thus, larger parts of the population no longer feel truly represented. Hence social conflicts and problems unfold outside of the bureaucratic sphere of control and perception. While the political apparatus's capacity to regulate is strengthened by the bureaucratization and statification of parties and unions, the capacity to process problems and the ability to perceive and mediate opposing social interests drastically decreases. Such problems and conflicts are systematically neglected, which means they remain virulent, even if in a new form.

Furthermore, the establishment of the corporatist regulation cartel

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

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

First, conflicts occur between the bureaucratic apparatus and between members *within* the mass integrative parties. These conflicts become more frequent and more significant as these apparatuses are increasingly forced to oppose the interests of their members and constituencies as they attempt to stabilize the system. Arguments within the party's wings become more important than the opposition between the parties; conflicts over internal democracy in unions and the right to strike become more important than the ritualized and bureaucratically mediated negotiations between union elites and employer associations. The more such conflicts are suppressed within the hegemonic institutions, and the more mass-integrative institutions do not tolerate open dissent, the more significant these conflicts become.

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

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

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

One has to keep in mind, however, that it was just this transformation of social structures and the corresponding form of political organization that has led to the rise of these new social movements, and which allows for new ideas of politics and of social emancipation and development to unfold. The security state therefore is not as strong as it seems to be. However, these movements are quite ambivalent and diffuse in ideology, and difficult to assess in their social character. One cannot refute that alternative movements might function as a moment in the integrative stabilization of the fordistic division of society and hence prove to be a functional correlate for corporatist regulation. Just as well, one might argue that their inherent tendency for destatification, self-management, and direct representation of interest might be regarded as a stabilizing

counter-movement to guarantee the autonomization that otherwise might be threatened by the advancing process of fordistic statification.

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

BIBLIOGRAPHY

Aglietta, Michel. *Régulation et crises du capitalisme. L'éxperience des États-Unis*. Paris: Calmen-Lévy, 1976.

Aglietta, Michel. "Phases of US Capitalist Expansion." *New Left Review*, no. 110 (1978), p. 17.

Davis, Mike. "'Fordism' in Crisis: A Review of Michel Aglietta's 'Régulation et crisis: L'éxperience des États-Unis.'" *The Review*, no. 2 (1978), p. 207.

Esser, Josef; Wolfgang Fach; and Georg Simonis. "Grenzprobleme des 'Modells Deutschland.'" *PROKLA*, no. 40 (1980), p. 40.

Hirsch, Joachim. *Der Sicherheitsstaat. Das 'Modell Deutschland,' seine Krisen und die neuen sozialen Bewegungen*. Frankfurt: Europäische Verlagsanstalt, 1980.

Hirsch, Joachim, and Roland Roth. "'Modell Deutschland' und neue soziale Bewegungen." *PROKLA*, no. 40 (1980), p. 14.

Holloway, John, and Sol Piciotto. *State and Capital: A Marxist Debate*. London: Edward Arnold, 1978.

Inglehart, R. *The Silent Revolution*. Princeton: Princeton University Press, 1977.

Lipietz, Alain. "Towards a Global Fordism?" *New Left Review*, no. 134 (1982), p. 33.

Mandel, Ernest. *Long Waves of Capitalist Development: The Marxist Interpretation*. Cambridge: Cambridge University Press, 1980.

Palloix, Christian. *Procès de production et crise du capitalisme*. Grénoble: Presses Universitaires de Grénoble/Maspéro, 1977.

Poulantzas, Nicos. *L'état, le pouvoir, le socialisme*. Paris: Presses Universitaires de France, 1978.

Accumulation Strategies, State Forms, and Hegemonic Projects

Bob Jessop

Despite the burgeoning literature on the state in capitalist societies, we are still ill-equipped to deal with some fundamental theoretical problems. The search for solutions has often led Marxists quite properly to draw on non-Marxist concepts and approaches but this sometimes involves the risk of dissolving a distinctively Marxist analysis into a broadly pluralistic, eclectic account of the state.[1] Among the more problematic issues in the field of state theory are the alleged "relative autonomy" of the state, the sources of the class unity of state power, the periodization of the state, its social bases, the precise nature of hegemony and its articulation with coercion, and the role of the nation-state in the changing world system. No doubt a much longer list could be compiled. But these issues alone are more than enough to occupy us in the present paper. I approach them through the more general topic of form analysis and its implications for the economic and political spheres of capitalist society. In particular I will argue that the value form and state form are indeterminate and must be complemented by strategies that impart some substantive coherence to what would otherwise remain formal unities. It is in this context that I will elaborate the concepts of "accumulation strategy" and "hegemonic project."[2] Let us begin with the fundamental concept of any serious Marxist economic analysis by considering the implications of the value form.

The Capital Relation and the Value Form

Capital is a form-determined social relation. The accumulation of capital is the complex resultant of the changing balance of class forces in struggle interacting within a framework determined by the value form. The value form is the fundamental social relation that defines the matrix of capitalist development.[3] It comprises a number of interconnected elements that are organically linked as different moments in the overall reproduction of the capital relation. In the sphere of circulation these elements include

the commodity, price, and money forms through which the exchange of goods and services is mediated. In the sphere of production the value form is embodied in the organization of the labor process as a process of valorization ("value-adding") and its subordination under competitive pressures to the requirements of reduced costs and/or increased output. In relation to the work force the value form is associated with the commodification of labor-power, its subordination to capitalist control in the labor process, and its remuneration and reproduction through the wage-form. More generally, the value form is linked to the law of value. This is the mechanism governing the allocation of labor time among different productive activities according to the fluctuation of market prices around prices of production which reflect the socially necessary labor time embodied in different commodities. In capitalist economies this mechanism is mediated through fluctuations in profits (market price less cost price) and the uncoordinated decisions of competing capitals about the opportunities for profit associated with different patterns of investment and production. These interconnected elements of the value form define the parameters in which accumulation can occur and also delimit the sorts of economic crises which can develop within capitalism.

Although it is impossible to understand the historical specificity of capitalism without reference to the complex ramifications of the value form, the value form itself does not fully determine the course of accumulation. Indeed the very substance of value (the socially necessary labor time embodied in commodities) depends in large part on the ability of capital to control wage-labor in the production process. And this in turn depends on the outcome of an economic class struggle in which the balance of forces is molded by many factors beyond the value form itself. Moreover, the complex internal relations among the different moments of the value form possess only a formal unity, i.e., are unified only as modes of expression of generalized commodity production. The substantive unity and continued reproduction of the circuit of capital depend on the successful coordination of these different moments within the limits of the value form. But this coordination is necessarily anarchic (since it is only through the competitive logic of market forces with all their unintended consequences that the essentially private economic decisions and activities of the capitalist system receive any social validation) and there are many points at which the circuit can be broken and economic crises emerge. Further, while the possibilities and forms of such dislocations and crises are inherent in the circuit of capital, their actual emergence, timing, and content depend on many factors extending beyond the matrix established by the value form. These factors include not only the vagaries of competition among individual capitals and the changing conjunctures of the economic class struggle but also the contingent provision of the various external conditions (such as legal and political systems) needed for capitalist production and market forces to operate. In

short, although the basic parameters of capitalism are defined by the value form, form alone is an inadequate guide to its nature and dynamics.

This means there is no necessary substantive unity to the circuit of capital nor any predetermined pattern of accumulation. Within the matrix established by the value form there is considerable scope for variation in the rhythm and course of capitalist development. In this sense the value form constitutes a terrain for various attempts to reproduce the capital relation and the nature of accumulation depends on the success or failure of these attempts. In examining these attempts we need to develop notions for the analysis of economic strategies. Hitherto Marxist analyses have tended either to adopt a "capital logic" approach which subsumes different patterns of accumulation under general economic "laws" and/or to reduce them to specific "economic-corporate" struggles among various fractions and classes.[4] To fully comprehend this variation in accumulation patterns we need "strategic-theoretical" concepts that can establish meaningful links between the abstract, "capital-theoretical" laws of motion of the value form and the concrete modalities of social-economic struggles analyzed by a "class-theoretical" approach which neglects form in favor of content.[5] The concept of "accumulation strategy" is particularly useful here, and it is worth considering its implications in some detail.

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

In contrast, *economic hegemony* derives from economic leadership won through general acceptance of an accumulation strategy. Such a strategy must advance the immediate interests of other fractions by integrating the circuit of capital in which they are implicated at the same time as it secures the long-term interests of the hegemonic fraction in controlling the allocation of money capital to different areas of investment advantageous to itself.[6] Thus, whereas *economic domination* could well prove incompatible with the continued integration of the circuit of capital and result in the long-run devalorization of the total social capital (owing to its adverse effects on industrial capital as the ultimate determining moment in the overall circuit), *economic hegemony* is won through the integration of the circuit and the continued expansion of industrial capital even where a non-industrial fraction is hegemonic. It is only through a systematic consideration of the complex forms of articulation and disarticulation of *economic determination* in the last instance, *economic domination*, and *economic hegemony* that we will be able to understand the equally complex dynamic of the capitalist economy.

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

There is considerable scope for variation in the hegemonic fraction. It can vary in terms of its primary function in the circuit of capital (banking, industrial, commercial), its mode of accumulation (competitive, monopoly, or state monopoly),[8] and its location in the international economy (national, comprador, international, interior).[9] But all such variation is conditioned by the determinant role of industrial capital in the overall accumulation process. Thus, even if banking or commercial capital enjoys hegemony and/or economic domination, this must ultimately be compatible with the continued valorization of industrial capital. If such valorization does not occur on an appropriate national or international scale, there will be a declining mass of surplus value for distribution among all capitals. In turn this will provoke a general crisis of capital accumulation and/or long-run decline that can be resolved within a capitalist framework only by the development of a new and relevant accumulation strategy. This can be illustrated from the British case. For, whereas the hegemony of the City was compatible with industrial growth in the nineteenth century when international loans could be used to finance the sale of goods produced in the principal "workshop of the world," the rise of American and German industrial capital disrupted this community of interests. The subsequent pursuit of the "economic-corporate" interests of banking capital has contributed to the steady de-industrialization of the British economy.[10]

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

In this context it is worth noting that *economic hegemony* may best be secured where it is backed up by a position of *economic domination*. Just as Gramsci considers that state power is best interpreted as "hegemony armored by coercion," the expanded reproduction of capital is best viewed as "economic hegemony armored by economic domination." The skillful use of a position of economic domination through the allocation of money capital can bring recalcitrant capitals into line and/or encourage activities beneficial to the overall integration and expansion of the circuit of capital. With the transition from liberal capitalism to simple monopoly and state monopoly capitalist forms, the state comes to play an important role in this respect through the expansion of the public sector, the increasing role of taxation as a mechanism of appropriation, and the crucial role of state credit in the allocation of money capital. More generally one should also note the role of extra-economic coercion (mediated through the exercise of state power), in securing the various preconditions for an accumulation strategy.

Finally it should be emphasized that an accumulation strategy must

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

Some Implications of the Concept of "Accumulation Strategy"

These general comments can be illustrated in various ways. At the level of the pure CMP (capitalist mode of production), in the monopoly or state monopoly stage, the role of "Fordism" as an accumulation strategy needs little introduction (although its application in different metropolitan formations and at the periphery certainly shows extensive variation). Perhaps the best-known examples of accumulation strategies at the national level are the "import substitution" and "export promotion" growth models developed in Latin America and more recently succeeded by the so-called "export substitution" model.[13] Other national examples include the fascist notion of *Grossraumwirtschaft* (cf. Japan's Asian Co-Prosperity Sphere), the postwar West German strategy of *Sozialmarktwirtschaft,* the more recent West German development of the *Modell Deutschland* strategy, the attempt of British banking capital to subordinate industrial capital to its long-term strategy of restoring the international economic domination of "City" interests after 1945, Japan's "rich country and strong army" strategy from the Meiji Restoration through to its military defeat in 1945, Japan's postwar strategy of peaceful export-led growth under the aegis of state-sponsored finance capital trusts, and the nationalist strategy of indicative planning and modernization in postwar France. At the international level we can refer to *pax Britannica* and *pax Americana* and, most recently, the abortive proposals for a *pax trilateralis* or a new, international Keynesianism oriented to the North-South problem. These strategies and others certainly merit extended discussion. But for the moment I would prefer to bring out some of the theoretical implications of the concept of accumulation strategies.

Firstly, if there is no necessary substantive unity to the circuit of capital nor any predetermined pattern of accumulation that capital must follow, how can one define the interests of capital? At the most general level of abstraction we could perhaps say that the interests of capital consist in the reproduction of the value form along with its various

conditions of existence such as law, money, and the state. This is clearly implied in the very definition of capitalism and might seem purely tautological. But even at this level of abstraction several ambiguities and dilemmas are apparent. It is not at all clear how the interest of particular capitals in their own expanded reproduction mesh with the requirements of the reproduction of capital in general, and there is considerable scope for conflict between what we might call the "will of all" and the "general will." At the same time there is a permanent strategic dilemma confronting capital in general as well as particular capitals in the dependence of the value form upon non-value forms of social relations and the simultaneous threat to the value form posed by the expansion of non-market relations. This dilemma holds not only for the provision of material conditions of production (such as economic infrastructure), but also for the provision of labor-power and its reproduction outside the wage-form. In this sense the interests of capital even at the most general level of abstraction consist in the reproduction of a contradictory and ambivalent nexus of value *and non-value* forms whose reciprocal effects can sustain capital accumulation. The balance among these forms can be struck in various ways and is typically unstable and provisional. In this sense the capital relation actually comprises an indeterminate terrain on which different particular capitals compete to establish a definite course of accumulation which successfully articulates their own particular interests with those of capital in general. In short, the collective interests of capital are not wholly given and must be articulated in and through specific accumulation strategies which establish a *contingent* community of interest among particular capitals. Hence the interests of particular capitals and capital in general will vary according to the specific accumulation strategy that is being pursued. By drawing out all the implications of this conjunctural, relational approach to economic interests we can produce a radical break with the familiar theoretical dilemmas posed by the choice between the "capital logic" and "class-theoretical" approaches.

A second enduring problem in Marxist analyses of capitalism concerns the question of stages (or periodization), and its implications for the operation of capitalism's "basic laws of motion." It is now widely recognized that attempts to "periodize" capitalism need not imply that there is a necessary, unilinear sucession of stages, that stages are irreversible, or that all national economies will be at the same stage of capitalist development. Moreover, it is not clear that it is possible to periodize capitalism into distinct *stages* involving definite breaks as opposed to the gradual accumulation of specific trends or tendencies. This problem occurs not only at the level of the pure CMP viewed in isolation from the existence of different national capitals, but also at the level of the circuit of capital considered in its international dimension and/or with reference to its articulation with other modes of production and forms of social and private labor.[14] In considering this problem of stages or trends there

would seem to be at least four possible solutions. One could deny the theoretical validity of attempts at periodization and simply talk about different forms of articulation of the circuit of capital and their historical rather than necessary succession. Alternatively, one could argue that any general periodization will necessarily be indeterminate (or underdetermined), and must be limited to the identification of possible changes in the form of the capital relation, its conditions of existence, and its implications for accumulation. Conversely, the factors which influence the timing, sucesses, and substance of any transition (including the sharpness or gradualism of any break) must be determined at more concrete and complex levels of analysis. Third, if one wanted to introduce some principles of explanation into the question of timing, it might be possible to link these potential changes to a crisis theory or long-wave theory of capitalist development. Such a crisis theory or long-wave theory would identify specific obstacles to continued accumulation and consider the areas where the circuit of capital and/or its preconditions need to be reorganized in order to restore its expanded reproduction.[15] Finally, one could give more weight to the restructuring of the state apparatus in the periodization of capital accumulation. For, regardless of whether one emphasizes the accentuation of specific tendencies or trends, or stresses the discontinuities linked with periodic long-wave crises, changes in the form and content of state intervention are typically required to consolidate the dominant features of succeeding stages. The political discontinuities associated with this restructuring of the state could then provide the basis not only for a periodization of the capitalist state but also for the periodization of capitalist economies. What is significant in all of the latter three solutions is the crucial role played by changing accumulation strategies in periodization. Whether one focuses on the general problem of the timing, substance, and success of transitions, on the reorganization of the circuit of capital in response to long wave crises, or on the restructuring of the state apparatus, it would be difficult to provide satisfactory explanations without referring to shifts in accumulation strategy. Indeed, the analysis of such changes seems particularly appropriate in attempts at periodization because it enables us to avoid both a rigid "capital logic" determinism and a simple denial of significant alterations in the nature of the capital relation.

Posing the problem of periodization in these terms nonetheless raises some issues about levels of abstraction. In particular, how should one identify a shift in the dominant accumulation strategy? Martin has recently argued, for example, that there is a specific dynamic to Keynesian full employment policies which requires specific changes in order to counteract the stagflationary tendencies of earlier policies. Thus we find a shift from simple reliance on macro-level demand management to incomes and manpower policies and then to the socialization of investment

funds in the Swedish case, and analogous shifts in other countries committed to full employment.[16] Does movement from one stage of Keynesianism to another imply a change in the nature of capitalism? Our answer clearly depends upon the level of abstraction and complexity in terms of which capitalism is defined. On one level Keynesianism is a general accumulation strategy found in various capitalist economies and marking a long wave of accumulation from the 1930s through to the 1970s. It then can be specified through introducing a more detailed account of national variations reflecting the particular balance of forces in each economy (e.g., "military Keynesianism" in the United States as opposed to "Butskellism" in Britain or social democratic Keynesianism in Sweden). And it can be specified in terms of stages permitting a periodization of Keynesianism itself. But in all cases there is a clear break between Keynesian and pre-Keynesian periods, enabling us to distinguish definite stages rather than simple accentuation of tendencies or trends.

Linked to this issue is a more general problem of the variety of tactics within a given accumulation strategy and the plurality of strategies possible in a given conjuncture. It would clearly be wrong to argue that only one accumulation strategy is ever followed at one time and even more so to suggest that only one tactic is tried in its pursuit. Instead we must recognize that there are various possible strategies with different degrees of support within and across fractions of capital. This reflects different positions within the circuit of capital and/or different modes of economic calculation. Even where there is a dominant accumulation strategy we can expect to find supplementary or countervailing strategies. It is in this context that the capacity to reinforce *economic hegemony* through a resort to the structurally inscribed power of *economic domination* becomes important. At the same time it is important to recognize that there will be several tactics which can be followed in pursuit of a given strategy. The availability of alternative tactics (even if they are not all equally preferred) is essential for the flexible implementation of accumulation strategies. Indeed, insofar as the requirements for expanded reproduction are ambivalent or contradictory and the social validation of economic activities is anarchic and often *post hoc* in character, it is imperative to have a range of tactics available for use on a trial-and-error basis. Moreover, insofar as alternative tactics will have differential repercussions on the position of various particular capitals, fractions, and dominated classes, it is also imperative to have such a range available in order to manage the balance of forces and secure the provisional, unstable equilibrium of compromise on which accumulation depends. This plurality of tactics thereby creates a margin of maneuver for non-hegemonic fractions and dominated classes to pursue their respective "economic-corporate" demands.[17] This may pose threats to the successful implementation of the dominant accumulation strategy. However, if the pursuit of these inter-

ests is conducted within the framework of the dominant strategy (thus moderating the demands of all), it is more likely to contribute to the equilibrium of compromise.

