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RECENT DEVELOPMENTS IN MARXIST THEORIES OF THE CAPITALIST STATE

BY DAVID A. GOLD,
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This is a revised version of a paper distributed, and presented orally in abbreviated form, at the San Francisco meetings of the Union for Radical Political Economics (URPE) in December 1974. The widespread interest which the paper aroused, then and subsequently, indicated both to the authors and to us that it should be made available to a larger audience. In proposing publication in MR, one of the authors wrote: "Many authors working within the Marxist tradition are unfamiliar with what we judge to be the most important ongoing research on the capitalist state. To cite one example, in the article 'The Tanzanian State' by Haroub Othman, which you published in the December 1974 issue of MR, the author says that, with the exception of Gramsci and Miliband, Marxists haven't written anything of importance on the state since Lenin. Such a view indicates to us that Othman is not familiar with recent and continuing work of Marxists on the capitalist state. I fear that such unfamiliarity is only too prevalent. It occurred to us that publication in MR would be the best way to reach the largest number and widest variety of interested people." Accordingly, we are publishing it, in two installments.

The authors are members of the San Francisco *Kapitalistate* Collective, which they explain as follows: "*Kapitalistate: Working Papers on the Capitalist State* is an international journal publishing Marxist research on the state—articles, theoretical notes, analyses of current events, reports on work in progress, book reviews, etc. There are a number of *Kapitalistate* collectives in the United States and other countries. The San Francisco Collective, in addition to participating in editorial, production, and distribution work for the journal, has written an essay on Watergate which appeared in *Kapitalistate* No. 3. Currently the San Francisco collective is studying the role of political parties in the capitalist state. The present paper, while written by three of the members, is part of the work of the group as a whole."—THE EDITORS

This paper will present a summary of some recent developments in Marxist thinking on the capitalist state.* The summary is necessarily brief and schematic since the main purpose is to present ideas and not to discuss them fully or to extend them into a grand synthesis. The ideas and authors discussed are those that have most heavily influenced our thinking and those which we judge to have the greatest potential for guiding future research on the state.

While Marxists have always had much to say about the state, it has only been fairly recently that the creation of a theory of the state has been considered an explicit task. Recent attempts at theorizing have drawn heavily on conceptualizations of the state that were largely implicit in earlier work. Three such implicit perspectives, which may be characterized as the instrumentalist, the structuralist, and the Hegelian-Marxist traditions, have been especially important in guiding current Marxist work on the state.

Much of the recent work has been concerned primarily with explicating these traditions, formulating them into more coherent and systematic theories of the state, and using them to study various specific empirical problems. A number of attempts are being made, however, to go beyond the boundaries defined by these traditional approaches. Some of these are explicit attempts to reconcile, synthesize, and extend the traditional elements; others are beginning to develop new theoretical tools.

This paper will focus first on the traditional approaches. While, as we shall argue below, there is no necessary incompatibility among these various strands of thinking, many Marxists have treated them as quite irreconcilable, and much of the recent work on the state has taken the form of a polemic against one or another alternative perspective. It will therefore be useful, as a point of departure, to lay out the basic logic

* Most of the authors discussed here attempt to develop a theory of the state in advanced capitalist countries. Although their theories can be applied to the analysis of the state in Third World countries, the unique conditions in underdeveloped nations require modifications of the theory which are beyond the scope of this paper.

of these orientations. This discussion will be followed by an explication and brief analysis of some of the recent developments that have attempted to move beyond the more traditional frameworks. We will conclude with some general remarks on theoretical work that remains to be done.

THE TRADITIONS

Very few Marxist works on the state can be considered pure examples of an instrumentalist, structuralist, or Hegelian-Marxist perspective. The logic behind identifying a theoretical perspective as structuralist, instrumentalist, or Hegelian-Marxist is not to imply that every statement which it contains can be neatly pigeonholed into a single category. The point is that in any theory certain parts are systematically organized and integrated into a coherent set of propositions whereas other parts have more the status of ad hoc amendments. What we mean, therefore, by an "instrumentalist theory" of the state is a theory in which the ties between the ruling class and state are systematically examined, while the structural context within which those ties occur remains largely theoretically unorganized. A "structuralist theory," in a complementary way, systematically elaborates how state policy is determined by the contradictions and constraints of the capitalist system, while instrumental manipulation remains a secondary consideration. Finally, a "Hegelian-Marxist theory" places its emphasis on consciousness and ideology, while the link to accumulation and instrumental manipulation stays in the background.

Regardless of which of these traditions is drawn upon most heavily, virtually all Marxist treatments of the state begin with the fundamental observation that the state in capitalist society broadly serves the interests of the capitalist class. Marx and Engels stated this premise in its classic form in *The Communist Manifesto*: "The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie."

Given this axiom, Marxist theories of the state generally attempt to answer two complementary questions: "Why does the state serve the interests of the capitalist class?" and "How

does the state function to maintain and expand the capitalist system?" But while Marxist works on the state have generally shared these underlying questions, they have dealt with them with varying degrees of sophistication, have formulated them at different levels of abstraction and with different methodological principles, and have given considerably different emphases to one or the other.

Instrumentalist Theories of the State

The instrumentalist perspective provides a fairly straightforward answer to the question, "Why does the state serve the interests of the capitalist class?" It does so because it is controlled by the capitalist class. Ralph Miliband (1969: p. 22)* expresses this position clearly:

In the Marxist scheme, the "ruling class" of capitalist society is that class which owns and controls the means of production and which is able, by virtue of the economic power thus conferred upon it, to use the state as its instrument for the domination of society.

Similarly, Paul Sweezy (1942: p. 243) describes the relationship of economically dominant classes to the state in the following way:

[The class-domination theory of the state] recognizes that classes are the product of historical development and sees in the state an instrument in the hands of the ruling class for enforcing and guaranteeing the stability of the class structure itself.

The research agenda associated with this perspective has focused primarily on studying the nature of the class which rules, the mechanisms which tie this class to the state, and the concrete relationships between state policies and class interests. The method consists of detailed studies of the sociology of the capitalist class, in the first instance simply to show that it exists; studies of the direct personal links between this class and the

* Throughout this article, bibliographic references will be indicated by placing the date of publication and page number in parentheses. The full reference may be found in the bibliography at the end of the article. Numbered notes will also be found at the end of the article.

state apparatus, and links between the capitalist class and intermediary institutions (such as political parties, research organizations, and universities); specific examples of how government policy is shaped; and reinterpretations of episodes from the annals of history.¹

There are, of course, examples of instrumentalist work done at various levels of sophistication. Much of the work of G. William Domhoff, for example, rests almost entirely at the very personal level of showing the social connections between individuals who occupy positions of economic power. Other instrumentalists, most notably Ralph Miliband, have attempted to situate the analysis of personal connections in a more structural context. While most of his analysis still centers on the patterns and consequences of personal and social ties between individuals occupying positions of power in different institutional spheres, Miliband stresses that even if these personal ties were weak or absent—as sometimes happens when social democratic parties come to power—the policies of the state would still be severely constrained by the economic structure in which it operates. Furthermore, he moves away from a voluntaristic version of instrumentalism by stressing the social processes which mold the ideological commitments of the "state elite."* Nevertheless, in spite of these elements in Miliband's work, the systematic aspect of his theory of the state remains firmly instrumentalist. In summarizing the general argument

* In one place Miliband (1973: p. 85n) even argues that the state must have a certain degree of autonomy from manipulation by the ruling class: "A simple illustration of the point is the common interpretation of the most familiar of all the Marxist formulations on the state, that which is to be found in *The Communist Manifesto*, where Marx and Engels assert that 'the modern state is but a committee for managing the common affairs of the whole bourgeoisie.' This has regularly been taken to mean not only that the state acts *on behalf* of the dominant class . . . but that it acts *at the behest* of that class which is an altogether different assertion and, as I would argue, a vulgar deformation of the thought of Marx and Engels. . . . [T]he notion of common affairs assumes the existence of particular ones; and the notion of the whole bourgeoisie implies the existence of separate elements which make up that whole. This being the case, there is an obvious need for an institution of the kind they refer to, namely the state; and the state *cannot* meet this need without enjoying a certain degree of autonomy. In other words, the notion of autonomy is embedded in the definition itself, is an intrinsic part of it."

of his major work on the state, Miliband (1969: p. 146) writes:

What is wrong with pluralist-democratic theory is not its insistence on the fact of competition [over state policies] but its claim (very often its implicit assumption) that the major organized "interests" in these societies, and notably capital and labor, compete on more or less equal terms, and that none of them is therefore able to achieve a decisive and permanent advantage in the process of competition. . . . In previous chapters it was shown that business, particularly large-scale business, did enjoy such an advantage *inside* the state system, by virtue of the composition and ideological inclinations of the state elite. In this chapter we shall see that business enjoys a massive superiority *outside* the state system as well, in terms of immensely stronger pressures which, as compared with labor and any other interest, it is able to exercise in the pursuit of its purposes.

The functioning of the state is thus still fundamentally understood in terms of the instrumental exercise of power by people in strategic positions, either directly through the manipulation of state policies or indirectly through the exercise of pressure on the state.

The instrumentalist perspective has made a number of important contributions to a Marxist theory of the state.² It has generated much research that has helped to build a sociology of the capitalist class. In particular, it has contributed to piercing the veil of legitimacy that hangs over many of the specific institutions that systematically link the capitalist class to the state. Instrumentalist research has also been of great importance in bringing to light the conflicts that exist within the capitalist class. Such work has made a considerable contribution toward an understanding of the local basis of capitalist class power and of the interrelationships between local, regional, and national institutions of the capitalist class.

Despite these successes, the instrumentalist perspective has some major deficiencies which make it unsuitable as a general theory of the capitalist state. Much of the empirical work represents an explicit attempt to confront the conclusions of pluralists. While largely successful in such confrontations, this work has failed to transcend the framework that the pluralists use. The emphasis, especially in American power-structure re-

search, has been on social and political groupings rather than classes defined by their relationship to the means of production.³ Furthermore, like most pluralists, instrumentalist writers tend to see social causes simply in terms of the strategies and actions of individuals and groups. While in pluralist theory there are many such groups, all working for their interests and influencing the state, in instrumentalist theory there is only one overwhelmingly dominant group. But the logic of social causation remains the same. With rare exceptions, there is no systematic analysis of how the strategies and actions of ruling-class groups are limited by impersonal, structural causes. At times the exercise of power and the formation of state policy seem to be reduced to a kind of voluntarism on the part of powerful people.

In a slightly different vein, there are numerous examples of state activity that appear not to fit even the sophisticated variants of instrumentalism. On a number of occasions, reforms undertaken by the state were opposed by large segments of the business community, as, for example, during the New Deal. Even when such reforms are ultimately co-optive, to treat all reforms as the result of an instrumentalist use of the state by capitalists is to deny the possibility of struggle over reform. There are also state policies which cannot easily be explained by direct corporate initiatives but which may come from within the state itself. These tend to speak to broad, rather than specific, capitalist interests. To explain these fully there is the need for a logic of the capitalist state, both in terms of its relations to civil society and in terms of its internal operations.

Finally, there are important realms of state-related activity which are clearly not manipulated by specific capitalists or coalitions, such as culture, ideology, and legitimacy. These possess a degree of autonomy which tends to place them outside the realm of simple manipulation (see Williams, 1973).