Finally, it is worth asking whether the significance we have attributed to accumulation strategies in the dynamic of capitalist economies implies a voluntarist or idealist approach. We have emphasized that capital accumulation involves a form-determined relation of forces and related accumulation strategies to the value form. In opposition to structural superdeterminism and idealist approaches alike we insist on treating capital accumulation as the contingent outcome of a dialectic of structures and strategies. Structures are given through the various moments of the value form and the emergent properties of social interaction (such as the celebrated effects of "market forces"), whereas the development and pursuit of accumulation strategies reproduce and transform these structures within definite structural limits. There is a complex dialectic at work here. The effectiveness of strategies depends on their adaptation to the margin of maneuver inherent in the prevailing structures and their repercussions on the balance of forces. But it is through exploiting this margin of maneuver that the balance of forces and structures themselves can be changed in the medium and long term. It is for this reason that we insist on the relational, conjunctural approach to the analysis of capital as a form-determined condensation of the balance of class (and class relevant)[18] forces. In this respect it is important to consider not only the value form and directly economic forces but also political and ideological structures, forces, and strategies. Accordingly, we now turn to consider the problem of the state form and political practices.

On the Form of the State

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

At the same time this particularized state form makes the functionality of the capitalist state problematical. For, notwithstanding the loud and frequent proclamation by some Marxist theorists that the state is simply

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

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

In addition to these formal aspects of the state system we must also examine its substantive aspects. As well as the specific policies implemented by the state apparatus there are two more general determinations: the social bases of support for and resistance to the state, and the nature of the "hegemonic project" (if any) around which the exercise of state power is centered. By the social basis of the state we understand the specific configuration of social forces, however identified as subjects and (dis-) organized as political actors, that supports the basic structure of the state system, its mode of operation, and its objectives. This support is not at all inconsistent with conflict over specific policies as long as such conflict occurs within an agreed institutional framework and accepted "policy paradigm" that establishes the parameters of public choice. It should be noted that political support of this kind is not reducible simply to questions of "consensus" but depends on specific modes of mass integration which channel, transform, and prioritize demands, and manage the flow of material concessions necessary to maintain the "unstable

equilibrium of compromise" which underpins such support.[19] It should also be noted that the social bases of the state are heterogeneous and the different social forces will vary in their degree of commitment to the state. At the same time there will be considerable variation in the mix of material concessions, symbolic rewards, and repression directed through the state to different social forces. These variations in support and benefit are typically related to the prevailing hegemonic project (if any) and its implications for the form and content of politics.

In broad terms hegemony involves the interpellation and organization of different "class-relevant" (but not necessarily class-conscious) forces under the "political, intellectual, and moral leadership" of a particular class (or class fraction) or, more precisely, its political, intellectual, and moral spokesmen. The key to the exercise of such leadership is the development of a specific "*hegemonic project*" which can resolve the abstract problem of conflicts between particular interests and the general interest. In abstract terms this conflict is probably insoluble because of the potentially infinite range of particular interests which could be posited in opposition to any definition of the general interest. Nonetheless, it is the task of hegemonic leadership to resolve this conflict on a less abstract plane through specific political, intellectual, and moral practices. This involves the mobilization of support behind a concrete, national-popular program of action which asserts a general interest in the pursuit of objectives that explicitly or implicitly advance the long-term interests of the hegemonic class (fraction) and which also privileges particular "economic-corporate" interests compatible with this program. Conversely those particular interests which are inconsistent with the project are deemed immoral and/or irrational and, insofar as they are still pursued by groups outside the consensus, they are also liable to sanction. Normally hegemony also involves the sacrifice of certain short-term interests of the hegemonic class (fraction), and a flow of material concessions for other social forces mobilized behind the project. It is thereby conditioned and limited by the accumulation process.

But it should be emphasized here that hegemonic projects and accumulation strategies are not identical even though they may overlap partially and/or mutually condition each other. While accumulation strategies are directly concerned with economic expansion on a national or international scale, hegemonic projects can be concerned principally with various non-economic objectives (even if economically conditioned and economically relevant). The latter might include military success, social reform, political stability, or moral regeneration. Moreover, while accumulation strategies are oriented primarily to the relations of production and thus to the balance of class forces, hegemonic projects are typically oriented to broader issues grounded not only in economic relations but also in the field of civil society and the state. Accordingly hegemonic projects should take account of the balance among all relevant social

forces, however these may be organized. It is in this sense that we can refer to hegemonic projects as concerned with the "national-popular" and not simply with class relations. Lastly, given the differentiation between the value form and the form of the state as well as the differential scope and content of accumulation strategies and hegemonic projects, there is obviously room for some dissociation or inconsistency between them in specific conjunctures. In general it would seem obvious that accumulation and hegemony will be most secure where there is a close congruence between particular strategies and projects. But this is not the same as saying that accumulation needs to be the overriding objective of a hegemonic project. Other cases worth exploring would occur where an accumulation strategy is successfully pursued in the absence of hegemony, where the pursuit of an "arbitrary, rationalistic, and willed" hegemonic project undermines the conditions for accumulation, and where demands of continuing accumulation associated with a particular strategy override the requirements of the prevailing hegemonic project.

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

In addition to the aspect of structural determination, attention must also be paid to the development of a hegemonic project which successfully links the realization of certain particular interests of subordinate social forces to the pursuit of a "national-popular" program which favors the long-term interests of the hegemonic force. The conquest of hegem-

ony involves three areas of political, intellectual, and moral leadership. First, it involves the integration of various strategically significant forces as subjects with specific "interests" and the repudiation of alternative interpellations and attributions of interest.[20] Second, it involves the formulation of a general, "national-popular" project whose realization will also advance the particular "economic-corporate" interests perceived by subordinate social forces. Finally, it involves the specification of a "policy paradigm" within which conflicts over competing interests and demands can be negotiated without threatening the overall project.

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

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

Finally, it is worth noting that hegemonic projects also have a crucial role in maintaining the substantive unity of the state apparatus as a complex institutional ensemble. Even where there is a well-defined distribution of functions and powers within the state system and it is organized in a formal, "rational-legal" manner, it is still necessary to translate this formal unity into substantive unity. Consensus on a hegemonic project can limit conflicts within and among the various branches of the state apparatus and provide an ideological and material base for their relative unity and cohesion in reproducing the system of political domination. The fundamental problem of articulating certain "particular interests" into a "general interest" favorable to capital (and discouraging the assertion of other "particular interests"), occurs within the state apparatus as well as in the economic domain and civil society. Thus it affects not only the representation of economic and social interests inside the state but also the *sui generis* interests of political categories such as bureaucrats, deputies, the police, and judges. Indeed the problem of avoiding a merely articularistic reproduction of competing and contradictory "economic-corporate" interests and securing some coordination and cohesion of the state apparatus becomes more pressing with the expansion of that apparatus and the extension of its activities well beyond formal facilitation of capital accumulation to include a wide range of social reproduction and directive activities. In the absence of a modicum of substantive as well as formal unity, however, the state is deprived of the relative autonomy it needs to act as an "ideal collective capitalist" in relation to accumulation and/or to secure social cohesion more generally in its promotion of "national-popular" goals. In this sense we can argue that the relative autonomy of the state is bound up with its substantive unity (a concept preferable to that of class unity), and that both depend on the exercise of state power according to a specific hegemonic project.

Some Implications of the Concept of "Hegemonic Project"

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

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

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

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

In this context an important question is what distinguishes "one" or "two nation" projects from political, intellectual, and moral programs that are non-hegemonic in character. The work of Gramsci is particularly useful here. This work suggests a continuum between an expansive hegemony (or "one nation" project) through various forms of "passive revolution" to an open "war of maneuver" against the popular masses. An expansive project is concerned to extend or expand the *active* support of a substantial majority (if not all) of the popular masses, including the working class (whether or not interpellated as such). This is to be achieved through a combination of material and symbolic rewards whose flow depends on the successful pursuit of a "national-popular" program that aims to advance the interest of the nation as a whole.

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

At the other extreme from an "expansive hegemonic project" is an open *"war of maneuver"* against the organizations of the popular masses, especially those with close links to the working class (where accumulation is at stake), and/or those that express widespread popular support for basic popular-democratic issues and thereby threaten the system of political and ideological domination (e.g., the "new social movements"). Such open wars indicate a crisis of hegemony but they need not be associated with corresponding crises in accumulation strategies. It should also be noted that, although open wars of maneuver sometimes last for many years (especially in dependent capitalist societies), they are often transitional and prepare the ground for a new period of hegemony. In this sense a war of maneuver may well prove to be short-term (at least as the dominant feature of ruling-class strategy) and be coupled with an ideological offensive to redefine the relationships and "interests" of the popular masses and link these to a new (typically "two nations") project. Or there can be a resort to normalization through a "passive revolution." The emergence and consolidation of "exceptional" forms of state, such as fascism, military dictatorship, or Bonapartism, provide numerous ex-

amples of such transitions from war of maneuver to more stable (albeit non-democratic) forms of political domination.

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

Finally, let us consider the implications of hegemony for the periodization of the state. In periodizing capitalism we have already stressed the role of changing accumulation strategies and their associated changes in state intervention. But this latter approach is too one-sided to provide an adequate basis for a periodization of the state. For it focuses on changing forms of state intervention and executive-legislative changes and ignores changes in forms of representation, social bases, and hegemonic projects. It is not too difficult to establish theoretically how the forms of intervention and role of the executive and legislative branches of the state must change to correspond to different modes of articulation of the circuit of capital in relatively abstract terms. It is far less clear how these will change at the level of specific national economies in relation to particular accumulation strategies. It is even more problematic whether there are any necessary changes in the forms of representation and social bases of the state to ensure it correspondence with changes in the circuit

of capital. Certainly the recent analyses of corporatism have a poor track record in accounting for the form of the modern state through the differential development and stability of corporatist institutions and programs. Likewise, Poulantzas' work on "authoritarian statism" remains indeterminate on forms of representation and social bases associated with this new state form.[25] These theoretical problems derive from the underdetermination of the state system by the value form. Moreover, because it is located at the level of actually existing societies rather than the pure CMP or abstract international circuit of capital, the state is necessarily the target and the site of various struggles which extend beyond economic or class issues. These arguments suggest that the periodization of the state must also involve criteria which extend beyond economic or class issues.

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

Concluding Remarks

In conclusion I shall try to bring out some implications that may not be evident and which merit further exploration. First, in following the sort of analysis of the value form suggested by Itoh in Japan or Elson in Britain, I have tried to break with the final bastion of economism in Marxist analysis while retaining the fundamental contribution of *Das Kapital* to the critique of political economy. On the one hand, I have tried to show that there is no essential unity of substance to the value form or the circuit of capital and that any unity that exists—even at the purely economic level—depends on the successful implementation of an appro-

priate accumulation strategy oriented to all the complex economic, political, and ideological conditions necessary to accumulation in a specific conjuncture. On the other hand, I have tried to retain Marx's account of the specificity of the value form and its implications for the dynamic of accumulation rather than dissolve the specificity of the CMP into an all-encompassing, all-flattening "discourse theoretical" approach of the kind adopted in some recent analyses.

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

Third, by introducing the distinction between "accumulation strategy" and "hegemonic project," I have tried to provide a more satisfactory method of analyzing the dilemmas posed by the often contradictory relations between "accumulation" and "legitimation." The approach suggested here seems better on two counts. It emphasizes that "accumulation" is not just an economic issue but extends to political and ideological matters, and has a crucial "strategic" dimension. It also suggests the possibility that the contradiction between "accumulation" and "legitimation" can sometimes be resolved through the elaboration of "hegemonic projects" which successfully assert a general interest in accumulation which also advances the particular interests of subordinate social forces. In turn this possibility depends on specific political and ideological activities that interpellate subjects, endow them with interests, and organize them in conjuncturally specific ways. In this way I hope to have brought out the "relational," contingent character of power relations, interests, and subjectivities, and to have revealed the difficulties in positing "objective" interests in an essentially abstract manner.

Fourth, by treating hegemony in terms of specific "hegemonic projects," I have tried to overcome the tendency inherent in many uses of Gramsci to reduce hegemony to a rather static consensus and/or a broadly defined common sense. Instead I have emphasized the dynamic movement of leadership towards definite aims in specific conjunctures. This approach is hopefully more useful in capturing the nature of hegemonic crises and enables us to distinguish them more clearly from ideological

crises. For a hegemonic crisis is a crisis of a specific hegemonic project and could well be resolved through a respecification of goals and tactics within the same basic ideological matrix. An ideological crisis is more general in form and requires a more radical re-articulation of practical moralities, common sense, and ultimate values.

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

NOTES

1. In part this constitutes a self-criticism. the conclusions to my own recent work tend to neglect the fundamental importance of the value form in Marxist analysis and thereby run the risk of eclecticism. Cf. B. Jessop, *The Capitalist State* (Oxford: Martin Robertson, 1982), passim.

2. The arguments presented here draw on those of another paper but modify them in some respects: see B. Jessop, "Business Organizations and the Rule of Capital: Some Theoretical Problems," *West European Politics* (forthcoming, 1983).

3. The following comments on the value form are heavily indebted to two works: D. Elson, ed., *Value: The Representation of Labour in Capitalism* (London: CSE, 1979) (especially the article on "The Value Theory of Labour" by Elson, pp. 115–180); and M. Itoh, *Value and Crisis* (London: Pluto Press, 1980). Nonetheless, in compressing and simplifying their arguments for the current paper, I have modified their language and have introduced some differences of interpretation. For further discussion, the reader is urged to consult the above works.

4. For further analysis of the distinction between "capital-theoretical" and "class-theoretical" approaches, see: Jessop, *The Capitalist State.*

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

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

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

8. For further discussion of the differences between these modes of accumulation, see B. Fine and L. Harris, *Re-Reading Capital* (London: Macmillan, 1979), and Jessop, *The Capitalist State*, pp. 32-62.

9. The concept of "interior" bourgeoisie was introduced by N. Poulantzas: it refers to a largely industrial, domestic bourgeoisie which is not directly subordinate to foreign capital (as with the comprador bourgeoisie) nor yet completely independent thereof (as with a national bourgeoisie); instead it enjoys a margin of maneuver for independent development within the framework of dependent industrialization (typically under the aegis of American capital). See N. Poulantzas, *Classes in Contemporary Capitalism* (London: NLB, 1975), pp. 69-76 and passim.

10. For further discussion, see S. Pollard, *The Wasting of the British Economy* (London: Croom Helm, 1982).

11. Gramsci argues that there is a world of difference between historically organic ideologies and ideologies that are "arbitrary, rationalistic, and willed"; the same argument can be applied to accumulation strategies. See A. Gramsci, *Selections from the Prison Notebooks* (London: Lawrence & Wishart, 1971), pp. 376-377.

12. For a useful analysis of the complementarity between national accumulation strategies, see the recent article by M. Aglietta, "World Capitalism in the Eighties," *New Left Review*, no. 136 (November-December 1982), pp. 5- 42.

13. On "export substitution," see: A. Lipietz, "Towards Global Fordism?" *New Left Review*, no. 132.

14. A particularly useful periodization of the pure CMP and the internationalization of capital is found in Fine and Harris, *Re-Reading Capital*.

15. A technological variant of this approach can be found in E. Mandel, *Late Capitalism* (London: NLB, 1975); see also Itoh, *Value and Crisis*.

16. Cf. A. Martin, "The Dynamics of Change in a Keynesian Political Economy: The Swedish Case and Its Implications," in C. Crouch, ed., *State and Economy in Contemporary Capitalism* (London: Croom Helm, 1979), pp. 88-121.

17. This analysis of strategy and tactics is indebted to the work of N. Poulantzas: see especially *Crisis of the Dictatorships* (London: NLB, 1976), pp. 34-39; similar arguments can be found in the work of M. Foucault, especially *The History of Sexuality*, vol. 1 (Harmondsworth: Penguin, 1981).

18. On the distinction between class forces and class-relevant forces, cf. Jessop, *The Capitalist State*, pp. 242-244.

19. The concept of "mode of mass integration" was introduced by Joachim Hirsch: see his article on "The Crisis of Mass Integration: On the Development of Political Repression in Federal Germany," *International Journal of Urban and Regional Research*, 2 (ii) 1978.

20. Interpellation is an ideological mechanism through which subjects are endowed with specific identities, social positions, and interests. The concept has been introduced into ideological analysis by Louis Althusser: see his essay on "Ideology and Ideological State Apparatuses," in idem, *Lenin and Philosophy and Other Essays* (London: NLB, 1971).

21. For examples of this sort of approach, see the work of E. Laclau: *Politics and Ideology in Marxist Theory* (London: NLB, 1977); "Populist Rupture and Discourse," *Screen Education*, 34, 1980; and "Togliatti and Politics," *Politics and Power 2* (London: Routledge & Kegan Paul, 1980).

22. On Gramsci's analyses of "passive revolution," see: C. Buci-Glucksmann, "State, Transition, and Passive Revolution," in C. Mouffe, ed., *Gramsci and Marxist Theory* (London: Routledge & Kegan Paul, 1979), pp. 207-236; A. Sassoon, *Gramsci's Politics* (London: Croom Helm, 1980), pp. 204- 217 and passim; and idem, "Passive Revolution and the Politics of Reform," in idem, ed., *Approaches to Gramsci* (London: Writers and Readers, 1982), pp. 127-149.

23. On "force, fraud, and corruption," see: Gramsci, *Prison Notebooks*, pp. 80, 95, and passim.

24. On the concept of "historical bloc," see: ibid., pp. 137, 168, 360, 366, 377, and 418.

25. On "authoritarian statism," see N. Poulantzas, *State, Power, Socialism* (London: NLB, 1978), pp. 203-249.

State, Class Struggle, and the Reproduction of Capital

Simon Clarke

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

Although much progress has been made in the analysis of the capitalist state, the results have been in many ways disappointing, and the political conclusions drawn from the analysis have often been insubstantial. One of the major weaknesses has been a tendency for contributions to oscillate between the extremely abstract, and often formalistic, analysis of "state derivation" that too often reduces to another version of structural-functionalism, and extremely concrete, and often empiricist, attempts at historical analysis. The failure adequately to integrate form and content perhaps indicates that something has gone wrong, both methodologically, in failing to locate correctly the levels of abstraction appropriate to particular concepts, and substantively, in the way in which the problem of the state has been posed in the first place.

The political weaknesses of our analysis are closely related to these theoretical failings, and have become especially apparent with the challenge thrown down to both social democratic and Marxist orthodoxy by

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

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

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

The Problem of the State

The problem of the state is often posed as the problem of reconciling the class character of the state with its institutional separation from the bourgeoisie: what are the mediations through which the state is, despite its apparent neutrality, subordinated to capital? This is usually presented as a problem peculiar to the *capitalist* state. However, it needs to be stressed that the state is not a peculiarly capitalist institution, it is an institution common, in different forms, to all class societies. Moreover, the institutional separation of the state from the exploiting class is a feature of all class societies, whence, for example, the confusions in recent discussion of the asiatic mode of production and of the absolutist state, in which the

apparent subordination of the exploiting class to the state apparatus, in the one case, and the apparent independence of the state, in the other, have been taken as signs of the inadequacy of Marxist analysis. The mediations between class and state have to be developed in every form of class society, for in every class society the state is institutionally separated from, and "external" to, the exploiting class. This point is very important to the extent that recent accounts have explained the particularization of the state on the basis of properties peculiar to capital, rather than as a general characteristic of the relation between class and state.