Structuralist Theories of the State

The structuralist analysis of the state categorically rejects the notion that the state can be understood as a simple "instrument" in the hands of a ruling class. In a critique of the work of Miliband, Nicos Poulantzas, a French structuralist Marxist, wrote that

the *direct* participation of members of the capitalist class in the state apparatus and in the government, even where it exists, is not the important side of the matter. The relation between the bourgeois class and the state is an *objective relation*. This means that if the *function* of the state in a determinate social formation and the *interests* of the dominant class in this formation coincide, it is by reason of the system itself: the direct participation of members of the ruling class in the state apparatus is not the *cause* but the *effect*, and moreover a chance and contingent one, of this objective coincidence. (1969: p. 245)

The fundamental thesis of the structuralist perspective is that the functions of the state are broadly determined by the structures of the society rather than by the people who occupy positions of state power.* Therefore, the starting point of the structuralist analysis is generally an examination of the class structure in the society, particularly the contradictions rooted in the economy. Structuralists then analyze how the state attempts to neutralize or displace these various contradictions. The structuralist theory of the state thus attempts to unravel the functions the state must perform in order to reproduce capitalist society as a whole. These functions determine the specific policies and organization of the state. According to the structuralists, the concrete ways in which the state meets the functions vary with such factors as the level of capitalist development and the forms of class struggle.

The most elaborate structuralist-Marxist model of the state is presented by Poulantzas, especially in his book *Political Power and Social Classes*.¹ Following Marx, Poulantzas argues that in capitalist society the crucial economic contradiction centers on the ever-increasing social character of production on the one hand and the continuing private appropriation of the surplus

* The concept of structure is constantly used by structuralist writers, but rarely explicitly defined. Structure does *not* refer to the concrete social institutions that make up a society, but rather to the systematic functional interrelationships among these institutions. Maurice Godelier (1972: p. 336) stated it this way: "Structures should not be confused with visible 'social relations' but constitute a level of reality invisible but present behind the visible social relations." The analysis of the structure of a capitalist society is thus the analysis of the functional relationship of various institutions to the process of surplus-value production and appropriation.

product on the other. This contradiction poses two complementary threats to the reproduction of the system as a whole. On the one hand, the contradiction between social production and private appropriation poses the threat of *working-class unity*, which becomes potentially stronger as the social nature of the production process deepens, and which eventually contains the possibility of the destruction of capitalism itself. On the other hand, this contradiction poses the threat of *capitalist-class disunity*, fostered by the continued private and competitive appropriation of surplus. This lack of unity threatens the ability of the capitalist class to contain struggles by the working class. The state plays the decisive role of mediating this contradiction, of providing the "factor of unity in a social formation" operating to counteract the combined threats of working-class unity and capitalist disunity.

Poulantzas analyzes this function of the capitalist state, the promotion of unity in a social formation, in terms of its impact on the working class and the capitalist class:

(a) *The working class*. The state serves the function of atomizing the working class, of disintegrating its political unity through the transformation of workers into individualized citizens while at the same time representing itself as the integrated, universal interest of the society as a whole. This is accomplished through the institutions of bourgeois democracy and justice, which create the appearance of equality, fair play, due process, etc., and through various kinds of economic concessions made by the state which help to transform the political struggle of the working class as a whole into narrow, economic interest-group struggles of particular segments of the working class.

(b) *The capitalist class*. The state serves the function of guaranteeing the long-run interests of the capitalist class as a whole. Poulantzas stresses that the bourgeoisie cannot be considered a homogeneous ruling class with an unambiguous class-wide interest. Rather, the bourgeoisie is a highly fractionated class, with divergent interests at the political as well as economic levels. These diverse class fractions are organized into what Poulantzas (following Gramsci) calls the "power bloc," a political coalition under the domination of a particular hegemonic fraction. Such a power bloc, however, is always pre-

carious, possessing only limited ability to enforce the concessions to the working class which are so necessary for the stability of the long-term interests of the capitalist class as a whole. The only way that these interests can be protected, therefore, is through the relative autonomy of the state, through a state structure which is capable of transcending the parochial, individualized interests of specific capitalists and capitalist class fractions. A state which was the tool of one capitalist grouping would be utterly incapable of accomplishing this.*

This relative autonomy, however, is not an invariant feature of the capitalist state. Particular capitalist states will be more or less autonomous depending upon the degree of internal divisiveness, the contradictions within the various classes and fractions which constitute the power bloc, and upon the intensity of class struggle between the working class and the capitalist class as a whole.

The absence of any real discussion of how social mechanisms regulate these various functional relationships seriously weakens Poulantzas's structural analysis. Although there is a fairly rich discussion of *how* the relative autonomy of the state protects the class interests of the dominant class, and of the functional *necessity* for such a state structure, there is no explanation of the social mechanisms which guarantee that the state will in fact function in this way.

One obvious way out of this difficulty would be to employ some notion of "class consciousness." It could then be argued that class-conscious capitalists guide the development of state structures which accomplish the needed functional patterns. Structuralist writers, however, have almost completely rejected the usefulness of consciousness as an explanation for any aspect of social structure. They insist that class consciousness is a catch-all residual category used by Marxists to "explain" things that more systematic theory fails to resolve. Consciousness, the structuralists argue, explains nothing; the point is to explain

* By "relative autonomy" the structuralists mean relative autonomy from manipulation by specific capitalist-class members or interests. They do not mean that the state is autonomous in any real sense from the structural requirements of the economy.

consciousness through an analysis of the dynamics of society. But if class consciousness doesn't provide a way out, structuralists have not advanced any more suitable way to deal with these theoretical difficulties. While the instrumentalist perspective has tended toward voluntarism to explain state activities, the structuralists have almost entirely eliminated conscious action from their analysis.

As in the other perspectives on the state, there are examples of structuralist writings that exhibit differing degrees of theoretical sophistication. Much Marxian political economy has at least implicitly held the view that state policies respond almost exclusively to economic contradictions. This view of the state might be termed "economic structuralism." Other state activities and non-economic influences on economic policy are treated secondarily, or not at all. The state is perceived as having little or no autonomy, and its non-economic activities are seen as directly derived from the logic of accumulation.

To be both accurate and fair, it must be pointed out that in such economic structuralism there is generally no attempt to develop a full theory of the state. The state is incorporated in an analysis that has its main purpose elsewhere. Nevertheless, we feel that the issues discussed in these works cannot be successfully resolved without a more complete view of the state.

Baran and Sweezy (1966) present one of the most important examples of such economic structuralism. They discuss the state primarily in terms of how it aids in the surplus absorption process. State activities are defined by a structural contradiction in the economy, but at the same time there is an attempt to integrate elements of an instrumentalist analysis. The particularistic actions of capitalist groups are seen as being in conflict with the need for the state to act for the class as a whole, so that the actual ways in which the state attempts to absorb the rising surplus are a result of an interaction between the structural needs and the particular interests. But the economic contradictions dominate the analysis and the instrumentalist evidence is interpreted within that framework. Other contradictions, such as those arising from ideology or class con-

licts, play a very minor role. The thrust of the work, then, is basically that of economic structuralism.*

Hegelian-Marxist Perspectives

There are many Marxists who derive their primary inspiration from Hegel and the early writings of Marx and Engels, and more recently from Lukacs and writers such as Habermas, Marcuse, and others in the tradition of the Frankfurt School (or what is sometimes called "critical theory"). Instead of focusing on the *why* and *how* of the relationship between the state and the capitalist class, the Hegelian-Marxist perspective operates at a somewhat higher level of abstraction. The key question appears to be, "What is the state?" The basic answer is that the state is a mystification, a concrete institution which serves the interests of the dominant class, but which seeks to portray itself as serving the nation as a whole, thereby obscuring the basic lines of class antagonism. Thus, the state represents a universality, but a false one, an "illusory community."⁸

Most of the writings in this perspective take off from this point and examine how the mystification occurs. They have placed great emphasis on ideology, consciousness, legitimacy, and the mediating role of institutions and ideas, thereby contributing significantly to current thinking on politics. However, the Hegelian-Marxist perspective has not developed a coherent theory of the state or even a well-defined logic of the relation between state and society. There is little analysis of specific state actions or concrete politics in these writings, so it is difficult to connect these ideas with an empirical reality. Perhaps because of this, the key notions of false consciousness and false

* There are other examples of economic structuralism. Ackerman and MacEwan (1972) and MacEwan (1972) treat the state as the enforcer of the rules of the game of the accumulation process but do not reflect on the state's ability to alter or influence those rules. Boddy and Grotty (1974) develop a class-conflict theory of macro-economic policy, but the class conflict being posited is only at the level of the wage bargain, not at the level of the state. In this analysis, the state is the arena for choosing a strategy for the capitalist class. Mattick (1969) and Yaffe (1973) consider that state intervention ultimately worsens the tendencies toward crises that are endemic to the capitalist accumulation process. In their work, the state is seen as having even less potential for mediating contradictions than in other versions of economic structuralism.

ideology remain incomplete; it is unclear how and why they remain false when they are being continually confronted with the reality of daily life under capitalism.

Antonio Gramsci, who is difficult to classify within any one perspective, can be considered as one thinker emerging from the Hegelian-Marxist tradition who avoids the pitfalls of over-abstraction. Gramsci analyzed capitalist ideology both theoretically and empirically, studying cultural changes in Italy and America induced by changes in production relations. His theory of civil society and the state, and his concrete discussions of fascism and the collapse of political parties in interwar Europe are examples of a Marxist analysis that is developed in both the political-economic and ideological dimensions. "The Southern Question," Gramsci's essay on the ideological and political factors that produce alliances between classes stands as a Marxist classic. Through his examination of the groups that could possibly support the interests of the industrial bourgeoisie of northern Italy, Gramsci developed the notion of "hegemony," a key concept in the analysis of capitalist domination through the state. His work has been an important influence on Poulantzas, among others, who has attempted to incorporate such political phenomena into a more systematic theory of capitalist society.

(To be continued)

NOTES

1. For examples of each type of work see: Domhoff (1967); Miliband (1969) and Nichols (1972); Domhoff (1970, Part 2); Kolko (1963) and Weinstein (1968). The literature on financial-interest groups has also contributed to the formation of an empirical picture of the capitalist class in the United States. See Menshikov (1969). For valuable instrumental analyses of U.S. foreign policy, see Joyce and Gabriel Kolko (1972) and Eakins (1969).
2. The remainder of this section draws heavily on Mollenkopf (1975).
3. For the development of such a criticism, see Balbus (1971). For an exchange between an instrumentalist and a structuralist that delves into many of the key issues, see Poulantzas (1969), Miliband (1970, 1973). The empirical analysis of Menshikov (1969) builds on production categories.
4. Another, less complete, example is Althusser (1971). For analyses of Poulantzas's theoretical framework, see Wright and Perrone (1973), Miliband (1973), and Bridges (1974).

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RECENT DEVELOPMENTS IN MARXIST THEORIES OF THE CAPITALIST STATE PART 2

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Part 1 of this article, in the October issue of MR, presented and commented on three major Marxist theories of the state: the instrumentalist, the structuralist, and the Hegelian-Marxist.—THE EDITORS

NEW DEPARTURES

It has become apparent to many Marxists that the instrumentalist perspective is simply inadequate as a guide to understanding the state in advanced capitalist society. While many policies are the outcome of control by specific capitalists, and some government agencies appear to be the tools of specific capitalist interests, it is impossible to see how the complex apparatus of the state can be understood adequately in a model which sees policy outcomes primarily in terms of class-conscious manipulations by the ruling class. But the structuralist alternative is also inadequate. For, while it does situate the formation of policy in the context of the functioning of the capitalist system as a whole, it generally does not explain the social mechanisms which actually generate a class policy that is compatible with the needs of the system. Finally, the Hegelian-Marxist perspective is inadequate because it is so highly abstract

that it is difficult to use in the analysis of a particular historical situation. In addition, the centrality it places on ideology and consciousness often tends to undermine the materialist basis of Marxist theory.