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

The Autonomy of the State

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

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

(*b*) The claim that the particularization of the state rests on the abstraction of force from the immediate relations of production and its institutionalization in a separate body is one that rests on an assertion that quite simply is false. On the one hand, it is not true that the state claims a monopoly in the use of the means of physical violence—private citizens are permitted to use a greater or lesser degree of physical compulsion in the defense of their own person and property. On the other hand, the force on which the day-to-day reproduction of capitalist social relations rests cannot be reduced to the physical violence that is its ultimate sanction. The reproduction of capitalist social relations rests on the forcible exclusion of the working class from the means of production and subsistence, on the compulsion to work beyond the necessary labor-time, and on the capitalists' appropriation of the product. Although expressed in property rights and enforced by law, the social relations of production are not constituted and reproduced by the threat of state violence; rather, the social reproduction of capital and of the working class is the other side of the material reproduction of society. Thus, workers can violate capitalist property rights by occupying a factory, by liberating supermarkets, or by burning down banks. But this does not transform capitalist social relations of production; for capital is a social relation that exists as a totality and that cannot be reduced to one of its forms. Capitalist property is founded not on the rule of law or on the supposed state monopoly of the means of violence, but on capitalist social relations of production. Finally, capitalists do not simply rely on the state to defend their property, a task the state and its police force are simply not equipped to perform. Rather, capitalists, like other citizens, maintain and defend their property with fences, padlocks, safes, burglar alarms, security guards, store detectives and vigilante patrols without constant recourse to the agencies of the state. While it may be true that under capitalism, as in all class societies, the state *codifies* property rights and *regulates* the use of force, it is by no means the case that the state *constitutes* property rights or *monopolizes* the use of force.

(*c*) The abstract character of the commodity form is a feature of the surface form—it is the form in which social relations between commodity

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

The Necessity of the State

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

For Hegel, a state was necessary precisely to represent the general interest over against the conflicting claims of private interests—a society based on pure egoism was an impossibility. Against Hegel, classical political economy claimed that a state was not necessary to represent the general interest. It was necessary and sufficient that there be a collective institution to guarantee the sanctity of private property—"for the defense of the rich against the poor" (Adam Smith)—for the operation of the market to secure the best of all possible worlds. Marx aligned himself clearly with political economy and against Hegelian conservatism. In *Capital,* Marx offers an analysis of the self-reproduction of the capital relation, within which the social relations of capitalist production are regulated, albeit in a contradictory and crisis-ridden fashion, by the operation of the market. The conditions for the self-reproduction of capital are a sufficient degree of development of the forces of production, that is the historical basis of capitalist social relations, on the one hand, and the subordination of the individual to the social relations of capitalist production, on the other. This subordination is *possible,* once the capitalist mode of production is established, on the basis of purely "economic" mechanisms, although there is no reason to expect capitalists to deny themselves the opportunity of developing collective institutions to supplement the force of imposed scarcity and necessity in securing their domination. However, the implication of Marx's analysis is that the state is not, in the strictest sense, *necessary* to capitalist social reproduction, so

that none of the concepts developed in *Capital presuppose* the concept of the state while, on the other hand, the state cannot be derived logically from the requirements of capitalist social reproduction. The necessity of the state is, therefore, not formal or abstract, it is the historical necessity, emerging from the development of the class struggle, for a collective instrument of class domination: the state has not developed logically out of the requirements of capital, it has developed historically out of the class struggle.

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

The Reproduction of Capital and the Class Struggle

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

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

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

Against the recent vogue for structuralist interpretations of Marx, that tend to lead to functionalist accounts of the state, I think it is important to stress that capitalist production is not a *structure* with a given foundation, it is a *process* whose reproduction depends on its reproducing its own foundation. It is, moreover, a contradictory process in the sense that its reproduction involves the repeated suspension of its own foundations, which is why reproduction is necessarily marked by class struggle. In reproducing itself capital also reproduces the working class, but it does not reproduce the working class as its passive servant, it reproduces the working class as the barrier to its own reproduction. This is the fundamental contradiction of the capitalist mode of production, whose concrete unfolding constitutes the history of capitalism. Let us look briefly at the moments of the reproduction process of capital in this light, in order to identify this relationship between contradictions and class struggle a bit more concretely.

The class relation between capital and labor is reproduced only through the production and reproduction of surplus value. If we start the circuit of capital with the exchange of money capital for labor-power, we find a relationship between the owner of capital and the free laborer, free from imposed obligations and free from the means of production and subsistence. This relationship *presupposes* the separation of the laborer from the means of production and subsistence, but from the point of view of this exchange such a separation is an *external* presupposition: it remains to be seen whether it is a presupposition that is external to the process as a whole (in which case it would have to be guaranteed by the state and enforced by the law). Within the exchange relation itself the two parties really do stand as free and equal commodity owners. However, in ex-

change the foundations of this relationship are immediately suspended: the laborer receives the means of subsistence, and is given access to the means of production. During the time of production the dispossession of the laborer is no longer the dominant feature of the class relation. On the other hand, in the hidden abode of production the laborer is no longer free, for the reproduction of capital depends on the capitalist controlling the process of production and compelling the laborer to work beyond the necessary labor-time. However, the relations of production, defined by the subordination of labor to capital, come into contradiction with the forces of production, within which labor is the active agent of production, a contradiction expressed in the struggle for control over the process of production. Although the capitalist can appeal to his "property rights"—his right to hire and fire—as the ultimate sanction against individual workers, more subtle mechanisms have to be used to secure the subordination of the collective laborer. Such mechanisms include: the incorporation of the means of regulating the labor process into the means of production; the construction of divisive hierarchies within the collective laborer (especially the separation of mental from manual work and the subordination of the latter to the former); and the development of gender, ethnic, and cultural divisions within the collective laborer which are superimposed on occupational hierarchies. The technical and managerial stratum comes to play a special role as the capitalist requirement to maximize the amount of surplus labor-time and to minimize the turnover time of capital is translated into the "technical" norms of productivity and efficiency.

Once production is completed the laborer is once again free, but in the meantime has consumed his or her means of subsistence and so is compelled once more to sell his or her labor-power. Thus, the external presupposition of the circuit of capital has become its result. The capitalist, on the other hand, has to assert his "rights," acquired through the free purchase of means of production and labor-power, to appropriate the entire product, and then has to realize his capital in the form of money, if the circuit is to reproduce itself, by selling his commodities to other capitalists or to workers.

The question we now have to ask is, what is the foundation of this class relation between capital and labor? Does the reproduction of capital *require* some external agency to guarantee that foundation? I argued above that there is no such external requirement, that capitalist social relations do not *presuppose* a state either to constitute or to guarantee them. However, we have also seen that the circuit of capital does have certain presuppositions—in particular it presupposes the separation of the laborer from the means of production and subsistence that provides the material basis for the subordination of the working class to capital. However, this separation is not an externally given circumstance; except in the phase of

"primitive accumulation" when it is created by the dissolution of feudal society, it is a relation that has constantly to be reproduced. In the sphere of exchange the workers appear as free individuals, separated from the means of production and subsistence. But in the sphere of production the workers appear as a collective force, united with the means of production and in possession of means of subsistence. This is the material foundation of the counter-power of the workers against capital. The reproduction of capital depends on the capitalists' ability to maintain the subordination of the workers in production and to limit their ability to organize as producers, creating and sharpening divisions and hierarchies within the working class in order to assert the claims of capital as the necessary agent of coordination and direction. It is only on this basis that capital, and the reproduction of the separation of the workers from the means of production and subsistence, can be reproduced. Therefore, the subordination of the working class to capital is not given by the external presupposition of the separation of the workers from the means of production and subsistence. It involves more fundamentally the ability of capital to use the material, ideological, and political means at its disposal to maintain effective power over the working class in the class struggle so that the working class, in reproducing itself, is compelled also to reproduce the chains that bind it to capital.

Although, in principle, as Marx shows in *Capital,* it is *conceivable* for capital to be self-reproducing, the reproduction of capital is, as we have seen, a process beset with contradictions in which the foundations of that process are constantly suspended and have constantly to be reproduced. Capital sets up barriers to its own reproduction that can only be broken down through its successful conduct of the class struggle. In waging that struggle there is no reason why capital should rely only on its material power. Thus, in seeking to overcome the barriers to the expanded reproduction of capital, capitalists use every weapon at their disposal, and one such weapon, of course, is the power of the state. However, the contradictory foundation of capital means that the reproduction of capital can never overcome the barriers that it confronts, but can only suspend them provisionally. As a result, the state is not a functional agency that can *resolve* these contradictions. It is rather a complementary form through which capital attempts to pursue the class struggle in a vain attempt to suspend its contradictory character.

The Reproduction of Capital, Class Struggle, and the State

Capital did not create the state, either logically or historically. Just as capital developed out of the contradictions generated by the emergence of commodity production within feudal society, so the capitalist state developed through the class struggles that accompanied this develop-

ment, on the basis of the feudal state form. The period of transition saw a revolution in both the mode of production and its associated state form as capitalists sought to seal their dominance over civil society by assuring the subordination of the state to the reproduction of their own class. However, this subordination was not direct, even in the period of transition. To secure its political victory over the feudal ruling class, capital had to present itself as the representative of society as a whole. From the very beginning the subordination of the state to capital was mediated in particular ways that serve to define the specificity of the capitalist state form and that underlie the apparent autonomy of the state. These are the mediations through which the domination of capital over civil society is translated into its domination over the state.

Just as capital originally confronted the working class as an external presupposition, created by the dissolution of the feudal order, so too it originally confronted the state as a legacy of the old mode of production. In the development of capitalism, however, the state comes to be subordinated to the reproduction of capital so that the state comes to complement the direct power of capital in achieving the always provisional subordination of the working class. On the one hand, though, the subordination of the state is not to be understood in the sense of the subversion of an institution that has some kind of functional existence in abstraction from the class struggle between capital and labor. It is not another level of society, "relatively autonomous" from the reproduction of capital, it is a moment of that reproduction and so an integral part of the class struggle. On the other hand, capital and the working class do not directly confront one another *as classes* in the form of the state, any more than they directly confront one another *as classes* in the exchange of capital for labor-power or in the immediate process of production. The state form of the class struggle is merely one moment of the class struggle, complementary to the other moments of that struggle. Thus, the class struggle does not appear immediately in the state form any more than it appears immediately in the exchange of capital for labor-power. The crucial question is how to define the mediations through which political struggles are, nevertheless, determined as moments of the class struggle.

It is important not to underestimate the extent to which the capitalist class seeks directly to impose its class interests on the state, and indeed such direct political intervention by sections of the capitalist class is a normal aspect of the functioning of the state. Direct political intervention can acquire decisive importance in periods of crisis that call for a restructuring of the forms of political domination. There is a tendency for sophisticated intellectual Marxists to turn their backs on the evidence of such direct interventions in order to concentrate on more subtle mechanisms. The development of the capitalist state form is not a spontaneous unfolding of the logic of capital, it is something arrived at through trial

and error in the unfolding of the class struggle, conditioned to a considerable extent by the direct agency of sections of the capitalist class and so, incidentally, conditioned by the outcome of struggles within that class. However, behind the direct representation of the interests of the capitalist class lie the more fundamental, if less immediate, relations between capital and the state that serve to secure the domination of the capitalist class over the state.

Within capitalist society the production of use-values takes place only as the means for the production of surplus value. The reproduction of the state as a material force therefore depends on the reproduction of the capitalist social relations on the basis of which the use-values appropriated by the state are produced. On the other hand, the state can only intervene in directing the material reproduction of society by modifying the conditions for the production and reproduction of surplus value. These are the fundamental ways in which the material relations between capital and the state are mediated. Both its existence as a material force and the forms of its social intervention are subordinated to the need to secure the expanded reproduction of capitalist social relations of production. Moreover, this is not simply a passive constraint, for the emergence of barriers to the reproduction of capital impose themselves as barriers to the reproduction of the state and so of its ability to carry out its designated tasks. However, the subordination of the state to the reproduction of capital, which determines the state as a moment of that reproduction, is not simply given by the logic of capital. As a moment of the reproduction of capital the state is also a moment of the class struggle and the forms and limits of the state are themselves an object of that struggle. The growing social character of capitalist production, and particularly the increasing internationalization of capital, certainly narrow the limits within which the state can intervene to modify capitalist social relations of production without precipitating an interruption in the material reproduction of capital. Such an intervention would undermine the conditions for the production and appropriation of surplus value. But the state, nevertheless, has the power to intervene within those limits, and indeed has the power to violate those limits at the cost of precipitating a crisis. The mediations between capital and the state do not determine that the state will intervene to act in the "best interests" of capital, or even that a particular government will not use the levers at its disposal to undermine altogether the reproduction of capital. Thus, the state is not simply a tool of capital, it is an arena of class struggle. But the form of the state is such that if the political class struggle goes beyond the boundaries set by the expanded reproduction of capital, the result will be not the supersession of the capitalist mode of production but its breakdown, and with it the breakdown of the material reproduction of society.

While the material relations between capital and the state are the

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

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

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

The powers appropriated by the state are powers that correspond to the tasks that devolve to it and the means with which it is endowed to fulfill those tasks. Thus, the powers of the state are not determined independently of its functions. However, these functions are not abstractly defined and then imposed on the state as determinants of its "essence." They emerge historically out of the barriers to the reproduction of the capital relation, on the basis of the class struggle through which capital is reproduced. Moreover, the fact that these barriers express the contradictory foundations of capitalist production means that capital does not impose unambiguous "needs" on the state, since the needs of capital are themselves contradictory. The need to force down the value of labor-power contradicts the need to reproduce labor-power; the need to educate the working class contradicts the need to reduce to a minimum the drain on surplus value; the need to break down all non-capitalist social relations contradicts the need to sustain the family as the unit for the reproduction of labor-power; the need to introduce administrative regulation contradicts the need to maintain the discipline of the market; in short, the need to secure the material reproduction of society contradicts the need to secure its social reproduction. Moreover, these contradictions also underlie contradictions between particular capitals and groups of capitals, as moments of social capital, that find expression not only in economic competition but also in political conflict.

The needs of capital at every point come into conflict with the aspirations of the working class, so that the state is not simply a form of capital, it is a form of the class struggle. Like production, however, although it is

an arena of struggle, it is a form through which the subordination of the working class to capital is reproduced. Thus, the form and the content of the state are the result of an always provisional resolution of the contradictions of the capitalist mode of production, but never of their supersession. For the latter to be achieved a political revolution is not enough—the overthrow of the state can only be on the basis of a social revolution through which the working class expropriates the expropriators and transforms the social relations of production.

The Working Class and the State

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

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

The framework of parliamentary representation is one in which social power is expressed as an abstract collectivity of individual interests, not as the concrete expression of collective power, so that the development of the aspirations of the working class is not matched by the development of

any power to satisfy those aspirations—but this occurs so long as the working class is prepared to subordinate its challenge to the power of the state in the parliamentary form. Thus, the aspirations of individual workers to improve their conditions of life are transformed, through the alienated form of parliamentary representation, into a political pressure on the state to increase the rate of accumulation. This occurs because the material subordination of the state to capital dictates that the only means the state has of improving the workers' conditions of life is by intensifying the subordination of the working class to capital and intensifying the rate of exploitation—with the result of advancing one section of the working class at the expense of another. Since the interests of individuals appear as their individual interests in the conditions of sale of the particular commodity that serves as their "revenue source," the alienated form of parliamentary representation serves to divorce the interests of individual workers from those of the class. For within the working class the relations between individual workers as owners of labor-power come into conflict with one another as they compete on the labor market. Moreover, their aspirations as workers within the process of production come into conflict with one another on the basis of the hierarchical organization of the labor process. Thus, the parliamentary form of representation serves to reinforce the divisions within the working class in expressing the competition between groups of workers, divisions which are further fostered and exploited by the political representatives of capital as the latter seek to establish an identification between groups of workers and "their" capitalists. On the other hand, the parliamentary form demobilizes the working class in substituting the state for their own collective organization as the means proffered for realizing their class aspirations. The parliamentary form of representation serves to divorce the political representation of the working class from the source of its power and to deflect the opposition of the working class from capital in order to turn it against itself. The development of parliamentary representation for the working class, however much scope it may provide for improving the material conditions of sections of the working class, far from being an expression of collective working-class strength, becomes the means by which it is divided, demobilized and demoralized.

However, the development of parliamentary representation does not mean that the working-class abandons its resistance to capitalist state power, or channels such resistance solely through "political" channels: it is important not to identify parliamentary politics with the political class struggle, or to treat the illusions of the parliamentary form as corresponding in some sense to the essence of the capitalist state. The working class does not simply abandon its collective aspirations in accepting admission to the franchise, and it continues to wage the class struggle through other than parliamentary channels as it confronts state power directly in the

day-to-day conduct of the class struggle. The working class does not simply accept the division between economic demands, to be pursued legitimately through trade unions which mobilize the collective power of workers, and political demands, to be channeled through the political party and parliament. The boundaries of the "economic" and the "political," the definition of the "rights" of capital and of the working class, and the forms of class mobilization are a constant object of class struggle, with the working class constantly pressing beyond the limits accorded to it by capital and the state. Thus, workers occupy factories; encroach on the rights of management; mobilize against state policies as workers, as unemployed, as women, or young people, as tenants; and they take to the streets to confront the repressive arm of the state directly. Moreover, the inadequacy of the parliamentary form to the aspirations of the working class has meant that the state has to concede a growing political role to the collective organizations of the working class, as expressed in the political role played by the trade union movement and by a wide range of other working-class organizations. In this context, both "corporatist" and "pluralist" developments represent responses to the inadequacy of the parliamentary form.

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

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

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

My central argument has been that the class struggle is as much about the form as about the content of politics. The state cannot be isolated

from other moments of the class struggle, for those different moments are complementary to one another, and the relationship between them is itself determined in the course of the class struggle. This is the context within which we can begin to locate the distinctiveness of the New Right. Since the end of the nineteenth century the historical tendency has been for liberal reformers to respond to the threat of working-class self-organization and extra-parliamentary activity with a program of social and political reform that replaced or modified the discipline of the market, relying instead on political regulation through the state, and involving the political incorporation of the working class. The distinctiveness of the New Right lies in its attempt to alter the balance of the class struggle in the opposite direction, replacing state regulation by regulation through the commodity form and removing the working class from its "privileged" political position. However, this development cannot be seen simply as a reactionary return to nineteenth-century politics, nor as a more humane version of the fascism of the thirties, for it is a strategy that is firmly rooted in the class struggles of the 1980s, and in particular it is one that capitalizes on the divisions, the demobilization, and the demoralization of the working-class movement that has been the price paid for decades of sheltering under the wing of a paternalistic state. For the bulk of the working class the activities of politicians and trade union leaders alike are matters of indifference, scorn, or contempt. Few of them are seen as working-class heroes, or even as representatives of the working class. Indeed, the activities of the working class's self-proclaimed representatives make many sections of the working class—blacks, women, the young and the old—reluctant to identify themselves with their class at all. The relative success of reaction throughout the capitalist world can be put down as much as anything else to the demobilization of the organized working class that developed as the workers were first lulled into trusting their political representatives to achieve their liberation and then, losing faith in its leaders, the working class was left demoralized and divided.

The need to mobilize resistance to reactionary governments has led many on the left to acquire a renewed faith in the parliamentary system, seeking to democratize working-class parties and to broaden their appeal in order to secure electoral victory and a reversal of past defeats. But such a response is to focus on the content of politics at the expense of its form. For many of us the lesson of the 1960s and 1970s was precisely that questions of form are more fundamental than questions of content. It is not simply petty-bourgeois individualistic romanticism that leads us to reject traditional parties and sects (though no doubt we do draw on the one good feature of petty-bourgeois culture in this way!). It is much more a belief that socialism is not simply about such quantitative matters as the distribution of income and wealth, pressing as such matters are, it

is most fundamentally about the creation of an alternative society, against capital's insistence that (in Margaret Thatcher's immortal words) "there is no alternative." It is about making qualitative changes, about *transforming* social relations, about replacing the alienated forms of capitalist political and economic regulation by new forms of collective self-organization and democratic control; and it is only on the latter basis that the state, and the power of capital, can be effectively confronted. Thus, a *socialist* response to the rise of the New Right cannot be reduced to a defense of statism and welfarism; it can only involve the building and rebuilding of collective organization. This means not only organizations such as trade unions, which organize workers at work, but also organizations of tenants, of young workers, of black and migrant workers, of women workers, so that the divisions within the working class and the fragmentation of working-class experience can be broken down through the development of a united movement. In the last analysis, as the experience of the "socialist" countries shows only too clearly, the building of socialism can only be on the basis of the self-organization of the working class.