Many of the new departures in the theory of the state have tried to overcome these weaknesses. Three examples seem especially interesting: Claus Offe seeks to transcend the instrumentalist and structuralist limitations through a more precise specification of what is particularly capitalist about the capitalist state; James O'Connor develops a theory of state finance that is rooted in the process of accumulation of monopoly capitalism; and Alan Wolfe attempts to impart more concreteness to the abstractions of the Hegelian side of Marxism.

The Internal Structure of the Capitalist State

Claus Offe, a student of Jürgen Habermas, has been influenced by the Hegelian-Marxist tradition but has since ventured into new areas. His major theoretical work on the state (1972c, 1973b) begins with the question: How can we prove the class character of the capitalist state? How can we demonstrate that it is a *capitalist state* and not merely a *state in capitalist society*? From the start, he rejects both the instrumentalist and structuralist approaches to this problem. Both of these, Offe argues, only examine the *external* determination of state activity: the instrumentalists explain the state in terms of the external manipulation of the state apparatus by the ruling class; the structuralists explain the state by the external constraints which limit the scope of possible state activities. But in neither case do they provide a theory of the mechanisms within the state which guarantee its class character. This is the theoretical problem which Offe attempts to solve.*

The key concept Offe introduces to understand the internal structure of the state is "selective mechanisms." These constitute a wide range of institutional mechanisms within the state apparatus which (under ideal conditions) serve three crucial functions: (1) *negative selection*: the selective mechanisms

* Numbered notes and a bibliography will be found at the end of the article.

systematically exclude anti-capitalist interests from state activity; (2) *positive selection*: from the range of remaining alternatives, the policy which is in the interests of capital as a whole is selected over policies serving the parochial interests of specific capitalist groups; (3) *disguising selection*: the institutions of the state must somehow maintain the appearance of class-neutrality while at the same time effectively excluding anti-capitalist alternatives. Most of Offe's analysis consists of an abstract discussion of the contradictory character of these selective mechanisms and the methodological problems involved in studying them.

In his discussion of negative selection, Offe specifies four general levels of mechanisms which operate as a hierarchical filter system: structure, ideology, process, and repression. Each level excludes possibilities which have not yet been screened out by the previous levels. *Structural* selective mechanisms refer to the broad limits of possible state actions defined by the overall structure of political institutions. In particular, Offe emphasizes the importance of constitutional guarantees of private property which exclude a wide range of anti-capitalist policies from entering the agenda of state activity. Of the many issues not excluded by the structure of political institutions, *ideological* mechanisms determine which are actually articulated and perceived as problems to be solved. Some potential policy options become "non-events" because they are not in the realm of acceptable discourse. *Decision-making* rules provide

certain interests with a headstart . . . by granting them chronological priority [and] relatively more favorable coalition chances or the opportunity to employ specific power resources. Every procedural rule creates conditions of being favored, or conversely being excluded, for certain topics, groups, or interests. (Offe, 1973a: p. 11)

Finally, the *repressive* apparatus of the state excludes given alternatives through direct coercion.

While it is easy to specify abstractly such negative selective mechanisms, it is extremely difficult to study their class character empirically. To understand the intrinsic class nature of the selective mechanisms it is necessary to study the *excluded* possibilities. But excluded options are, by necessity, intrinsically dif-

ficult to define and observe. The problem is compounded by the disguising selective mechanisms, which mystify the entire process of class determination of state activity. Offe concludes that when the selective mechanisms of the state are functioning effectively, it is virtually impossible to demonstrate empirically the class nature of the state. (This does not mean, of course, that the class interests served by particular policies cannot be studied in the tradition of instrumentalist and structuralist research. But again, merely showing that state policies serve capitalist interests does not prove that the state is a *capitalist state*, a state which necessarily serves capitalist interests.)

Offe's solution to this methodological dilemma is to shift the focus of analysis from the normal functioning of the state to the state in crisis situations. In periods of political crisis the selective mechanisms begin to break down and the state is forced to rely more and more on repression in order to maintain its class character, thus revealing the class nature of the excluded options. The analysis of the class nature of the state thus depends upon revolutionary practice, potentially generating a "crisis of crisis management" which exposes the inner nature of the state itself.

Offe's analysis of *positive* selective mechanisms (the mechanisms which generate a positive capitalist class policy rather than merely excluding anti-capitalist possibilities) raises a variety of additional issues. Offe argues that contradictions internal to the state interfere with the state's development of an effective policy in the interest of capital as a whole. The state engages in two types of positive activities which Offe (1974) calls "allocative policies" and "productive policies." In both of these the state plays an important role in providing the necessary conditions for continued capital accumulation. In the former the state merely coordinates and regulates the allocation of resources that have already been produced; in the latter the state becomes directly involved in the production of goods and services required for the accumulation process.*

* There is no suggestion in this analysis that there was ever a period in which the capitalist state engaged only in allocative policies. From the very earliest periods of capitalism, the direct involvement of the state in the accumulation process has been important. The point is

In the case of purely allocative policies, the state does not need to adopt a truly optimal policy from the point of view of capital as a whole. Most allocative policies have, therefore, been formulated by capitalist interest-groups which influence the state through the mechanisms described by the instrumentalist writers. As monopoly capitalism develops, however, the contradictions in the accumulation process push the state into direct involvement in production. As the state directly produces more and more of the conditions of accumulation, it becomes increasingly important that the state's policies be rational from the point of view of capital as a whole. Such policies cannot, therefore, be left to the give-and-take of competing capitalist interests, but must be planned to serve the collective capitalist interest.