Commentary & Critique

To continue the discussion of divergent views of the state begun at the International Conference on the State held at the University of Calabria, Italy, during the summer of 1982, we invited Simon Clarke and Bob Jessop to provide the following comments and critique of each other's essay. —The Editors.

Simon Clarke:

I am very sympathetic to the general thrust of Jessop's argument, and find it an enormous advance on the eclecticism of his book *The Capitalist State* (New York: New York University Press, 1982). However, I have two major criticisms of his concepts of "accumulation strategy" and "hegemonic project," which relate to the voluntarism of the concepts (that is, the implication that patterns of accumulation and political coalitions are consciously assembled and implemented), and to their separation.

I think that Jessop's formulation of the concepts of "accumulation strategy" and "hegemonic project" is too voluntaristic; it is as though the parts of the whole have no unity or coherence until they are assembled into a strategy or project by some coordinating body. It is not at all clear what this body is, nor how it goes about formulating and implementing its "strategy" or "project." In the case of the "accumulation strategy," once all the factors listed as constraining have been taken into account, it is still unclear that "there will typically be several alternative economic strategies that can be pursued." Surely the experience of attempts at capitalist planning would strongly suggest that even a very interventionist capitalist (or state socialist) state has very limited scope for any sort of strategic intervention, rather than piecemeal tinkering. Jessop gives a series of examples of "accumulation strategies," all of which involve state intervention to promote accumulation, but he does not show that any of these emerged as one strategy among a series of *alternatives*, nor that the relation between state planning and the pattern of accumulation was sufficiently close to dignify the whole with the term "accumulation strategy." Of course there were alternatives, in the sense that the new "strategies" referred to represented a change in the pattern of accumulation, in each case a response to an actual or impending *crisis* that could only be overcome by a major capitalist restructuring. The fact that such a restructuring took place cannot be taken for granted, for the crisis could have deepened, and restructuring could have been blocked by established capitalist interests. But Jessop's formulation of the concept puts too much emphasis on the voluntaristic implications of the

concept of a "strategy," and does not give nearly enough weight to the constraints that restrict the range of strategic alternatives on the one hand, and the very limited possibilities of rational capitalist planning on the other. This is not, of course, to deny that state policies can have an impact on the pattern of accumulation, it is merely to argue that policy differences should not be confused with strategic alternatives. For all these reasons I think that concepts of crisis and restructuring, as developed in the Conference of Socialist Economists in Britain, are much more fruitful than the idea of the accumulation strategy.

I am very skeptical about the degrees of freedom that are available in the formulation of an "accumulation strategy" and equally dubious about the extent to which capital has available a series of alternative "hegemonic projects." Moreover, I am not convinced that it is possible to make a clear distinction between an "accumulation strategy" and a "hegemonic project," since the success of the latter depends essentially on the viability of the former. Accumulation strategies are fought over, formulated, and implemented at the level of the state, and so depend on the success of a complementary hegemonic project. But the "hegemonic fraction" of capital is that whose interests are served by the adopted accumulation strategy. Thus the two appear as two sides of the same coin. Their separation seems to rest on two ideas: firstly, that there are *alternative* viable accumulation strategies, so that political and ideological factors may be crucial in determining which is adopted. I would argue that there are rarely, if ever, *viable* alternative accumulation strategies; thus political and ideological factors play a subordinate role in blocking, facilitating, and/or modifying particular accumulation strategies. Secondly, the separation of the two seems to rest on an implicit separation of economic and political "levels," a separation which seems to me to be forced and artificial since the two are clearly intertwined in both accumulation strategies and hegemonic projects. The concept of "restructuring" is more adequate than Jessop's twin concepts, because it includes the idea of political and ideological restructuring within the broader concept of the restructuring of capitalist social relations. The whole question of the structuralist model of capitalist levels is a massive one (which I have discussed at great length in *One-Dimensional Marxism* and in *Marx, Marginalism, and Modern Sociology,* as well as my critiques of Poulantzas in *Capital and Class* 2 and 5). In brief, I do not believe that the state form and the value form can be treated as parallel to one another (and I think Jessop is moving rapidly away from the idea that they can be). I do not believe that the state has any *internal* unity and coherence, so in that sense the state is *not* autonomous. The claim that the state is autonomous, that it has its own unity and that it defines the coherent sphere of the political is the constitutive myth of bourgeois political science. To argue thus is not to fall into economism; the constitutive myth of bourgeois economics is the

parallel myth of the unity and coherence of the "economy." "Polity" and "economy" are not Marxist concepts; Marxism was surely born in Marx's critique of Hegel's separation of the two. Rather, the "economic" and the "political" are complementary aspects of capitalist social relations of production, whose unity is forged in the process of capitalist reproduction.

Bob Jessop:

Clarke's paper poses an interesting question when he notes how the activities of the New Right challenge the received wisdom of Marxist state theory about the nature, dynamic, and limits of state intervention. In suggesting that Marxist state theory has sometimes erred in underestimating the role of the class struggle in shaping the development of the state, he also provides an important corrective to the abstractions of "capital logic" and "form derivation" and to the circumstantial arguments of purely historical case studies. But we must still ask whether Clarke's own approach to class analysis is adequate to compensate for the deficiencies of alternative political approaches.

Clarke starts out from the crucial theoretical observation that the concepts of "class" and "state" are located at different levels of abstraction. He argues that insofar as the state regulates the class struggle in the interests of capital, it presupposes the capital relation and class struggle. In this sense class struggle is prior to the state and the state should thus be seen as one among several forms of capitalist domination. This argument has a certain plausibility but needs very careful specification if it is not to result in a class reductionist account of the state.

The first problem is in the notion of levels of abstraction: we can analyze class relations and the state at different levels of abstraction and it is wrong to suggest that the state as such is located at just one, lower level of abstraction. Clarke hints at recognition of this, but fails to consider all its implications. He notes that capital does not need the state as such, but does need a collective institution to guarantee property rights; that in the course of the primitive accumulation of capital, capitalists used the feudal state; and that the state is a crucial site of class struggle whereby capital manages to present its various interests as those of the "society" or "nation." Some of the conceptual distinctions drawn in the West German state-derivation debate would help clarify this problem. Thus the distinction between "statehood" (*Staatlichkeit*) and particular types of state (feudal, capitalist, etc.) would help to locate the discussion of the relationship of class and state. Likewise the distinction between the "historical constitution" of the capitalist state (through the redeployment of the feudal state) and its "formal constitution" (through the development of specifically bourgeois forms) would help to locate Clarke's analysis of the period of primitive accumulation and the need (or otherwise) of

capital for the state. More generally, it should be noted that just as we can analyze the capital relation at different levels of abstraction ranging from "capital in general" to the specificities of particular economic conjunctures, we can also consider the state at different levels of abstraction. Failure to do so involves the risk that a generic concept of "class struggle" is used to subsume the polyvalent, multidimensional, and frequently disarticulated forms of class conflict, and then juxtaposed to an equally abstract concept of the capitalist state whose changing forms and modalities are reduced to so many expressions of shifts in the class struggle. I have attempted something along these lines in my own theoretical and empirical analyses.

The other fundamental problem in Clarke's paper concerns the status of non-class antagonisms and the new social movements. There is a world of difference between arguing that the state is implicated in the class struggle (whether as a means, a site, or the goal) and arguing that all there is to the state is its role in class struggle. I have argued elsewhere that the state is located on the terrain of the social formation and not that of the pure CMP (another dimension to the problem of levels of abstraction) and that it is also involved in the reproduction of non-class relations and patterns of domination (such as patriarchy or the antagonism between officialdom and people). This is not to deny that the state, non-class antagonisms, or new social movements have an obvious *class-relevance* and/or may be *conditioned* by class relations; it is to argue that class relevance and class conditioning are not identical with classes themselves. The danger in Clarke's approach is that he denies the specificity of the women's movement, ethnic struggles, nationalist struggles, etc., and reduces them to expressions of class struggle; in turn this means the subordination of women's demands or similar popular-democratic demands to the ultimate goal of the abolition of capitalism. I am not attributing this position to Clarke but merely indicating the dangers inherent in such an omnibus use of the concept of class struggle.

These criticisms apart, I find much to agree with in Clarke's paper. The emphasis of the strategic dimension of class struggle, the linkages between class struggle and the attempt to identify class interests with the "national" or "general" interest, and the nature of the state as a terrain of class struggle are all important. His paper is certainly provocative and deliberately so. But there is a danger that his intention to generate heat into the debate on the state and to warn us of the threats from the New Right can lead to a neglect of some of the theoretical advances recorded in the recent state debate and the lessons they contain for strategies to resist the onslaught of the forces of reaction.

Political Economy and the Nazi Triumph

Stephen Eric Bronner

David Abraham, *The Collapse of the Weimar Republic*. Princeton University Press, Princeton, N.J., 1981; 366 pp.

Introduction

The need for a unity between theory and practice is axiomatic in Marxism, and when that bond dissolves the result can lead to either reformist paralysis or adventurism. Usually, however, it is theory which has been criticized from the standpoint of its estrangement from practice and organization. Yet, in the case of fascism, it is the other way around; the anti-fascist organizations for practice were in place, but the theory was totally lacking.

Two major working-class organizations, both of which nominally considered themselves to be "Marxist" and anti-fascist, failed to develop any theoretical understanding of the phenomenon which they sought to oppose. The German Social Democratic Party (SPD) essentially accepted the notion that capitalism had resolved its crisis character and viewed the parliamentary regime of the Weimar Republic as the vehicle for socialism even as it crumbled. Alternatively, the German Communist Party (KPD) attacked the republic and viewed the Nazis as running dogs of monopoly capital in its "last stage." Where impotence became the hallmark of the SPD, a suicidal sectarianism marked the practice of that party's orthodox rival.

This failure of "Marxist" practice has given rise to the belief that Marxian theory cannot account for fascism. That belief still seems to persist in some circles despite the early attempts by certain Frankfurt School thinkers to develop an understanding of fascist culture and attitudes as well as the early orthodox studies like Franz Neumann's *Behemoth,* August Thalheimer's essays which are collected in *Über den Faschismus* (Frankfurt, 1978), along with the numerous works by Arthur Rosenberg and Otto Kirchheimer.

I would like to thank Rosalynn Baxandall, Charles Noble, and Willi Semmler for their comments and suggestions. —S.E.B.

It is true that a sophisticated, non-dogmatic analysis of the politico-economic context in which the Nazis came to power has been lacking. But, with the appearance of David Abraham's *The Collapse of the Weimar Republic,* this absence has been alleviated. Through a complicated thesis, and a meticulous sense of empirical detail, the infrastructure of Weimar is exposed in a manner that transcends orthodox dogmatism. Thus, where Abraham clearly stands in the Marxist tradition, he has also been able to assimilate the "sector" theory of Alexander Gerschenkron and the "rational actor" approach developed by Adam Przeworski to produce one of the finest historical works of political economy to be published in America since the Second World War.

Employing a notion of political economy which is predicated on the idea that the policies of political actors can be defined from the "rational" perceptions of their economic interests, Abraham explores the infrastructure of the Weimar Republic, which he correctly terms "the last great act in the drama of Germany's nineteenth century" (p. 4).

It is virtually impossible to compress the author's varied insights and his enormous wealth of empirical data. Yet it is possible to explore the framework which he develops. This framework simultaneously provides a fundamental socio-economic basis for any future political or cultural inquiries into this remarkable and tragic period of German history as well as an insight into the power and limits of "political economy" itself.

II. The Political Economy of Weimar

The conflicts among the industrial and agricultural forces in Weimar Germany, along with the overriding clash between capital and labor, comprise the essence of David Abraham's study. Yet the strength and unity of these broad class forces will depend upon the degree of conflict between their specific intra-class fractions of sectors. From Abraham's standpoint, the Weimar Republic was marked by a divergent set of interests and a complete lack of unity "within and between" the dominant classes which resulted in their inability to form a viable "bloc" with a popular base. Cognizant of the need for legitimation, these ruling classes would ultimately be forced to choose between the SPD and the Nazis. But this is to begin with the conclusion.

Abraham's point of departure is 1923, the year of stabilization that followed both the November Revolution of 1918 and the spate of unsuccessful revolts—attempted from both the left and the right—in Bavaria, Berlin, and Thuringia. Unfortunately, Abraham does not delve into the set of compromises by which the Social Democratic Party entered into a tentative and tactical alliance with the export and industrial fractions of capital, the Junker-dominated military and the judiciary, to thwart a full-scale revolution. Still, he emphasizes that the new republic was "not

grounded in broad legitimacy [and so] proved vulnerable to economic and political strains that might cause participants to withdraw from the compact" (p. 8).

The Weimar Republic's lack of legitimation and the refusal by the dominant classes to accept the democratic framework of the republic are of fundamental importance since Abraham's view of the state's role rests upon its ability to raise the "selfish" interests of particular capitalists to a class, collective interest. In this regard, the republic was unable to act "autonomously" to organize the interests of its dominant members. After 1928, this inadequacy allowed "disputes about the distribution of public revenues [to become] conflicts over the possibility of producing private surplus" (p. 13) which would obviously involve a threat to capitalist production itself.

Following Habermas and Offe, Abraham realizes that the growth of the state's role is based on the organization of the market to relieve competition by individual capitalists, institutionalize technological progress and investment outlets, mitigate the threat of crisis, and forge social legislation which would channel political pressure from below. But in order to engage in such activities, the state needs financial resources and the capacity to engage in administrative rationality. Both demand the willingness of the dominant classes to grant the state a certain legitimacy while retaining the support of subaltern classes.

From this position, Abraham makes both his general theoretical point with regard to the state and his particular historical point with regard to the collapse of Weimar. The more that the state needs to intervene in the economy, the more dependent it becomes on the owners of the means of production. Arguably, the state can be a more direct tool of the dominant classes when it intervenes least. But, in Weimar, the dependency of the interventionist state was clear. Thus, when the dominant capitalist groups chose to use the crisis of 1929 for their own advantage, they actually served to exacerbate political instability and legitimize their abandonment of a parliamentary government which they had never truly wanted in the first place (pp. 18–19).

The political weakness and ideological proclivities of the bourgeoisie must ultimately be located in the failed revolutions of 1848 where state power was ultimately granted to the aristocracy. Abraham is therefore correct when he claims that the bourgeoisie had never directly ruled Germany. Indeed, the political power of the aristocratic Junkers—as well as the "national" posture which that class assumed—served to hinder the development of a bourgeois administrative personnel along with a democratic bourgeois ideology. In fact, it was only with the defeat of Germany in World War I and the abdication of Kaiser Wilhelm II that the bourgeoisie was forced to the center of the political stage. As a result, the old imperial alliance between estate owners and heavy industry was dis-

placed, while its mass base in the peasantry and those groups which formed the middle strata (*Mittelstand*) collapsed—along with the protectionist and anti-socialist ideology which served the interests of that bloc.

A new republic emerged in which the SPD would play a leading role. Unfortunately, however, Abraham fails to emphasize the SPD's *political* refusal to embark upon a radical course that would have involved purging the judiciary, the civil service, and the military, as well as possibly collectivizing the inefficient Junker estates and unifying Germany's diverse principalities. The SPD's failure to carry through such a course and secure a democratic social basis for the republic essentially contradicts Abraham's overly generous contention that the SPD was characterized by a "militant reformism" (p. 232). The possibility was there: the export fraction could not have stood in the way, the army was a shambles, and the old bureaucracy had lost its political context. Furthermore, the SPD had a trump card: it was the only organization that could provide a popular basis for the new republic. The industrial fraction understood this. Aware of the estate owners' weakness, fearful of a social revolution, the industrial fraction turned towards the SPD. In fact, it can be argued that the 1918 agreement between the great industrialist Hugo Stinnes and Karl Legien—leader of the General Federation of Unions (ADGB) for over a quarter of a century—was the real socio-economic foundation of the Weimar Republic.

With the imperial bloc broken, the industrialists were not in a position to prevent the SPD from tossing the Junkers into the "dustbin of history" (Hegel). But the SPD feared further convulsions and strains in relation to the industrial fraction of capital. Thus, the SPD rejected the radical course and granted the Junkers a reprieve. Consequently, despite their weakness, the estate owners would still prove themselves strong enough to emerge as an important force in subverting the republic.

The Junkers were always a cohesive group and their influence within the military, judiciary, and executive bureaucracy, along with their ties to the industrial fraction, was grounded in the imperial tradition. Furthermore, Abraham shows beautifully how the estate owners' hatred of the new republic was well founded in terms of their immediate material needs. In political terms, the new republic abolished the three-tier voting system which had characterized the imperial regime and which had structurally enabled the Junkers to deliver the subaltern peasant class to which it was symbiotically tied. In economic terms, the situation was even worse. Uncompetitive on the international market to begin with, the agricultural sector never really benefited from the influx of American capital through the Dawes Plan of 1925 which sought to rehabilitate the German economy by fiscal means. An unfavorable set of trade treaties allowed for agricultural imports while a fundamentally disadvantaged access to capital combined with a widening price scissors. As Abraham

observes, only with the international collapse of market prices did the situation of *Landwirtschaft* become critical. Farm indebtedness increased between 20 and 35 percent from 1928 to 1932 while the gap between industrial and agricultural prices grew in this same period of time (p. 86). Then the demand arose for what had always been an important strain within the pre-capitalist sectors of German life in an even more radical manner: autarky.

Building on the observations of Gramsci and Poulantzas, Abraham notes how different modes of production can co-exist within what Rudolf Hilferding called "organized capitalism." Furthermore, the author suggests that the inability to recognize this phenomenon—which implicitly denies a recognition of the peasantry's role—was a fundamental inadequacy of classical Marxism.

The response of the SPD to the peasants was flawed, but it is highly doubtful whether any realistic strategy could have won over a class which was inimically opposed both to the republic and that party which was so closely identified with it. Indeed, Abraham assumes that a "rational" compromise would have been possible. But the possibility for such "rational action" itself presupposes a fundamental acceptance of the framework in which such bargaining can be achieved along with an implicit mutual recognition by the actors involved. Such recognition was not forthcoming by the pre-capitalist classes of German society which viewed the Weimar Republic as the incarnation of defeat and the betrayal of those traditional values upon which the identity of those classes rested.

In contrast to Abraham's *rational actor* approach of political economy, it must be understood that not all actors will enter the arena in which they can further their interests with the same sense of rational calculability. In particular, the Junkers, the peasantry, and parts of the *Mittelstand* began their efforts with the assumption that this regime of "the bosses and the proles" was fundamentally corrupt and they harbored a *ressentiment* which would fundamentally affect their praxis and their attitude toward the politico-economic arena in which compromises could be forged. Unfortunately, these pre-capitalist classes and strata felt themselves squeezed by the bourgeoisie and its political representatives on the one hand and those parties which advocated the abolition of private property on the other. Where they feared the economic power of the bourgeoisie, they despaired at the thought of becoming proletarian themselves. Consequently, these pre-capitalist classes sought to realize their socio-economic "self-interest" through a rejection of both the bourgeoisie and the proletariat, as well as the world of "modernity" which those new classes had constructed. Framed in this way, such a perception would tend toward an ever more apocalyptic and pseudo-revolutionary stance as the overriding contradictions became more acute.

In this regard, as Karl Korsch pointed out in *Marxism and Philosophy*

(London, 1970), ideologies are not mere epiphenomena of material reality, but rather *lived experiences* that always must be treated "as concrete realities and not as empty fantasies" (p. 64). The instrumental assumptions of traditional political economy must therefore be corrected through the notion that specific types of ideology will have different effects on the politico-economic "rationality" of the actors involved. It is therefore no accident that these pre-capitalist classes—which considered themselves to be the true organic community of the *Volk*—should have adhered to anti-semitism, anti-parliamentarism, anti-bolshevism, anti-urbanism, anti-materialism, as well as anti-scientific and anti-cosmopolitan attitudes.

These were the pre-capitalist ideologies that served to oppose the "modern" worldviews of liberalism and socialism, both of which have their roots in the Enlightenment and the French Revolution. But Abraham does not discuss how the Nazis would manipulate these pre-modern outlooks or how they would be used for the practical development of the fascist movement. Still, he provides an empirical basis for such a politico-cultural analysis. Thus, he can note how the depression did not hit all agricultural sectors with the same impact. If the condition of the estate owners was critical, the situation of the peasantry was positively disastrous. Where the subaltern peasants saw no hope for themselves—either materially or ideologically—in the republic, it only makes sense that the more powerful, dominant estate owners should have taken a more opportunist line.

Realizing that "organized agriculture could not hope to overcome the economic dominance of industry" (p. 107), the leaders sought to play off labor against industry. Toward that end, the estate owners lent their support to various parties of the right. But as these parties tactically accepted the republic and began to express solely the narrow interests of the estate owners, they started to lose their popular base in the peasantry to an avowedly anti-republican and "revolutionary" Nazi movement. Already opposed to both the SPD and the export fraction, and unable either to deliver the peasant electorate as they once could or create a link to the industrial fraction whose home market had collapsed after 1928, the estate owners would ultimately converge with the peasants in support of the Nazis.

The Nazi strategy involved the attempt to aggregate diverse classes and groups in the manner of a true *Volkspartei* (p. 110). Consequently, the Nazis took advantage of the sectoral divisions among the dominant classes and the growing cleavage between political parties and their constituencies. Given the divorce of the peasantry from the parties of the estate owners, and the ideological affinity of that class to the Nazis, it became unnecessary for the fascists to raise any new agrarian demands; they simply took over the pre-existing peasant organizations.

Thus, "agriculture's crisis and the political offensive of its representatives must be viewed in the context of the breakdown of a system of legitimacy based on industrial working class collaboration through the state and the attempt to substitute for it some other mass base" (p. 85). In this sense, the success of the Nazis was predicated on their ability to fuse a peasant base with a socio-economic program that would meet the fundamentally antagonistic interests of the dominant class fractions in terms of what Abraham calls "the lowest common denominator."

The first few years of the Weimar Republic were marked by an extreme inflationary trend which lowered real wages to half their pre-war level and so tended to stimulate economic recovery. But with the introduction of the Dawes Plan, Germany's economic health became tied to its foreign creditors. This marked the ascendancy of the dynamic, export fraction in the early twenties. Still, this fraction could not retain its dominance without support from a mass base—which led to export's alliance with the SPD. In turn, this situation allowd the SPD to demand the implementation of perhaps the most radical social-welfare package conceivable to that point in time—which was crowned with a remarkably comprehensive piece of unemployment insurance legislation.

This policy of *Sozialpolitik*, along with export's negotiation of beneficial trade agreements, was achieved at the expense of agriculture, the petty bourgeois components of the *Mittelstand*, and the "backward" sectors of German industry. Still, the victory of the export fraction proved temporary. The depression and the collapse of the "Grand Coalition"—which included the SPD, the liberal German Democratic Party (DDP), and Gustav Stresemann's progressive German People's Party (DVP)—threw the export fraction on the defensive. In the powerful League for German Industry (RDI), Carl Duisberg—a representative of the chemical concerns who was derisively dubbed the "welfare professor"—was replaced in 1933 by Krupp, the infamous steel magnate. Furthermore, around the same time, heavy industry began its attempt to unify all parties to the right of the dwindling German Democratic Party, which had been founded by an illustrious group of progressive intellectuals which included Max Weber.

Still, as Abraham correctly notes, there is no intrinsic connection between any single fraction of industry and support for democratic values. Consequently, the Weimar situation cannot be reduced to the "good bourgeoisie" against the "bad." Rather, it becomes clear that "by and large, the less 'worth its money' the labor force in a given industry, the more opposed were its entrepreneurs to organized labor and the Grand Coalition" (p. 147).

This becomes particularly clear in the period which followed the depression. By 1930, the costs of *Sozialpolitik* could no longer be displaced on heavy industry and agriculture. The revenues were just not there and, unless the export fraction proved willing to pay the cost of *Sozialpolitik*,

it was clear that the gains of the working class would have to be rolled back. As Abraham points out, for the export fraction it was "sink or swim." The fraction's response was no surprise; just as this fraction had once abandoned its domestic and agricultural colleagues, it would now abandon its alliance with the working class. With millions moving on to the unemployment rolls, even the export fraction understood the new need for capitalist unity. In this sense, Abraham can correctly claim that "the increased costliness of working class demands, economic and political, set limits to the fratricidal potential of Weimar industrialists" (p. 117).

Given its link to the estate owners, heavy industry could stage a political comeback against the export fraction even as its own economic situation deteriorated. "Protection of national production" (pp. 158–159) became the slogan for unity. No less than the export fraction, heavy industry proved unable to achieve hegemony without a mass base—a base which it did not possess. Thus, the dominant class fractions were originally forced to accept the SPD-tolerated Brüning government which sought to lower wages, reduce state expenditures, and revise the reparations schedule (p. 164).

Semi-dictatorial though it was, the Brüning governmnent could not get industry to lower its prices—though the attempt was made. Furthermore, it could not put forward a policy to make agriculture competitive without totally alienating the export fraction and calling either for a decrease in prices or a reorganization of the class structure to the countryside—policies which were opposed by the peasants on the one hand, the estate owners on the other, and sometimes both. This roadblock, along with Brüning's failure to either eliminate the SPD or invoke the need for industrial price cuts, led to his overthrow by Hindenburg's "national bloc" and the estate owners (pp. 165–166).

Unfortunately, Abraham does not refer to the SPD's mistake in trusting Brüning. The leadership never believed that he actually wished to eliminate the SPD, nor could they see how his desires were thwarted—a point which becomes clear in Brüning's posthumously published diaries. In any event, that task would soon be carried out by the new Franz von Papen cabinet of 1932 which deposed the "red" government that had ruled Prussia since the beginning of the Weimar Republic.

From Abraham's perspective, the problem with the Papen cabinet was twofold. Grounded within the industrial fraction and the estate owners, Papen's attempt to impose autarky through unilateral import quotas for agriculture led to his abandonment by the export fraction. At the same time, Papen's fate was sealed by his cabinet's lack of a mass base while "his inability to integrate the Nazis as a junior partner assured that this would remain the case" (p. 171).

The "search for a viable bloc" continued under the last of the pre-

Hitler cabinets. These vacillations and turnabouts reached their peak with the rise of Kurt von Schleicher, who had formerly pulled the strings from behind the scenes under the aging Paul von Hindenburg's presidency. Insightfully, the author shows how Schleicher's approach emerged as the "mirror image" of Papen's. Seeking a mass base in the unions, which he attempted to fuse with support from the "left" of the Nazi Party under the leadership of Strasser, Schleicher sought to institute an inflationary set of interventionist policies in combination with a basic overture to the export fraction. The contradictions were quick in asserting themselves. On the one hand, Schleicher's policies drove the domestic fraction into opposition and even created fear amongst the estate owners of a restructuring of the countryside. On the other hand, with union membership in decline and Hitler able to reassert his control over the Nazi "left," Schleicher's position proved untenable. The fall of his cabinet spelled the demise of the Weimar Republic's last government and paved the way for the "little corporal" to enter the Chancellory.

The permutation of fractions, desperate for a mass base to support one cabinet coalition after another, had run its course. "The goals of the dominant social classes and their political representatives were impeded by their very legality, while their own interests were subject to the centrifugal forces of fragmentation and competition" (p. 298). Consequently, the alternatives for a mass base had reduced themselves to *either* the SPD *or* the Nazis—and the choice for the dominant fractions was a foregone conclusion. The rank and file of the SPD proved stubborn in resisting the only compromise which the party could conceivably make—a rollback of *Sozialpolitik* and a subsequent reduction of unemployment insurance coverage in the very period in which it had become most necessary.

Given the international economic crisis, the collapse of the domestic market, and the loss of tax revenues to the state in relation to the new demands that were placed upon it, *Sozialpolitik* was seen as too much of a burden by all the dominant fractions. Furthermore, to the extent that this intractable mass base of the SPD served as the bulwark of Weimar Democracy, the *economic* bottleneck in which the dominant fractions found themselves could easily be translated into an attack on what had from the first been perceived as the republic's *political* inadequacies (p. 10). Finally, insofar as the non-proletarian classes came to be detached from the political parties which formally represented them, the power of the military, the bureaucracy, and private interest groups increased—along with the power invested in the executive (p. 297).

This leads Abraham to make the claim that

> Whatever replaced the Weimar system had to be radical; it could be no mere restoration of imperial authoritarianism. What followed would have to be a complete alternative to the existing system, not just a new bartering formula. Any new arrangement would have to rest on or at least accept

> popular mobilization, but only if the identification between radical, anti-status quo popular objectives and socialist goals could be prevented and the very relevance of class denied [pp. 50–51].

Though Abraham does not follow through on the point himself, obviously the totalitarian solution would allow for the abolition of the republican framework and mass mobilization while the Nazis' ideological emphasis upon *Volk* and race would undercut the issue of class. In economic terms, from the Nazi standpoint, Germany would have to retrench. The entire economic strategy would be shifted from the international to the domestic market so that both agriculture and heavy industry would be reinvigorated by what the "left Nazi" Strasser called "a feasible form of autarky" (p. 165).

Because the domestic market collapsed in 1929, it would have been impossible for heavy industry simply to acccept a traditional autarkic strategy. By 1932, another factor would be added to the program to make it palatable to the industrial fraction: imperialism. In his *Big Business and the Third Reich* (Bloomington, 1968), Arthur Schweitzer noted that the addition of this plank stemmed from the domestic faction and that, with its acceptance by the Nazis, financial help followed. The lure of natural resources and cheap labor would also allow for the integration of the export fraction into the Nazi bloc. The fulfillment of this imperialist program, however, would necessarily require

> political and conceivably military penetration of the Danube countries. If those countries could be opened to German industrial exports, then the pressure on German grain producers would be lessened considerably, and the rural elite and the dynamic fraction of industry would both be reconciled to a bloc led by heavy industry operating in a vastly expanded "domestic" market [p. 228].

In this way, the Nazis could simultaneously unite the dominant fractions in terms of their "lowest common denominator" and also provide a mass base for a viable bloc. Thus, Abraham goes beyond any mere instrumental analysis by noting that

> although there were some active Nazi ideologues among the leading figures of industry (few in the dynamic fraction, more in heavy industry; yet more among the rural elite), the important question is not how "fascist" was industry, nor how intimately involved were its leaders in the backstage events leading to Hitler's appointment. The bourgeoisie saw no other way out of the crisis; it decided "consciously" in favor of the Nazis [p.323].

Yet, where Abraham has brilliantly exposed the "objective conditions" for what would become humanity's nightmare, he circumscribes his analysis at the very point where the limitations of his method arise. Thus, he can write that

> the dominant economic classes aligned with the Nazi party, but that coalition was not their first choice; they entered into it because other solutions, over which they would have had more direct control, did not work. We leave aside the question of how the Nazi party became as strong as it did: those who voted for or joined it did so primarily for reasons other than those which led to its successful assumption of power [p. 286].

III. From Political Economy to Political Practice

It is completely legitimate for the author to claim that he does not wish to discuss the socio-political or ideological development of Nazism. Furthermore, without an inquiry of Abraham's calibre into the conflicts among the dominant classes and the elites within them, any cultural, ideological, or social analysis of the Nazi rise would be abstract. But, though Abraham's argument can be employed within a different theoretical framework, the relation between the *subjective* reasons for the success of the Nazi movement and the *objective* reasons which made that victory possible cannot be developed from the method of conventional political economy.

Abraham takes this method as far as it can go, but there is a reason why Marx labeled *Capital* a "critique of political economy." The contradictions which Abraham exposes so beautifully only make sense within a *totality* that allows for the ideological and ultimately the political moment wherein a movement constitutes itself. It is not merely a matter of the socio-cultural complex which bred irrationalism, xenophobia, nihilism, and anti-semitism. These concerns have a tradition that is certainly linked to the changing conditions of capitalism. But it must be shown how such an ideological climate could become predominant and affect the *political* choices that were made and the self-perception of the actors themselves.

Whether one likes it or not, the Nazis considered themselves to be "revolutionary." Consequently, the *choices* made by this political representative of subaltern groups and classes cannot simply be understood from the same "objective" instrumental standpoint as the attempts of the dominant fractions to use the socio-economic crisis of Weimar for their own immediate advantage in the reformist terms of the status quo.

Unfortunately, however, Abraham's method prevents him from viewing ideology as a "concrete reality" that shapes "objective" socio-economic conditions themselves through the manner in which they are perceived. Without such a frame of reference, it is impossible to explain why Hitler refused to join first the Papen government and then the Schleicher regime. In terms of prudence, or a "rational actor's" view of immediate interest, the socio-political complex of 1932 did not dictate an intractable posture. The Nazi vote had declined and restlessness was beginning to assert itself in the party. As Hilferding already noted in his introduction

to *Finance Capital,* a scientific-empirical analysis will *never* provide a norm for action—and this holds particularly for a subaltern group with a "revolutionary" mission. In this sense, Hitler's decision to stand firm must be seen for what it was: an extraordinary gamble and a remarkably prophetic choice of strategy.

By the same token, a different ideological perception would necessarily affect the views of the ruling fractions with regard to Hitler. To Abraham's credit, he overcomes the crude idea that the industrialists merely wished to manipulate Hitler. It becomes clear from Abraham's analysis that the elites sought to manipulate the megalomaniac, but were also willing to be manipulated in turn. Still, in looking for the Bonaparte with a mass base, the dictatorship that they got was quite different from what they could reasonably expect even given the authoritarian experiences of the period; i.e., Horthy in Hungary, Pilsudski in Poland, and Mussolini in Italy.

From the standpoint of conventional political economy, it becomes impossible to understand the shock that Hitler produced among the "liberal" sectors of the bourgeoisie, and also how a qualitatively new regime could extract such loyalty from the masses themselves. Undoubtedly, the Nazis were able to use the "objective" economic contradictions and the political hypocrisy of the elites as they developed their own conception of mass mobilization. In order for this to be understood within the given socio-historical context, however, *mediations* need to be developed between economic contradictions, political choices, and the prevailing ideological self-perceptions of the actors involved.

The development of such mediations depends upon the recognition of class consciousness as "the decisive step" (Lukács) within a prestructured set of objective contradictions and alternatives. Any movement's perception of the contradictions and possibilities within a given socio-historical totality will therefore be influenced by its level of political and ideological development as well as the cohesion of its class base. In a "revolutionary" context the socio-political situation will necessarily be viewed *differently* in class terms. Consequently, the epistemological framework used for making choices by the dominant classes cannot be extended to subaltern classes in every situation.

The point does not hold only for the Nazis and their base in the peasantry and the *Mittelstand,* it holds also for the working class and its political representatives, the SPD and the German Communist Party (KPD). In this regard, Abraham notes how the SPD achieved its influence through its ability to broker between conflicting fractional interests. Furthermore, due to the virtual abstentionism of the largest non-socialist party (DNVP), the SPD actually provided the primary support for five cabinets.

Ideologically, the rationale of the SPD was to tame "capitalist irrationality" while the unions wished to act as a "doctor at the sickbed of capitalism." This meant nothing other than that the SPD was reduced to defending the short-run interests of the working class and supporting the lesser of two evils in most situations (p. 279). Still, Abraham's political intelligence prevents him from retreating into an infantile ultra-leftism. For he understands that "the state's role in arbitrating and sometimes deciding labor conflicts in the long run heightened the importance of control of the government" (p. 244). Thus, he is able to note the real accomplishments of the SPD: the rights to collective bargaining, compulsory arbitration, and unemployment insurance, along with the maintenance of what was one of the most democratic governments in history.

Nonetheless, there are specific subjective, political and economic, choices which are difficult to derive—either directly or indirectly—from Abraham's analysis. As a mass party, why did the SPD not demand—as a condition of support for any cabinet—the banning of the Nazi Party or at least their demonstrations, uniforms, etc.? Why did the SPD choose, even after 1931 when the fate of the republic already seemed perilous, to keep under wraps their large para-military organization, the *Reichsbanner* which, incidentally, far outnumbered Hitler's *SA*? Finally, given Hilferding's theory of "organized capitalism," which fundamentally militates against the notion of an economic cataclysm in the new period, isn't it possible that the SPD simply misjudged the depth of the crisis? Enough evidence points to this conclusion which would have affected the SPD's perception of its own class strength as well as the political options that seemed available.

Abraham is correct in maintaining that it was the industrialists who inaugurated "class conflict from above" to subvert the compromises which originally underpinned the Weimar Republic (p. 238). But the real question is why, with a large-scale para-military force, a "militantly reformist" SPD—which was "perhaps too successful in fending off capital's economic onslaught" (p. 235)—could not engender any real political resistance whatsoever at the time of the Nazi seizure of power.

After all, the SPD rose with a general strike in 1920—led by the ultra-right wing social democrat Karl Legien—to topple the proto-fascist, putschist Kapp government in an extraordinarily perilous situation. The fact that the SPD-controlled General Federation of Unions considered political activity from a centralized, elite standpoint is not an answer, since such a view was pursued from the very inception of the organization. Nor is the claim that union membership was declining, and that strike funds were meager, enough of an answer, since these are relative considerations that could have cropped up in 1920 just as easily.

Abraham's real insight into the ultimate failure of the SPD is more provocative. In his view, the SPD failed to become a *Volkspartei* insofar as it did not abandon its purist, working-class orientation at the very time

when it chose to abandon its policy of social revolution (p. 233). Yet the fundamental point of the entire "revisionist" thesis of first Georg von Vollmar and then Eduard Bernstein was predicated on the assumption that the SPD should become a *Volkspartei*. There were even groupings within Weimar social democracy (such as the Mierendorff circle) which sought to continue this tradition. But would the voters from other classes have stood by the SPD and the republic when the crunch came? In the midst of growing international crisis, which followed the stunning electoral victory of the SPD in 1903, and the chauvinism which was unleashed, the electoral results do not support such a thesis any more than the socialist party's support of the First World War brought it enduring support from other classes. Consequently, even had the SPD moved beyond the working class in its policies and worldview, it is doubtful whether it would have been successful in countering those ideological prejudices which identified the party with the hated Weimar system. Furthermore, had such a policy been undertaken, a price would have been exacted. The contradictions of *Sozialpolitik*, which Abraham so nicely exposes, would have resulted in a loss of working-class support in a period where welfare policies were absolutely essential. Consequently, the tragic choice of the SPD was clearcut. Either it would have to embrace an even more radical policy of *Sozialpolitik* to preserve the status quo, which would have been blocked by the dominant fractions as Abraham's analysis makes clear, or it would have had to embark on a militant and potentially revolutionary course which would have involved setting loose the *Reichsbanner* and arming the masses for insurrection.