Offe argues that the capitalist state is fundamentally incapable of such planning. Whereas the criterion for capitalist rationality is unambiguous for the individual capitalist—profit maximization through the production and sale of commodities—there can be no equally unambiguous criteria for the capitalist state. Since the state does not produce for the market, its activities cannot be governed by the logic of commodity production. The rationality of state production must therefore be defined in terms of production for use rather than production for exchange.

The crucial political question is, therefore, what kinds of use-value criteria determine state production. Offe shows that many of the structures which are important in negative selection (such as rigid bureaucratic procedures and constitutional and ideological defenses of private property) are obstacles to the development of selective mechanisms which can guarantee that state production will serve the general interests of capital. The state's attempts to overcome these obstacles weaken the negative selective mechanisms and increase the possibilities of anti-capitalist political forces affecting state policies. There is thus an intensifying contradiction between the state's changing role in the accumulation process, which requires rational state

that this involvement has been growing both quantitatively and qualitatively, and that this growth poses serious problems for the "rationality" of state activities from the point of view of capital.

involvement in production, and the internal structures of the state which determine its class nature as a capitalist state.

The Theory of the Fiscal Crisis

James O'Connor (1973) develops a theory of the state budget that is rooted in the reality of contemporary American society.² He tries to explain the fiscal crisis, the observed tendency of state expenditures to grow faster than revenues. O'Connor's theory has three constituent elements. First, there is the recognition that the capitalist state must attempt to perform two contradictory functions—accumulation and legitimation. The state attempts to support the accumulation of private capital while trying to maintain social peace and harmony. Since accumulation is crucial to the reproduction of the class structure, legitimation necessarily involves attempts to mystify the process and to repress or manage discontent. Both accumulation and legitimation are translated into demands for state activity. But while this implies an increase in state expenditures, the revenues for meeting these needs are not always forthcoming, since the fruits of accumulation (greater profits) are not socialized. This is the fiscal crisis.

Second, the state is analyzed as an integral element in the accumulation process. O'Connor divides the economy into three sectors. The growth of the monopoly sector is based on the expansion of capital and technology. It is the prime accumulating sector of the economy. The competitive sector grows on the basis of the expansion of labor power which has been "freed" by accumulation and growth in the monopoly sector. Thus, unlike in other Marxist analyses, the competitive sector does not necessarily decline with accumulation but expands because of the growth process in the monopoly sector. However, with less technical change, smaller growth in capital, and unstable markets, the labor force in the competitive sector is a marginal one, increasingly segmented from the monopoly sector.

The state sector includes production organized by the state itself, such as education, and production contracted out to private capitalists, such as military equipment. Neither type of production is subject to market discipline. One result is low productivity and inflationary tendencies within the state budget.

All three of these sectors of the economy are part of a single contradictory process: the growth of the monopoly sector leads directly and indirectly to the growth of the state and the competitive sector; the expansion of the state in turn becomes a source of further growth of the monopoly sector as more and more of the costs of accumulation are socialized; the growth of the competitive sector increases the social expenses of the state and thus hampers its ability to further underwrite monopoly sector growth. In the end it becomes impossible to understand the dynamics of any one sector without developing a theory which encompasses all three.

The third element of O'Connor's schema concerns the relationship of specific items of state expenditure to the accumulation and legitimation functions of the state. "Social capital" expenditures are those that aid accumulation by private capitalists: social insurance which helps reduce the reproduction costs of labor power, and state-financed industrial development projects which increase the productivity of a given amount of labor power are two examples. These expenditures do not directly produce surplus value but they do aid private capitalists in their attempts to increase the total amount of surplus value and are thus *indirectly productive*. "Social expenses" are those expenditures such as police and welfare that are necessitated by the attempt to maintain social harmony. While such expenditures may potentially reduce certain kinds of losses to capitalists (as in riots) they do not contribute, even indirectly, to the expansion of the pool of surplus value. Despite some empirical difficulties in locating expenditures neatly in one category or the other, the schema is a powerful one for delineating the underlying social tensions and contradictions that find their "solution" in the state budget. The fiscal crisis, at its root, is a social crisis.

One of the main results of this analysis is that the state loses much of its superstructural character. The state is increasingly involved in accumulation, not just to protect the conditions of accumulation as earlier Marxist thinking emphasized, but to participate actively in the creation of those conditions. Although the state is not rigidly determined or circumscribed by accumulation, there is a strong dialectical link.

In addition, the state and the entire political system are seen

as continually weighing alternative political strategies. For example, the welfare-warfare state, which is explained as a result of contradictions created by the accumulation process, is not the only possible course for the state to follow. It is the result of a combination of strategy, structure, and political conflict. O'Connor specifically raises the possibility of an alternative course, a social-industrial complex, which would attempt to solve the same contradictions but would be based on a different political coalition and would have different long-term consequences.

Another important implication of O'Connor's work centers on the analysis of the discontent that arises from state activity. 'Taxpayers' revolts are indicative of the lack of total success in the state's attempts to mystify its role in accumulation. Workers whose labor power is superfluous also rebel. They are superfluous because, as a consequence of the accumulation process in the monopoly sector, private capital cannot find a way of gaining surplus value from the employment of their labor power. But as the state is increasingly called upon to manage or repress their discontent, the state itself becomes the target. In both cases, there is increasing conflict in the realm of the political at precisely the moment when the state is being called upon to do more in the realm of the economic.