The problem with the second course is the same that renders moot the entire question of a socialist *Volkspartei:* in fact, even the KPD cloaked its policies under the slogan of a "people's revolution." For, actually, the working class itself was divided both in political and ideological terms. In this respect, Abraham's analysis bypasses the most crucial question of the period—a question which ultimately subordinates the economic inquiry to a political one.

There must have been a reason why there was no united working-class action to combat the Nazis and why a united front between the SPD and the KPD should have been impossible. In 1930, the combined vote of these two working-class parties along with the liberals could have overcome Hitler's electoral plurality. Indeed, the necessity for such a front was already recognized by Trotsky in 1928 and it was surely the development of a popular front strategy in 1936 that proved critical in preventing a fascist take-over in France.

The year 1928, however, was the beginning of the infamous "third period" of the Comintern in which a "social fascist" thesis was propagated that idiotically equated the Social Democrats with the Nazis. This KPD policy had little to do with the economic contradictions within and

between the dominant fractions of the Weimar Republic, nor can it be derived from them.

Of course, Abraham correctly notes how the KPD remained relatively unimportant from 1924 to 1930 (p. 266). But this impotence was at least partially self-induced since—with the zig-zags in the Moscow "party line"—one purge of the KPD followed another in accordance with the changes in the Moscow leadership. In short, the "left turn" of the KPD was a clear case of political suicide that stemmed from the party's political and ideological subservience to the Soviet Union. Based on the ridiculous notion that the Nazis incarnated the "last stage of monopoly capitalism"—an idea which Abraham's thesis demolishes—the Communist ideology proved real enough to effect a praxis that was grounded on the illusory, pseudo-revolutionary conviction "After Hitler! Us!"

It is well known that Stalin personally intervened to implement this disastrous strategy to the consternation of many honest communists who would either be expelled or worse. Probably less well known is the fact that the KPD actually joined in strikes with the Nazis to subvert the tottering republic. Here is where Abraham's extraordinary feat of research and synthesis calls for a theoretical reconstruction from the standpoint of what Gramsci called "the philosophy of praxis." If it is true that the success of the Nazis depended upon their ability to develop a common policy for the antagonistic fractions of the dominant classes, and simultaneously provide a mass base to support the bloc, then the entire strategy might have been thwarted by a politically and ideologically cohesive working class committed to a flexible, realistic approach.

Two possibilities would then have presented themselves. On the one hand, the parties of the working class could have engaged in a common electoral defense of the Weimar system through a "front" strategy which would have attempted to crack the Nazi bloc at its weakest link (the export fraction and the state salaried sector of the *Mittelstand*). On the other hand, these working-class parties could have attempted a coordinated radical response to the right-wing drift, whether in the form of a general strike or an armed uprising. Such a possibility might have existed in 1932 when the Prussian state government was deposed, but the KPD was enmeshed in its dogma and the SPD balked at the thought of violent action.

Obviously, there are no guarantees that either course would have been successful. But to the extent that *neither* strategy was followed, even the possibility of resistance to the Nazi plague was missed by a divided working class whose political representatives—each for its own reasons—misunderstood the nature of the Nazi phenomenon. This shows the limits of political economy as a method which seeks to determine the causal relationships between the "rational" economic motives of given actors and their specific political choices. What marks the importance of Abra-

ham's work is that it explores the economic situation so thoroughly that the need for an examination of these ideological and political conditions of class consciousness immanently emerges. Abraham's book superbly defines the objective conditions, contradictions, conflicts, and interests of the major classes in a period which evidenced the desperate subjective, political need for a unified class-conscious strategy. Thus, from an exhaustive analysis of the "infrastructure," the reader is forced beyond it to the point where he or she must recognize the importance of the "superstructure" and the centrality of class consciousness. But perhaps even more importantly, Abraham's work provides a standard of excellence for judging any future research in Marxist political economy. In this sense, David Abraham's *The Collapse of the Weimar Republic* will assuredly achieve the status of a classic.

Liberalism's Impasse

M. Brian Murphy

Alan Wolfe, *America's Impasse*. South End Press, Boston, 1982; 293 pp.

Americans have often applauded themselves for their essential pragmatism, finding virtue in practical results. Proclaiming their freedom from the demanding rigors of philosophic or religious systems, Americans sought what worked. And the "practical view" seemed legitimated in practice: Americans got results, and ones you could measure.[1]

This was especially true during the postwar decades, when American power seemed unlimited, when the productive genius which had won the war (we said) was turned to cars and houses and freeways and schools. And to toasters, television sets, washers and driers. It seemed the best of worlds, one of ever-expanding consumption amidst increased "opportunity," all of it protected internationally by an astonishing military superiority. The academics could proclaim "an end to ideology,"[2] as the United States became the good society itself in operation. Ideological contention was relegated to that time before ingenuity solved scarcity, or to the enemy. Talk of "capitalism" itself was ideological, betraying a sinister inability to accept the practical achievements of the United States, or a vaguely "European" nostalgia for out-of-date notions of class and conflict.

It is hard to remember that those days of pragmatic satisfaction and celebration were but fifteen years ago. But by then we were at war, a war that would end our innocence and the power that made our innocence possible. It would not do so by itself, and it would not do so directly. The war symbolized the secret of American pragmatism, and its ultimate limit. That secret was power, and always was. Its limit was established by the emerging power of others—the poor and excluded at home, the Vietnamese, then OPEC, and later the Japanese. Different limits, different forms of power, but all revealing that the world was not simply a field in which America could play.

And so, suddenly, we are in a crisis of ingenuity, of productivity, of our capacity to "manage change" or to "adapt." New crises, these, and ones we had seemed able to avoid. It is perfectly American that we see them in these terms. But what if the crisis is not of technique and management

practices? What if America's impasse is much more fundamental, rooted in the politics of pragmatic power, the politics of expansion and growth? What if America's dilemma is not "how do we gain ascendancy again?" but rather "how do we change the very character of what we regard as success and failure, security and peace?"

This is the argument of Alan Wolfe's fine book, *America's Impasse*. Subtitled "The Rise and Fall of the Politics of Growth," Wolfe's work is a subtle historical exploration of the postwar "substitution" of economic expansion for hard political choices. Wolfe argues that a "growth coalition" brought together traditional conservatives and New Deal liberals in an alliance seeking rapid economic growth at home and the expansion of the empire abroad. This coalition was astonishingly successful, Wolfe argues, in creating a system of economic expansion that integrated social factions that had long opposed each other—notably industrial and finance capital and the large trade unions. Fueled by expanding domestic markets, rapid investment, and a real domination of overseas markets and trade, the bounty of postwar American expansion was social and political as much as material. The growth process allowed the nation to avoid tough decisions about racism, the system of distribution, and the structure of production, as well as to avoid fundamental battles over the role of the state. Growth solved distributional problems in the short run—by simply generating enough for many to get more—while reducing politics to debates about marginally different growth strategies.

America's "impasse" is, then, the stalemate that results from continuing the politics of growth when the conditions of growth are fundamentally changed. Wolfe argues that this is an impasse shared by Democrats and Republicans alike—however much their strategies may vary—and is rooted in the inability of an elaborate political system of accommodation and expectation to change in the face of America's waning ascendancy. The center of the story is as much international as domestic: Wolfe details the dependency of growth politics upon an international trade and monetary environment dominated by the United States. Absent that domination, and the sublimation of all politics into growth becomes impossible.

This is a rich and complex analysis, broad in its scope and suggestive in its implications. It is to Wolfe's great credit that the book is rooted in concrete history, for this gives its analysis an urgency that abstract theory can lack. For America's impasse is immediately Ronald Reagan's impasse—and ours—and the "structural contradictions" embodied in this moment are lived out in the daily flailing about of this administration. The book thus informs our immediate politics even as it is historical. Its reach—across the past forty years—manages to focus our theoretical and practical attention on the most important institutional issues the nation faces. I will want to argue, further, that the book invites theoretical

reflection beyond its immediate purposes; it provokes some rethinking about liberalism itself. I propose, then, to speak briefly of the book's argument, and then develop some of those theoretical implications.

I

The heart of Wolfe's analysis is a careful assessment of the relationship between America's political system and the development of the postwar economy. Wolfe demonstrates in detail how the peculiar demands of a fundamentally conservative legislative system determined the parameters of social and economic policy. But the story is not one of conspiracy, or simple legislative "influence." It is about an electoral system that must minimally mobilize a depoliticized people, coupled to a policy process that must respond to the needs of dominant economic interests.

It is the complex wedding of these two aspects of America's political system that sets the stage for "growth politics." On the one hand is an electoral system in which the two parties must appeal to the desires of the many—working people, the poor, small business folk, the lot. Yet this periodic electoral appeal is not mobilization, and once the daily politics of policy proposal, legislation, and substantive brokering takes over, the "many" recede into the background. They are replaced by highly organized national groups, and the diverse and motley influences of dominant local powers upon "their" legislators.

Growth politics emerges from this setting when postwar liberals seek a way to accommodate their social democratic goals—planning, income redistribution, and international cooperation—to the harsh realities of administrative and legislative power.

> The liberalism that came to power in postwar America did have a vision of a better world, but it was a complacent vision, one which sought its goals without threatening the prerogatives of the wealthy and the powerful. It offered social justice without pain, a better life without mobilizing the energy to achieve it. Liberal goals like better housing and improved health care, unable to be passed through a conservative Congress, were transformed into a bipartisan, centrist, and non-ideological crusade to expand the economy through massive expenditures on public works. Housing for the poor became urban renewal, while a concern for better health produced the construction of hospitals and medical complexes [pp. 80–81].

Wolfe's critique of postwar liberalism does not begin, however, with the health and housing bills of the sixties. It returns to the immediate postwar ascendancy of Keynesians like Leon Keyserling and George Soule, and to the translation of their progressive initiatives into the *opposite* of Keynesianism. In a brilliant account of "Counter-Keynesianism," Wolfe demonstrates in detail how Keynesian ideas—full employment, forms of national planning, coordinated monetary and fiscal policy—

became subverted through the legislative process into programs aimed at private-sector growth. This subversion meant that the basic Keynesian impulse—to use the public sector to more aggressively "influence and plan decisions made in the private sector" (p. 54)—was never honored in public policy. Wolfe says boldly to those who think Keynesianism is repsonsible for the system's eventual decline, that "Keynesianism was never tried" (p. 54).

The story of the 1946 Employment Act is illustrative. Initially introduced by Keynesians as the "Full Employment" Bill, the employment legislation "posed the question that was at the heart of Keynesian doctrine: was it possible to use government to ensure that full employment would produce economic growth, or would one accept the position of American business that economic growth could ensure full employment?" (p. 52). The original bill guaranteed "jobs for all" (p. 52) and proposed a government planning mechanism to ensure employment. Wolfe draws upon Stephen Kemp Bailey's detailed study of the legislation[3] to show how the conservative and business opposition in the Congress stripped the bill of its capacity to guarantee full employment through coordinated governmental planning. While the eventual bill established the Council of Economic Advisors, the explicit charge of the Council was to "foster free competitive enterprise,"[4] with the idea that employment would result from an expansion in the private economy.

It is this definitive shift from an interventionist planning role for the state to a facilitative, responsive, and ultimately dependent role, which marks the transformation of Keynesianism into Counter-Keynesianism. While no socialist (he had explicitly rejected, as Wolfe notes, "a system of State Socialism which would embrace most of the economic life of the community"),[5] Keynes had believed that all reform was predicated on the state's ability to "determine the aggregate amount of resources" through aggressive and centralized public planning. His own brand of demand-side intervention was tied to a conception of strong state action backed by a strong political consensus. American Keynesians gave up strong state intervention because they lacked the political movement capable of supporting them in the face of business opposition.

Wolfe moves from the employment issue to five other areas in which "American Keynesians repudiated their own tools of economic management in order to win business confidence" (p. 54). These included

> government intervention on the "supply-side" of economic activity; coordinated monetary and fiscal policy; the incorporation of labor into government planning; insulation from the world economy; ... government spending techniques which were redistributive in nature [p.54].

In each area the actual policies that emerged bore little resemblance to Keynesian theory, tending to put government in the service of capital's plans for expansion while marginalizing (or pacifying) labor's role.

Wolfe's long critique of Counter-Keynesianism is an important contribution to our understanding of postwar policy. Its importance consists minimally in having rescued Keynes from the clichés of supply-side advocates and liberals alike. But Keynes is not the issue. The real issue is the substitution of growth for any structural transformation in the economy. The Counter-Keynesians found themselves pursuing policies whose purpose was the enhancement of private corporate power, and bringing state policy into line with that power, with the intention of increasing the aggregate economic expansion of the system. This would provide jobs and income, it seemed, without having to tackle the more difficult problems of poverty, racism, and huge inequalities in opportunity and reality. This substitution was not the result of some intellectual confusion, but an expression of the inequalities of power themselves—as expressed through the concrete battles over policy specifics. This is the power of Wolfe's analysis: rather than give us another analysis of the imbalance of forces, he details the political stalemate through which the imbalance produces actual policy.

But he does not leave it there, the story of (yet again) the power of business in the affairs of the state. The central focus is on the liberals who failed to see any contradictions in serving their liberal goals and serving a growth process dominated by private power. Postwar liberalism was consistently caught between its abstract commitment to the needs of the poor and the excluded, and its refusal to mobilize sufficient political opposition to the influence of capial. But then the liberals did not see the need to do so.

This emerges again and again, especially in Wolfe's critique of the Kennedy and Johnson years, of "reform without reform." In an analysis of urban, housing, and health policy, Wolfe demonstrates how liberals drafted policies that only minimally served those they were intended to serve. He may ignore the degree to which many of these programs did, in fact, alter the conditions of poverty in (especially) urban America. (In fact, even the impact of so minimal an assault on poverty is telling in the debate about whether or not it is public or private intervention that can ameliorate poverty). But the point of his analysis is that these programs became parts of the growth strategy, forms of massive state investment that financed huge new industrial and corporate complexes while changing very little of the substantial inequalities of *power* in the society. In every example, Wolfe returns to the same conclusion: that the liberals ended up designing programs for entrenched interests because they "deprived themselves of the one force that can create a more equal society: the support of the mass of the people to force through changes upon a recalcitrant elite" (p. 92).

Having detailed the emergence of growth politics in domestic policy, Wolfe then focuses the center of the book on the development of foreign policy, international trade and monetary policy, and foreign aid. These

chapters have the salutary effect of wedding the analysis of domestic and foreign policy, and of demonstrating the linkages between policies aimed at domestic expansion and the substantive choices made in international fiscal and aid policies. His analysis is not so much a detailed institutional account. There is little detail given on the actual practices of the IMF, the World Bank, or various aid agencies. Instead, the focus is on the policy choices made by Americans during the postwar period, when our enormous power gave us definitive say over the form and substance of international institutions and practices.

The details do not need repeating, but the historic point is clear: the United States pursued policies that sought a stable and secure environment for a developing international economy in which American firms and interests were assumed to dominate. So much is told in virtually every history of the period. But Wolfe's analysis suggests that the institutions and relationships we built in the international arena served us only as long as we remained internationally dominant. In a world of greater equality among the industrial nations, with a progressively vocal and mobilized Third World, the United States needs to rethink what Wolfe calls our "nationalistic internationalism."

Wolfe's critique of growth politics in the international arena is not a criticism of growth *per se*, much less one of development for the less developed nations. It is a criticism of an American policy that sees no contradiction between serving the needs of international corporate expansion and serving the needs of *both* our own citizens and the citizens of the rest of the world. His analysis of the postwar period demonstrates how various policies (regarding everything from trade to international cooperation) were rooted in the belief that expanding the business of American business would expand the riches of all. Quite aside from the impact of these policies on the rest of the world, Wolfe tries to show that their effect on our own economy is salutary only as long as American capital remains powerful (and remains "American").

Wolfe's analysis of trade policy and foreign aid is especially critical. He argues that our inability to develop relations of equity and reciprocity with other nations leaves us without the institutions or traditions through which to negotiate effectively.[6] Having sought security through power, we are left with instability when we are no longer the most powerful. Our deepest vulnerability lies in our inability to differentiate between the interests of the nation and the interests of the corporations. Wolfe argues this through a critique of the major structural development in the international economy: the emergence of the genuinely multinational corporation as a major actor. Arguing that the institutions of modern multinational corporate power are not easily under the sovereign control of the modern nation-state, the link between corporate "growth" and the health of the nation is no longer assured. If our government continues to commit itself to the service of capital—in the name of a renewed expansion of the economy—we may find ourselves asking the same questions asked by the smaller nations we have so often ignored. Current supply-side programs are an especially telling instance: all the "incentives" in the world (literally) do not guarantee investments that provide domestic employment or a renewed national economy.

These questions of national "interest" are at the heart of Wolfe's chapters on international policy. The narrow way in which the United States framed its definition of its own interest deeply influenced the substance of what we sought in trade or aid. But Wolfe's point is that we actually *avoided* any substantive discussion of the national interest in our pursuit of international policies aimed at growth. The postwar period brought old-fashioned conservatives (strongly isolationist at one point, Wolfe reminds us) together with more progressive liberals who had humanitarian goals—and forged an alliance based on the expansion of American business. Never precipitating a real public debate, both sides sought their goals through growth.

Wolfe's argument is, here as well as earlier, that as long as the conditions for expansion remain open, then a "pragmatic" policy that seeks to serve both business and everyone else can succeed. Remove the conditions for expansion and the system goes into gridlock.

This becomes the political punch of the book, then, as it closes with analyses of the Carter and Reagan presidencies. Wolfe shows Carter's repeated efforts to solve stagflation, and his repeated retreat to the older policies that got us there first. And then to Reagan, ushering in a new (old) vocabulary completely inappropriate for an international corporate economy. Wolfe argues that Reagan's supply-side strategy (tax benefits for capital, with the hope of reinvestment) will be sabotaged by a defense policy guaranteed to be inflationary, and by a structure of corporate power that guarantees that tax benefits will be invested in overseas plants, speculation, and increased profits. In an economy no longer national in any real sense, a growth strategy like Reagan's will bring lots of growth—but not necessarily for the vast majority of the people of America.

Wolfe's critique of Reagan ends the book, suggesting that the only reasonable alternative to Reaganism is a politics that does not seek an answer to our problems through a growth process dependent upon corporate power and investment. Wolfe acknowledges that the Democrats are unlikely to provide such a politics, as they find themselves in their classic bind: appealing to working people and yet unwilling to mobilize those people into a movement capable of challenging the prerogatives of corporate power. The result: a Mondale or Glenn who will simply reinvent the Democratic side of the growth wheel—government spending which will move into the hands of the most powerful.

Wolfe suggests an alternative agenda. Americans must learn to live

with less, sharing more broadly, accepting a less dominant international position. There must be much more direct state planning for social goals, a national industrial policy willing to direct investment, an employment policy that is also an incomes policy, and capital controls. To do any of this requires a reorientation of the lines of political debate and conflict, a "revitalization" of political life. Without elaborating it, Wolfe calls for an American movement that seeks to appropriate public authority over the genuinely public business, including the economy. This movement must be, he suggests, rooted in a conscious reaffirmation of a "common class position" among Americans who are currently divided by status, race, gender, or region.

II

There are some obvious things this book does not do, and to mention them is only to suggest what might comfortably accompany this work. Wolfe's focus is on policy and political alignment; he nowhere offers any detailed account of the character of the current transformation of the economy—even while his entire argument depends upon it. There are other books which do that in detail;[7] his work stands as an important corrective to those who would reduce politics to an emanation of the economic structure. Indeed, one of the arresting theoretical implications of this book is the central role it assigns political life in the modern nation-state. It is not simply that Wolfe wants politics resurrected into prominence; the entire work suggests that public authority is the pivot around which much of social development occurs.

In this the book stands against those who see capital as the single driving force within capitalism. Now, it matters to be precise here. Wolfe everywhere acknowledges the power of capital, and indeed his whole argument about liberalism's refusal to confront capital depends in part upon a tacit recognition of capital's enormous social and economic power. But his insistence on the primacy of politics is expressed in two ways: first, in the obvious implication that American liberals *could have* mobilized for a more genuine social democracy in the United States; second, in the argument that their failure to do so resulted in *policies* which themselves played an absolutely central role in the development of the contradictions now plaguing the system.

Put another way, Wolfe appreciates both politics and political power, and wants to insert the policy choices made by those who held state power in the very heart of the system's development. This means, at the most abstract level, that Wolfe really does see the historical "ensemble of social relations" as having struggle at its heart. The "logic" of struggle is never simply the logic of capital, as derivationist theorists would have it;[8] the logic of struggle (and the consequent real institutional life of a

society) is constantly reformulated through political conflict and debate itself.

Wolfe has been criticized for lacking a class analysis,[9] and certainly his story is bereft of that form of structuralism which announces the presence of class struggle when all else fails. But the absence is more pronounced than that, for, in the world he describes, few actors act as classes. (While this is less true of "business," it is certainly true of everyone else.) More to the point: a class analysis might "explain" what happens here by abstracting away from specific events, but Wolfe is more interested in how the actual contours of policy are determined by far more concrete ideological claims and proposals.

And these policies actually *matter;* they become part of the complex terrain on which all conflict takes place. Wolfe has not abandoned an old and powerful understanding within the critical tradition—that public power cannot truly rule unless it rules the economy in some fundamental way—nor has he reduced that insight to its banality—that the state that does not rule capital does not rule at all. Here the state does matter, and its policies are the heart of America's impasse.

So the book has some quite interesting implications for contemporary state theory. It seems one of the most lucid, historically concrete, and least abstract characterizations of the state—not in its formal institutional structure but in its *activity.* It will fail those who seek the formal solution to the "modern state," but it will serve those who seek to know the modern state through the actual experiences of the past forty years of the American state.

It raises some obvious questions of theory—worth pondering on their own rather than criticizing Wolfe for not having done so.

First, there is the question of the institutional structure of the state. While any concrete historical analysis might appropriately seek to identify the dominant forces and ideologies at work, there remains to do an analysis of the institutional state framework within which these forces meet. When Wolfe speaks of the inability of modern liberals to mobilize a (minimal) social democratic movement to counter business, the two obvious places to look for explanation are the ideological perspectives of the liberals, and the relative social power of the forces to be mobilized or countered. Thus, business is highly organized, possesses great resources, and is sometimes unified in what it will not accept. And labor may be fractured between those who seek economic expansion and those without representation. But what of the legislative and administrative institutions through which either must move?

It is here that an analysis of America's "impasse" might suggest that the federal system itself inhibits broad class coalitions from forming, or that the administrative and bureaucratic apparatus which contains most substantive policy narrows the range of those who do participate. The

first point is as old as Madison, who argued that the "majority . . . must be rendered, by their numbers and local situation, unable to concert and carry into effect schemes of oppression" (*Federalist Papers* no. 10). It is an insight also as recent as modern political science's fulminations against the inadequacies of the current party system.

The second point is more complicated, for it may be in the structure of public agencies that we find what Claus Offe called the "selective mechanisms"[10] within the state that obscure certain claims and pronounce others fit and healthy. This is especially true in the new technical areas of fiscal policy, environmental and health issues, and trade and business regulation. In the debates that circumscribe policy in these areas, what comes to count as a relevant option may be quite narrow, and the kinds of debate—scientific, obscure, technical—may prohibit many questions from being asked.

If this selectivity is rooted in bureaucratic structures, it is also certainly expressive of an ideology. What is the "ideological content" of the institutional framework within which policy is formed? The broadest example is the deepest: the structure of "regulation" presupposes the corporate structure of capital, and ironically forbids the possibility of the collective ownership of that which is regulated. But it is the ideology surrounding these ideological structures that is most important, what I will call the "ideology of ideology."

It is here that Wolfe's book suggests—but does not elaborate—a new departure for state theory. Wolfe's entire thesis—that growth politics served to avoid confronting basic issues of social design and political conflict—is predicated on a deep tradition in American liberalism. This is the tradition of pragmatic muddling, what Tocqueville called the practical mind at work. This is a view that takes its departure from the presumption that all basic social questions are resolved. Questions, that is, of ownership and property, the definition of public and private, the substantive definition of national security and the public good. All choices in the political world are then reduced to exercises in *policy-making*, not politics. And policy debate is not the occasion for raising the fundamental issues, but rather the occasion for disagreement over different paths to an assumed end.

It is this substitution of policy for politics that constitutes the ideology of American ideology. In other words, the real story behind Wolfe's account of postwar liberalism is that these liberals are the same as the earliest liberals, and their choice to pursue growth is as old as Hamilton, or Jackson. The "option" of mobilizing mass support for a strong interventionist state committed to social justice and equity was *never* an option, for it would have violated the very premises of American liberalism. It would have violated the split between public authority and private economic prerogative; it would have violated the presumption that liberty itself is rooted in the sanctity of property; it would have violated the constitutional liberals' commitment that politics should remain in the known confines of the electoral system. It would have necessitated, in brief, a politics that self-consciously admitted that the basic questions were still open, that institutional structure and process cannot handle all claims. It would have had to precipitate a politics of ideological choice, and thus it would have violated the ideology of ideology—which is that the liberal genius is to have banished ideology forever.

When one removes really fundamental debate from politics—avoiding talk of public ownership, effective national planning, a whole new definition of national security—all that is left is policy debate. The ideology of policy is that it is not ideological, that it does not express any fundamental choices about the social order itself. This is the significance of a whole generation of political scientists (Lipset, Lane, Dahl, for a while)[11] proclaiming that America was the good society itself in operation. They were expressing an old impulse, that even issues of intense public debate (like suffrage, civil rights, foreign wars) were simply moments where the kinks were worked out in an already good system. Such a system does not need mobilization; such a system is threatened by mobilization. Such a system is threatened by politics.

Now, mind you, politics never completely goes away: movements emerge, and debate verges every once in a while towards fundamental issues. But these are all danger signs (of what the Trilateral Commission called a "democratic distemper"), and liberalism's most basic impulse is to pacify the clamor—not work to change the structure of power or privilege. None of this is to deny the humanist convictions of many liberals (or to deny the difference between them and Reagan's brand of ill-tempered Social Darwinism). But it is to insist that modern liberals be located in their own history, a history that shows a consistent choice for expansion over struggle, the sublimation of empire and consumption rather than the harsh conflicts of class and domination. American liberals have never even been social democrats; given a history of expansion and power, they have never had to be.

If the ideology of ideology is the denial of the need for ideological choice, or the reduction of all fundamental social choices to irrelevance, then the social origins of this view do not lie simply in the hearts of liberal policy-makers. This avoidance of conflict—or, more properly, the refusal to acknowledge basic conflicts, and thus the refusal to see political actions as choices—is deep in the popular culture of liberalism. And here we arrive at one of the issues lurking beneath Wolfe's entire analysis: the degree to which the politics of growth has depended upon a depoliticized people.

For the historical question is not simply why American liberals never mobilized for social democratic ends; it is, more fundamentally, why

there is no deep tradition of social democracy in America. This is, I think, the deepest part of America's impasse: that our people lack the political vocabulary and political experience to demand fundamental alternatives from those who make policy. And it is this that makes Wolfe's call for a "revitalized" politics so much more complicated than a few pages of proposal for a "movement." I share Wolfe's belief that a broad-based and popular movement is required, one that seeks to redefine security and health and the common welfare. And I certainly do not criticize him for not having written the account of how that movement is to develop. But if we are to understand liberalism's impasse we must understand the deeply apolitical impulse in the culture—an impulse much deeper than the postwar period in which modern liberals avoided political conflict through economic growth.

This avoidance of political conflict has perhaps depended upon the power of America's economic expansion; certainly that expansion has been at the heart of American liberalism's substitution of economic "freedom" for political engagement. When Wolfe calls for a revitalization of American politics he is really calling for a return to a much older notion of freedom—one that sees its liberty in the collective determination of how the community will live, and not in the individual capacity to avoid the community altogether. This older notion of freedom is more Aristotelian than liberal, and it demands an engagement from our citizens which modern liberals have sought mightily to avoid. So when Wolfe suggests that the way out of America's impasse is not given simply by some new policy alternatives (he lists an impressive array), but rather by the generation of a popular will to enact those alternatives, he is really pointing to the deepest part of the impasse. That is an impasse about freedom itself. What will move our people to find their freedom in a commitment to public life, in demanding an alternative to the policies that brought us to where we are? I suspect it will only happen when they conclude that the freedom they have been offered (and not always given) through the endless gadgets and paraphernalia of consumerism are a sorry wage to be paid for remaining hidden from political life.

NOTES

1. For a detailed treatment of American pragmatism, see R. Jeffrey Lustig's *Corporate Liberalism* (Berkeley: University of California Press, 1982), pp. 150–175.
2. See, especially, Daniel Bell, *End to Ideology.*
3. Stephen Kemp Bailey, *Congress Makes a Law* (New York, 1950).
4. Wolfe, p. 53; see Bailey, op. cit., pp. 57–59.
5. Wolfe, p. 51; see Keynes, *The General Theory of Employment, Interest and Money* (New York, 1936), p. 378.
6. The analysis of U.S. foreign aid is elegant. Rather than confront the structural sources of international poverty—in the organization of power, privilege, and exploitation which so characterizes relationships within the Third World, and between the developed and less-developed world—we transposed our own experience of "development" upon them. Bolstered by theories of investment and "take-off," we sought development that would bring modernity without threatening the structures of power that had so benefited from "undevelopment." And then, of course, we linked our aid—and the institutions of international development we sponsored (like the IMF and World Bank)—to anti-communism and our global contest with the Soviet Union. The results were programs that seldom worked, resentful client states, and outraged progressive movements who saw no friend in the United States.
7. See Barry Bluestone and Bennett Harrison, *The Deindustrialization of America* (New York: Basic Books, 1982). For other views on related matters see Richard Barnett and Ronald Muller, *Global Reach* (New York, 1973); Lester Thurow, *The Zero-Sum Society* (New York, 1980); and Seymour Melman, *The Permanent War Economy* (New York, 1974).
8. For an excellent critique of derivationist theory, see Bob Jessop, *The Capitalist State* (New York: New York University Press, 1982), esp. pp. 131–139 passim; see also John Holloway and Sol Picciotto, eds., *State and Capital: A German Debate* (London: Edward Arnold).
9. See the recent review in *Contemporary Sociology,* vol. 2, no. 6 (November 1982), pp. 614–616.
10. See Claus Offe, *Strukturprobleme des Kapitalistischen Staates* (Frankfurt: Suhrkamp, 1972), and Offe, "Structural Problems of the Capitalist State," in K. Von Beyme, ed., *German Political Studies,* vol. 1 (London: Sage, 1974).
11. The best (or worst) example of this remains the first chapter of Lipset's *Political Man.*

On the Concept of State Autonomy

Les Guliasi

Eric A. Nordlinger, *On the Autonomy of the Democratic State*. Harvard University Press, Cambridge, Mass., 1981; 239 pp., $20.00 cloth.

I

Since its introduction, the concept of the "relative autonomy of the state" has been one of the most prominently debated and researched concepts in the Marxist state theory literature. Relative autonomy was first introduced by Nicos Poulantzas (1973) as a theoretical intervention into the developing literature on Marxist theories of politics and the state. When Poulantzas set out to develop what he termed a "regional theory of the political" (1973:16), he assumed the task of refuting two particular conceptions of the state that he considered to be erroneous and misleading—they being economic determinism and instrumentalism.

In economic determinist accounts of politics, according to Poulantzas, the state is subjugated to the economy. Relying on the base-superstructure metaphor (Williams, 1973), society's superstructure (politics and the state, culture and ideology) is determined principally by economic conflicts. Social change, in orthodox Marxist terms, is a product of contradictions between society's forces and relations of production. In no uncertain terms, according to this simple view, the state is merely a reflection of economic conditions, and politics is essentially a product of economic class struggle.

Besides refuting economic determinist conceptions of the state, Poulantzas also criticized instrumentalism—the notion that dominant social classes (usually understood to be the most economically powerful social groups) reign over the institutions of political governance. Marxists, as Poulantzas was right in pointing out, have traditionally been correct in demonstrating the class character of political institutions, yet have tended to overstate the influence that dominant classes enjoy—not merely in political matters, but also in cultural, ideological, and economic matters as well. In over-emphasizing the political influence of dominant social classes or other socially powerful groups, instrumentalism has typically

overlooked how less powerful groups challenge such dominance and even gain access to the state. Thus according to both economic determinist and instrumentalist views, the state has little or no autonomy either from the economy or from dominant classes.

Poulantzas' criticisms of these views are by now well known. He has challenged the idea that the state is an empty shell, that political institutions are subject to the manipulation of whichever group (or class) has control of them. Poulantzas has disputed the notion that state institutions are impenetrable and impervious to change because subordinate classes have little or no access to them. He has argued that instrumentalism rests upon a zero-sum conception of power and that it fails to acknowledge the changing balance of class forces, the essence of class struggle responsible, in large measure, for shaping the character of state institutions and state policies. And, finally, Poulantzas has charged that instrumentalist conceptions of the state impute greater coherence and homogeneity to dominant classes than really exists, noting that instrumentalism fails to recognize that dominant classes are made up of factions (or "fractions") that compete for political power and economic resources.

In short, Poulantzas' criticisms can be summed up with the idea that the state has an independence of its own, that political power cannot be reduced to the *direct* control of any single social group, that political control is a complex matter that depends on shifting alliances and the changing balance of class forces.

For Poulantzas, then, "relative autonomy" was a conceptual device for transcending the theoretical shortcomings of economic determinist and instrumentalist accounts of the state, each of which denies the state a sufficient degree of independence—one from direct economic matters, the other from overt control by particular social groups. In spite of this effort, however, "relative autonomy of the state" has not been the theoretical panacea originally promised. The meaning of the phrase "relative autonomy of the state" has been shrouded in ambiguity; Marxists have not defined the phrase precisely and have applied the concept indiscriminately in the analysis of a diverse set of problems. Moreover, because no standards have been applied to the concept, relative autonomy has been used as a residual analytic category to explain anything the state does.

To Poulantzas relative autonomy denotes the state's independence from economic matters and from class control. To others, the concept has meant one or more of several different things: (1) that the state is not a monolithic structure, but an ensemble of fragmented agencies, each semi-independent from the rest, often vying with one another for power, status, prestige, or influence; (2) that the state is not merely an object shaped by external forces, but an organization with its own logic and set of internal dynamics; (3) that the state, in addition to being shaped by greater social forces, is also a force itself in shaping the character of social

conflict and in determining the outcome of class struggle; (4) that the state is the chief institutional force in bringing about cohesion among conflicting fractions of the dominant social class (or in organizing the common interests of the dominant class as a whole), while simultaneously contributing to the disorganization of subordinate classes; and (5) that the state is an institution whose primary objective is the long-term preservation of the capitalist system, and whose chief function it is to manage (or to avert) social and economic crises.

These alternative definitions of the term indicate that "relative autonomy" has no clear, uniform, or unambiguous meaning. The components of the phrase—the terms "relative" and "autonomy"—are themselves the subjects of competing interpretations. In fact, much of the controversy surrounding the definition of "relative autonomy of the state" has to do with the meaning of the term "relative" and the assumed degree of state autonomy. As a consequence of such ambiguity, not only has the concept been used in different ways at different times, but "relative autonomy" has become a residual theoretical category used in too casual a fashion to explain any and all types of activity undertaken by the state. With few exceptions, little care has been taken to define what exactly are the limits of state autonomy, under what conditions the state is more or less autonomous, and in reference to what or to whom does the state's autonomy lie. These issues are important, not only theoretically, but also practically, for the term begs serious political questions: what is the political significance of claiming that the state is relatively autonomous? what does the concept imply about the nature and substance of political power? how is autonomy manifested in different states (capitalist or non-capitalist) at different times in history? how can the concept be used to understand better the character and demeanor of the state and of social processes? how does such an understanding inform political practice?

II

The concept of state autonomy is the central focus of a recent book entitled *On the Autonomy of the Democratic State*, written by political scientist Eric A. Nordlinger. Nordlinger's aim is to furnish a theoretical explanation of how to account for "the authoritative actions of the democratic state, its public policies broadly conceived" (p. 1). The book implicitly addresses a problem common to virtually all who have studied the capitalist state, put simply as follows: in the face of increasing hegemony and enhanced autonomy, how is the modern state capable of maintaining a receptivity to democratic impulses? Nordlinger begins at a practical level by asking the basic question: "To what extent is the democratic state an autonomous entity, one that translates its own policy preferences into authoritative actions?" (p. 1).

To answer his own query, Nordlinger first establishes a theoretical position—one that may be characterized as eclectic—from which to operate. He does so by criticizing four theoretical traditions which, in his view, overemphasize society's (and hence underestimate the state's) capacity to shape public policy. According to Nordlinger, pluralist, neopluralist, social corporatist, and Marxist theories of state and society have emphasized societal constraints over state autonomy, and have given little acknowledgment to the state's independent role in shaping societal preferences, in influencing the distribution of societal resources in favor of particular policy preferences, and, ultimately, in formulating public policies.

Aiming more toward clarifying the meaning of state autonomy rather than simply criticizing the views of others, Nordlinger devotes the bulk of his work to the development of a typology of state autonomy, a typology that revolves around the relationship between societal (private) and state (public) *preferences* regarding public policy. The first of Nordlinger's three types of state autonomy is found when societal and state preferences diverge. Under such conditions, public officials "capitalize upon their autonomy-enhancing capacities and opportunities to free themselves from societal constraints and translate their preferences into authoritative actions" (p. 119). A second type of state autonomy exists when "public officials translate their preferences into authoritative actions in the absence of divergent state-society preferences" (p. 74). Under such conditions, Nordlinger explains, "the politically best endowed private actors hold preferences that converge with those of the state and/or defer to the state's preferences, or virtually all significant social actors are indifferent to state preferences" (p. 74). Finally, in this typology, state autonomy occurs when at first "state and societal preferences diverge and public officials purposefully bring about a shift in the societal . . . preferences, then translating their now nondivergent preferences into authoritative actions" (p. 99).

As helpful as it is in discriminating modes of state autonomy, Nordlinger's typology rests upon shaky assumptions about the nature of the state. The biggest problem is that Nordlinger reduces the state simply to an aggregate of public officials (p. 3); his definition defies the most basic sociological or institutional understanding of the state. This failure to treat the state as an institution, or even as an organization in a sociological sense, has led Nordlinger to a simple behaviorist and instrumentalist account of the state—the view that the origins and substance of state policy can be understood merely by knowing the motives and behavior of the individuals who occupy key positions in the state bureaucracy.

A second shortcoming of Nordlinger's perspective is its central focus on state autonomy in an absolute sense, in contrast to the *relative* character of the state's autonomy as emphasized in the Marxist literature. In Nordlinger's words, "The state is autonomous to the extent that it translates its preferences into authoritative actions, the degree to which public policy conforms to . . . public officials' resource-weighted preferences" (p. 19). Implicit in this view is the notion that the state's autonomy is synomous with the power public officials have to overcome threats from competing interests, both within and outside the state, and to surmount the imposition of structural constraints. Again, it is evident that Nordlinger's thought is built upon behavioral assumptions of political power (Lukes, 1974). Political power for Nordlinger is associated with observable behavior, and public policy with the overt preferences and choices of public officials.