Alienated Politics and the Legitimacy Crisis of the State

Alan Wolfe (1974) introduces the term "alienated politics" in an attempt to lay the groundwork for a Marxist theory of politics. Wolfe is explicitly attempting to extend the Hegelian-Marxist tradition while drawing on elements of structuralism. He argues that the basic concepts Marx used in his economics can serve as metaphors in developing such a theory. Just as alienated labor is a distortion of people's need to engage in productive activity, alienated politics is a distortion of community. The capitalist state is part of the theory of politics in that the state is the "political institution which claims primary responsibility for reproducing alienated politics, that is, for maintaining a political system based upon the extraction and imposition of power from people." (Wolfe, 1974: p. 149)

The value theory framework represents an alternative metaphor, not logically different from alienation but an extension.

The metaphor here is that as people engage in creating a community they expend a power. Just as labor power is reimposed upon people as capital, via surplus value, the state is understood as the reimposition of a "surplus" political power whose original source lies in people's social activity.

In capitalism, politics is an activity that is separate from people's daily lives. It takes the form of struggles for control over the state, which is fetishized, worshipped for its own sake. Real politics, the creation of community, becomes an unrealizable private search. Also, since the state does one thing while appearing to do another, "politics" takes on an opaque quality, which, like the commodity form, must be pierced to understand the underlying reality.³

As the basis of a theory, such metaphors lead toward the study of the state in terms of the way it extracts power from people and imposes it back upon them in its attempts to reproduce the capitalist order. Extraction involves mechanisms by which people are divided from each other (such as, for example, the use of ideology or the manipulation of scarcity) while imposition involves mechanisms by which this appropriated power is used on people (such as repression).

In a forthcoming book, Wolfe uses the theory of alienated politics to analyze how democratic principles have been distorted to produce an ideology that legitimates the capitalist state. This ideology has always contained two antagonistic elements: "liberalism," the political ideology that underwrites the state's role in supporting capital accumulation, and "democracy," the principle of participation and equality that legitimates the state. The contradictions of liberal-democracy have, in the course of capitalist development, produced a series of types of capitalist states, each of which has attempted to reconcile this ideological tension with the objective conditions of accumulation. But because of the continual transformation of the conditions of accumulation and the continual class struggle over democracy itself, none of these forms of the state has been capable of permanently solving the problem of legitimating the capitalist state; every historically attempted solution has only led to new forms of legitimation crisis.

Though the capitalist state distorts struggles for democracy

into an ideology of liberal democracy which, if still in a precarious way, is compatible with the state's role in reproducing capitalism, it is a mistake to view the state as a simple product of capitalist interests alone. The particular shape of the capitalist state has been the result of class struggle, and struggle can continue to affect that shape. Thus, Wolfe argues, the state should be seen as an appropriate arena for class struggle. As Wolfe reminds us, the ultimate purpose of constructing a Marxist theory of the capitalist state is not just to study the state, but to transform it.

CONCLUDING REMARKS

Many of the recent developments in Marxist theories of the capitalist state can be interpreted as attempts to restore the dialectic to the analysis of the state, thereby applying the methodology that Marx himself used so successfully. This enterprise has taken place at different levels of abstraction and has focused on different problems in state theory. Alan Wolfe's theory of alienated politics represents an attempt to develop a language for discussing politics which captures the dialectic between the material-social activities by which people create communities and the alienated forms of that activity embodied in the state. Claus Offe's work on the internal selective mechanisms of the state elaborates the dialectical relationship between the policies of the state and capitalist class interests as they emerge from the accumulation process. The internal structures of the state are analyzed as contradictory mechanisms which mediate this relationship. Contradiction is brought into the heart of the state itself and is seen as being an essential part of the process of policy formation in capitalist society.

James O'Connor's work is similarly focused on restoring the dialectic between the accumulation process and state activity. Whereas Offe approaches this problem through a theoretical elaboration of the internal mechanisms of the state, O'Connor has attempted to examine more fully the direct and indirect role the state plays in the accumulation process itself. The state's activity is no longer seen simply as an external response to dynamics rooted in the accumulation process, but as an intrinsic element in that process.

These various attempts at strengthening the dialectical quality of a Marxist theory of the state have gone a long way toward undermining the rigid architectural image of the state as part of a superstructure erected on the economic base of society. While none of the works here discussed represents a fully elaborated theory of the state, they do provide the groundwork on which such a theory can be built. A number of general propositions can be made which define the contours within which such a general theory of the capitalist state might be developed. We offer these only as a preliminary formulation reflecting the current stage of our own thinking rather than as actual elements of a complete synthesis of the ideas discussed in this paper.

(1) The capitalist state must be conceived both as a structure constrained by the logic of the society within which it functions and as an organization manipulated behind the scenes by the ruling class and its representatives. *The extent to which actual state policies can be explained through structural or instrumental processes is historically contingent.* There are periods in which the state can be reasonably understood as a self-reproducing structure which functions largely independently of any external manipulation, and other times when it is best viewed as a simple tool in the hands of the ruling class. Certain parts of the state apparatus may be highly manipulated by specific capitalist interests while other parts may have much more structural autonomy. But in no situation can state activity be completely reduced to either structural or instrumental causation. The state is always *relatively* autonomous: it is neither completely autonomous (i.e., free from active control by the capitalist class) nor simply manipulated by members of the ruling class (i.e., free from any structural constraints). As Marx put it so eloquently in his analysis of the French state in the mid-nineteenth century: "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past."

(2) *The internal structures of the state, as well as the concrete state policies shaped within those structures, are the objects of class struggle.* A theory of the state must not regard

the structures of the state as historical givens but must attempt to explain the development of the structures themselves. Otherwise, the analysis takes on a static quality. Offe's work to a certain extent exemplifies this problem. While he does describe the ways in which the selective structures of the nineteenth-century capitalist state differ from those of the contemporary state, and he discusses in rich detail the contradictory quality of the dominant structures of the present period, he offers no theory of the actual transformation of state structures. His theoretical work thus lacks the systematic inclusion of history.