Nordlinger's book has indeed shed new light on the meaning of the concept of state autonomy. It represents the most systematic treatment of the concept to date, and for that reason alone the work is a welcome addition to the body of literature on state theory. More important, perhaps, Nordlinger's work has opened a new challenge to those who wish to understand the nature of the capitalist state and public policy. Without explicitly intending to do so, Nordlinger has posed a challenge to the Marxists, who up to now have been the principal analysts of the capitalist state and who deserve primary credit for introducing the notion of state autonomy. It may be an ironic twist that the incentive for developing a more careful and discriminating definition of the state autonomy concept has come from Nordlinger, a non-Marxist. Nevertheless, a more sophisticated understanding of the capitalist state will come about only through careful historical and empirical analyses, not from formal argumentation or a dependence on typologies.

ADDITIONAL REFERENCES

Lukes, Steven
1974, *Power: A Radical View,* London: The Macmillan Press Ltd.
Poulantzas, Nicos
1973, *Political Power and Social Classes,* London: New Left Books.
Williams, Raymond
1973, "Base and Superstructure in Marxist Cultural Theory," *New Left Review,* 82.

Dependency Revisited

Dennis R. Gordon

Richard R. Fagen, ed., *Capitalism and the State in U.S.-Latin American Relations*. Stanford University Press, Stanford, Calif., 1979.

The triumph of the Nicaraguan people and the continuing struggle in El Salvador have once again focused attention on Central America and the Caribbean, and on the North American role in the region. But much of the attention is journalistic and momentary, filled with the pronouncements of governments, the ebb and flow of battle, and the occasional statistic of repression. What is often missing is a cogent analysis of the historical and structural developments which bring the nations of the periphery into conflict and provide the common context for repression and rebellion.

Richard Fagen's collection of essays aims at such an analysis, beginning from the critical claim that any worthy analysis must begin with a critique of the relationships between international capital and the Third World, including the complex relationships between nation-states at the center and in the periphery, as well as the tangled internal struggles inside peripheral nations. This is a daunting task, despite the impressive and sophisticated theoretical work done by scholars in both the North and South. The formulation of comprehensive theories with which to explain the systemic interaction of center and peripheral nations is complicated; easy talk of the global capitalist system can obscure the great diversity within the periphery, and events in the Third World have a penchant for frustrating theoretical expectations. As Fagen says,

> Theoretical constructs, intended to order, clarify, and simplify certain basic relationships, are constantly under assault by the upwellings of observed social change. The predictions of the allegedly knowledgeable are frequently swept away with what some would say is alarming (and others would say is reassuring) frequency. [p. 1]

What then should be expected of a serious study of development, dependency, and the global capitalist system? Fagen posits two basic issues or "problemáticas" which should be addressed: the nature of contemporary capitalism and the nature of the contemporary state.

Fagen then directs our attention to a series of subordinate topics: "North American exceptionalism in a changing world; institutions, actors, and alliances; ideology and legitimacy; and values, choices, and policy." To explore these problemáticas Fagen offers a collection of case studies of specific issues and nations. The goal is to provide "telling examples," to provide an empirical foundation upon which more abstract theories of center-periphery relations can be built. As with most collections of essays, the selections are somewhat uneven. But as a whole, Fagen's work represents a major contribution to our understanding of the policy process in the United States and Latin America, and how the two interact.

Fagen's collection begins with a discussion of accumulation and distribution in the capitalist center and the impact of these processes upon foreign policy. Traditionally this kind of analysis has produced a model of foreign involvement based upon the inevitable drive for markets, investment sites, and inexpensive labor and primary products to aid accumulation at the center. Such notions are basic to most dependency literature. Yet such an analysis has not seemed capable of accurately accounting for some of the crucial developments in center-periphery relations. For example, some analysts argue that recent years have demonstrated a relative decline in U.S. hegemony in the global economic system. While discussions of the accumulation process are clearly helpful in explaining this, there are other salient issues. Explanations for this decline include the diminished effectiveness of military instruments of power, the U.S. reliance on certain primary product imports which has raised the bargaining strength of periphery nations, and an internal debate among segments of the ruling elite in the U.S. over trade and investment policy.

This last development, the apparent schism within segments of the U.S. elite, receives detailed analysis in Fagen's collection of essays. Ira Katznelson and Kenneth Prewitt in "Constitutionalism, Class, and the Limits of Choice in U.S. Foreign Policy" argue that class consciousness is mitigated by pluralist overlapping associations ("low classness") along with a comparatively limited level of state domination of the private sector ("low stateness"). These factors diminish the open debate over U.S. policies towards less developed periphery states. Borrowing from Poulantzas, Prewitt and Katznelson cite the political disorganization of labor and petty entrepreneurs which allows capital and its bureaucratic allies in the U.S. government to pursue investment and trade policies clearly at odds with working-class interests.

Although this may be an accurate description of the elite leaders of organized labor in the U.S., Prewitt and Katznelson do not seem to explain the refusal of many rank-and-file members to handle shipments to post-Allende Chile or progressiveness in general among many trade unionists. Nor do they explain the sophisticated protectionist arguments

put forward by many labor leaders. It is also important to recognize that the post-World War II domination of the so-called internationalist faction, composed of large financial houses and transnational corporations, is being challenged by a protectionist coalition of small business, labor, and isolationist elements. This is causing politicians and government officials to reconsider trade policy. The pressure of protectionist groups, along with a diverse collection of human-rights and other political organizations, is presently reflected in the U.S. search for new modes of accumulation like the proposed North American common market and the Caribbean Basin Initiative.

A more overtly economic analysis of accumulation in center nations is provided in Steven S. Volk's "The International Competitiveness of the U.S. Economy: A Study of Steel and Electronics." While addressing the issue of finance capital's search for outlets abroad, Volk is really concerned with an in-depth study of two specific sectors of the U.S. economy. Volk seems to assume that balance-of-payments deficits are universally bad for capital when, in fact, they may represent a strengthening of finance capital through the acquisition of tangible assets abroad. The crucial question of who benefits from trade both within capital and labor (not to mention consumers of low-cost imports) is dealt with imprecisely by Volk.

These questions are addressed in a more satisfactory manner in Peter Evans's "Shoes, OPIC, and Unquestioning Persuasion: Multinational Corporations and U.S.-Brazilian Relations." Evans does indeed ask who benefits from trade, and his findings reveal the real potential for political conflict which exists in the U.S. when small entrepreneurs are rolled over by powerful free-trade transnationals. Employing data from Newfarmer and Mueller's excellent study of Brazil,[1] Evans notes that twenty-five firms control over half of all U.S. investment in manufacturing in Latin America. Why then, he asks, should a highly funded program like the Overseas Private Investment Corporation be supported by a host of small U.S. firms whose interests are clearly being hurt by competitive imports from transnational-owned offshore facilities? In the case of small shoe manufacturers in the U.S., according to Evans, they accept such competition as a "natural" product of the market and assume personal responsibility for their firm's failure. He notes that many such firms are able to carve out a niche serving a limited or specialized market. If they fail they do not define the problem in terms of the international economic order. Evans has found, however, that a growing opposition to the internationalist coalition of finance capital and transnational corporations has emerged in the U.S. Congress. Renewal of OPIC funding, for example, was challenged on the grounds that it only served giant transnationals who invested in the larger, relatively affluent periphery nations.

An entirely different slant on center-nation motivation is provided in

Alan Wolfe and Jerry Sanders' "Resurgent Cold War Ideology: The Case of the Committee on the Present Danger." Only relevant to Latin America indirectly, this study parallels the line drawn in Wolfe's *The Rise and Fall of the Soviet Threat*. In both works, United States foreign policy is portrayed as the product of a consensus based on "Cold War liberalism," a political marriage of convenience designed to promote defense spending as a macroeconomic stimulant.

Wolfe and Sanders' emphasis on political coalition building as an explanation for postwar U.S. aggressiveness can be assessed on many levels. One critique is contained in Oscar Pino-Santos's provocative argument that U.S. behavior can only be understood in terms of monopolistic and imperialistic accumulation promoted by state capitalism. But Wolfe and Sanders seem to be describing the process of policy formation in the U.S. (that is, how political relations in the superstructure overtly are translated into action), while Pino-Santos is operating at a different level of analysis. Clearly, both perspectives are necessary to develop a comprehensive model of U.S. policy.

Along with the discussion of the policy process in the United States, Fagen also includes an examination of the internal workings of periphery nations. Peter Evans' study of Brazil offers an excellent look at the formation of developmental policy in the periphery. The potential for internal factionalization in nations like Brazil is explored by Evans through the use of Fernando Cardoso's notion of "associated-dependent development." Associated-dependent development, according to Cardoso, involves a triple alliance of transnationals, local capitalists, and the state which seeks to raise the level of accumulation through import substitution and further integration into the global system. Evans is quick to point out that this triple alliance does not totally negate protectionist and nationalist sentiments among elements of the local bourgeoisie. Indeed, a key political question for nations like Argentina, Brazil, or Mexico (where nationalism runs strong among both workers and elements of the ruling elite) is: how can foreign capital be harnessed for local gain while not inviting the wrath of interventionist forces in center states? Politically, internal conflict between factions of the bourgeoisie over nationalist-protectionist policies has been muted through national security doctrine (Chile or Argentina), or through closing channels of legitimate opposition (Brazil). Opposition to the triple alliance by workers and campesinos has met with more overt repression.

Another interpretation of the internal dynamics of development policy in the periphery is provided by Anthony P. Maingot's "The Difficult Path to Socialism in the English-Speaking Caribbean." According to Maingot, the two themes which dominate Caribbean politics are what he terms ideological dependence and ethnicity. Ideological dependency, which stems from long years of British domination, has produced a

tendency among local leaders toward state-directed populism which is only socialist in its rhetoric. Political parties are thus based upon race rather than class, and the programs of the political leadership offer few meaningful alternative models of development.[2]

Though Maingot certainly provides an excellent description of the role of political culture in defining how the superstructure maintains local and international rates of accumulation through encouraging intra-class schisms, his article does not seem to come to grips with the basic link between capital and the state in a Caribbean setting. We are told that internal constraints lead to populism rather than radical social movements, but we are not told what the specific political and economic restraints are. The importance of ideology and race in the political process can only be proven once the underlying class relationships have been defined, a definition not offered in Maingot's essay.

Following these essays on the internal political relations in center and periphery states, Fagen turns his attention to the actual ways in which nations interact. The question of center-periphery linkages is perhaps the most crucial aspect of development, and the actual measurement of influence poses many long-debated empirical problems. A discussion of the overt methods of political penetration is contained in Michael T. Klare and Cynthia Arnson's "Exporting Repression: U.S. Support for Authoritarianism in Latin America." Klare and Arnson develop the general historical background to current United States policies, including a discussion of arms sales, counterinsurgency training, and the Alliance for Progress. The description and analysis of U.S. policy is frequently polemical and thus helpful only to those with little or no knowledge of Latin America. While attributing U.S. motivation to economic and political interests, Klare and Arnson offer no concrete discussion of policy formation in the U.S. or Latin America. They avoid altogether questions of intra-elite conflict in Latin America or the ties between local military leaders and local capitalists. Ultimately, this descriptive piece explores only the outward manifestations of extremely complicated relationships while avoiding more difficult issues of capital and the state.

A much more sophisticated examination of penetration is found in two studies of public and private international financial institutions. Roberto Frankel and Guillermo O'Donnell's "The Stabilization Programs of the International Monetary Fund and Their Internal Impacts" considers perhaps the most subtle and telling form of penetration. Through a case study of Argentina's 1976 application of IMF-recommended measures, Frankel and O'Donnell assess the theoretical assumptions of IMF stabilization, including its free trade and monetarist policies. Effects of these measures included a decline in purchasing power for workers and consumers (prices rose by an average of 8.2 percent per month in 1977), failure of small locally owned firms, a drop in local investment, and,

ultimately, a serious recession. Curiously, IMF stabilization seemed to hurt many members of the middle class who would otherwise support the military's political program:

> The second important problem of these policies is that they not only punish many by excluding them, but they also bring severe hardship to many supporters of the coup . . . the recession, credit, and cash shortages, and the increased concentration of the productive structure tend to harm a broad spectrum of people, from small merchants . . . to a significant portion of the industrial and commercial bourgeoisie. [pp. 202–3]

So why did the military choose to follow the dictates of the international financial community? Among the factors which influenced policy were the prestige of Argentine technocrats educated in, and employed by, firms and international organizations of the capitalist center, the need for stability on the part of the military and its bourgeois allies seeking to reproduce themselves as a class, and the leadership's belief that the national crisis demanded an immediate solution. Ultimately, Frankel and O'Donnell see a coincidence of interest and ideology on the part of the Argentine military and the IMF.

Fagen has also included a study of Peru, whose government found IMF advice a more bitter pill to swallow. As Barbara Stallings (in "Peru and the U.S. Banks: Privatization of Financial Relations") shows, the military government of Peru in 1976 found itself in debt to the international financial community to the tune of approximately U.S. $4.3 billion. With failing export earnings and a growing balance-of-payments deficit, no immediate relief was in sight. Stallings' revelations about Peru's negotiations with public and private foreign creditors are quite startling. A so-called steering commmittee of private foreign bankers, organized to advise the military on economic policy, became so self-conscious of the political nature of its demands that they turned to the IMF to present loan requirements in a supposedly more neutral context. The Morales Bermudez government appears to have used the IMF as a scapegoat to conceal its own goals. Nowhere is the interaction of local elites of the periphery with the capitalist center or the very nature of interdependence more clear than in Peru's negotiations with the IMF. Taken together, the Frankel-O'Donnell and Stallings articles expose the myth of the "non-political" programs of organizations like the IMF.

Yet another aspect of external penetration is discussed in Angela M. Delli Sante's "The Private Sector, Business Organization, and International Influence: A Case Study of Mexico." Delli Sante reveals how transnational corporations and their front organizations influence the formation of ideology in the periphery and shape the perceptions of local workers and bourgeoisie. Along the way the reader learns how the American Chamber of Commerce of Mexico assisted in "educating" Mexican

workers in the benefits of the free enterprise system, how Ford Motor Company built 101 schools in rural areas of Mexico as part of its efforts to be a good corporate neighbor, and how the once-respected nationwide daily newspaper *Excelsior* was victimized by a campaign aimed at its destruction by U.S. corporations and their Mexican allies. Although the motives behind these corporate-sponsored activities are varied, there is no doubt that such cultural transmission belts are integral to the penetration of peripheral states by the capitalist center.

★

Fagen's collection offers a broad discussion of the internal policy process in center and periphery nations and the systemic linkages between the two. One theoretical issue which is avoided is the meaning of "development" in the peripheral context. Though no collection of essays can address all relevant questions, a study of economic change in Latin America should address this issue; Fagen's book does not. The various articles skirt the question, using vague terms like "greater efficiency," "stability," or "social justice." "Development" has been judged traditionally by aggregate indicators such as the size of gross national product, per capita income, balance of payments, composition of exports, and the like. In recent years, a response generated, in part, by Latin American and other Third World sources, has sought a definition which goes beyond macro level analysis to link development with the satisfaction of basic material needs. "Development," in this view, should indicate the direction of production and distributive mechanisms toward improving conditions for society's poorest elements. This Basic Needs approach does not, as some have argued, simply continue the traditional international division of labor and wealth by advising peripheral nations to "think small." From this perspective, development can involve such long-standing concerns as the avoidance of dependence and external domination.[3] The Basic Needs perspective often also includes a concern for the link between technology and the local setting, with labor-intensive methods used to produce simple consumer goods available to a large segment of the population preferable to capital-intensive manufacture of expensive luxury items. The inclusion of an essay exploring basic definitional questions of development and basic needs would have provided an important complement to Fagen's excellent collection of readings.

At the heart of center-periphery interactions, of course, lies the question of the State itself. Though Fagen's book is filled with the State—both the State of the center and the States of the periphery, many of the essays avoid the complex distinction between formal political regimes and the State itself. This distinction is particularly important in Latin America where government technocrats and the military, while extremely powerful, are but one of several elements of the State. As Fernando Henrique

Cardoso points out, a key question is how essentially identical forms of the state, capitalist and dependent, can produce such a variety of political regimes in Latin America: authoritarian, fascist, corporatist, and electoral. That this collection of essays is unable to resolve some of the more abstract questions of political motivation and causality in center-periphery relations is not surprising, least of all to Richard Fagen:

> In fact, the closer to actual case materials [a study], the more difficult it seems to be to keep the underlying structural factors at the center of the analysis.

Thus while the collection understandably falls short of completing the challenging puzzle of causality, it is very successful at confronting what Fagen in an earlier work called the central intellectual problem of inter-American relations—"the system of North American domination, [however] imperfect, halting and contradictory . . . that system might be."

NOTES

1. See Richard Newfarmer and Willard Mueller, *Multinational Corporations in Brazil and Mexico: Structural Sources of Economic and Non-economic Power*, Report to the Subcommittee on Multinational Corporations, Committee on Foreign Relations, U.S. Senate (Washington, D.C., 1975).
2. Maingot's argument about the importance of race seems more relevant to a culturally pluralist society like Guyana than to Jamaica.
3. Basic needs and dependency are dicussed in Johan Galtung, "The New International Economic Order and the Basic Needs Approach," *Alternatives*, LV (1978–79), pp. 455–476.

KAPITALISTATE: *Available Back Issues*

Issue #3

C. Lo, U.S. Military Spending
N. Hamilton, Dependent Capitalism and the State—Mexico
O. Jacobi, *et al.*, Marxist Theories of Inflation

Issue #6: Theory and History

S.F. Kapitalistate Group, Political Parties and Capitalist Development
D. Gold, Rise and Decline of the Keynesian Coalition
P. O'Donnell, Industrial Capitalism and the Rise of the Modern American State

Issue #7: Class Struggle and the State

J. O'Connor, The Democratic Movement in the United States
C. Offe, The Failure of European Socialism and the State
A. Markusen, Regionalism and the Capitalist State
R. Back, Mexican Immigration and U.S. Immigration Reform
N. DiTomaso, Class Struggle and the U.S. Department of Labor

Issue #8: Democratic Struggles and the State

Murphy and Wolfe, Democracy in Disarray
P. Johnston, Democracy, Public Work and Labor Strategy
Burton and Murphy, Planning, Austerity and the Democratic Prospect
Z. Eisenstein, The State, the Patriarchal Family, and Working Mothers
R. Chilcote, Perspectives of Class Struggle and Political Struggle in Portugal

Issue #9: Political Practice and the State

M. Burawoy, State and Revolution in South Africa
J. O'Connor, *The Fiscal Crisis of the State* Revisited
C. Summer, The Rule of Law and Civil Rights in Contemporary Marxist Theory
P. Morgan, From Battered Wife to Program Client: The State's Shaping of Social Problems
J. Pontusson, Apropos Mitterrand: State Power, Class Coalitions, and Electoral Politics in Postwar France
D. Burton, The Political Economy of Environmentalism

	Individual Rate		Library/Institutional Rate	
	U.S.	*Foreign*	*U.S.*	*Foreign*
Subscription (4 issues)	$18.00	$22.00	$28.00	$32.00
Issue #10/11	6.00	8.00	12.00	16.00
Back Issues (Nos. 3, 6, 7, 8, 9)	5.00	6.00	10.00	12.00

Add $10.00 for air mail (payment in U.S. currency)

NAME

STREET

CITY, STATE, POSTAL CODE