O'Connor's work moves at least partially in the direction of a more historical theory. While he never formulates an explicit theory of the transformation of state structures, there is implicit in his work the view that not only are state policies as such the objects of class struggle, political coalition formation, etc., but so are the structures of the state themselves. Gösta Anderson and Roger Friedland (1975) have made this notion explicit and carried the analysis considerably further. They argue that a theory of the state must contain a theory of what they call political class struggle, a theory of the ways in which class struggle itself transforms the internal organization of the state. In such a theory the state is seen not merely as helping to reproduce the capitalist system in contradictory ways, but as being itself shaped by the class struggle which results from those contradictions.

We believe that this extension of the analysis of Offe and O'Connor is an important direction for further work on the theory of the capitalist state. For the moment, however, it remains a somewhat ad hoc argument. As in much of Marxist theory, explanations based on "history" or "class consciousness" or "class struggle" often have a residual quality to them. To say that the structures of the state are the objects of class struggle and that class struggle explains the specific evolution of structures is only a starting point. It is further necessary to develop a proper theory of such political class struggle itself.

(3) The notion of the "relative autonomy of the state" needs further theoretical development. Structuralist writers have conceptualized this notion by treating the state as relatively autonomous with respect to direct, instrumental manipulations

by the capitalist class. Offe's analysis of the contradiction between the state's role in the accumulation process and the selective mechanisms which determine its class character suggests that the state may also become relatively autonomous from the logic of accumulation itself. The word "relative" is crucial; there is no implication that the capitalist state can ever be emancipated from the constraints of a capitalist social formation. But there is the implication that as the state becomes more and more implicated in the productive sphere itself, as larger realms of social activity become *decommodified* (in the sense that production becomes organized around politically determined use-values rather than exchange-values), the state can develop a much greater degree of autonomy than is understood by the conventional Marxist notion of "relative autonomy." This further suggests that it may make sense to talk of the state as such having an emergent "interest," rather than simply seeing the state as in some sense reflecting the interests of the bourgeoisie. The analysis of an interest of the state is undeveloped within the Marxist perspective. But it is a line of thought which we feel is worth pursuing.*

(4) With the development of capitalism from the early phases of monopoly capitalism into advanced monopoly capitalism the reproduction of favorable conditions for accumulation depends more and more upon the active intervention of the state. There is no guarantee that the state will in fact discover the correct forms of such intervention, nor even that it will avoid making catastrophic mistakes. The only certainty is that the re-

* Two examples of works stressing the interest of the state *per se* are *Roots of War* by Richard Barnett and *The Logic of World Power* by Franz Schurmann. Responding to the economic dislocations caused by the Vietnam war, these writers have argued that American imperialism is more in the interest of the state than in the interests of capitalism. Barnett's view is that although the state is constrained by economic structures, specific decisions are largely controlled in an instrumental fashion by political and bureaucratic elites. Schurmann places less emphasis on economic factors and claims that American imperialism is the result of executive power backed by popular ideology. Schurmann does present excellent evidence that bureaucratic factions have greatly influenced U.S. policy in Indochina. For a Marxist analysis of U.S. foreign policy that recognizes that bureaucracies and political parties mediate between conflicting policy options, see Lo (1975).

quirements for such an expanded role of the state will increase, particularly in the direction of increasingly direct involvement in the accumulation process.

It is especially important that future theoretical and empirical work on the capitalist state should attempt to understand the relationship of the internationalization of capital to the dynamics of state involvement in accumulation. Work on the theory of the capitalist state is now developing the tools for analyzing the relationship of the state to accumulation within a national context; it is only beginning to explore the implications of the continuation of the nationally based state in the face of an accumulation process which is increasingly supranational. (See Martinelli and Somaini, 1973.)

(5) The increasing pressure on the state to become involved in the accumulation process has a number of contradictory consequences which in turn will shape the further development of state structures and state policies:

(a) The institutionalized mechanisms that evolved in earlier periods of capitalist development become less and less effective as mechanisms for policy formation under the newer requirements for accumulation. In Offe's terms, the selective mechanisms appropriate for "allocative" policies are not functional for "productive" policies. This points to the likelihood that there will be a period of greater instrumental manipulation of the state by ruling-class groups in attempts to restructure the state in ways more compatible with the new requirements for accumulation. An increasingly instrumental relationship of the ruling class (or fractions of the ruling class) to the state is a critical mechanism for the development of new state structures which, if successful, make further direct manipulation less necessary.

(b) Simultaneously, however, the increasing involvement of the state directly in the accumulation process has the effect of politicizing the accumulation process itself in the sense that more and more decisions about accumulation are at least partially made in public agencies rather than in private corporate offices. Explicit or implicit political criteria increasingly enter into the organization of production and the allocation of resources in the accumulation process, replacing more purely

market criteria. The result is that class struggle in turn tends to become more politicized. It becomes increasingly difficult to contain working-class demands at the level of firms and industries; demands tend to become increasingly directed toward the state and toward state structures.

Ruling-class groups organized to restructure the state apparatus thus have to respond to quite contradictory forces: on the one hand there is the necessity of creating structures more capable of directly planning and managing the accumulation process; on the other hand, there is the necessity of containing or reversing the growing politicization of class struggle which has resulted from the increasing role of the state in the economy.

While we are still in the middle of this transitional period of state restructuring, some of the elements of the "solution" are becoming apparent. In particular, the combination of executive centralization and the growth of technocratic legitimations for state policies can be interpreted as at least partial attempts to handle these contradictions. It is perhaps characteristic of the dialectical quality of the development of Marxist theory itself that the new directions in the theory of the state are emerging at precisely the time when the capitalist state is undergoing such qualitative change.

NOTES

1. See also, Sardei-Bierman, *et al.* (1973) for a critique of Offe's work.
2. O'Connor (1973); see also: San Francisco *Kapitalistate* Group (1974).
3. For an empirical study of the political meaning of sports ideology, which also discusses alienated forms of political activity, see Balbus (1975).

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