



Historical Materialism and the Capitalist State

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Historical materialism elevates the principle of the dialectical relationship between the particular and the general, which reveals the essence of phenomena, to the theoretical foundation of the dialectical understanding of history. – Leo Kofler, **Geschichte und Dialektik**

Theoretical discussion about defining and explaining of the class nature of the capitalist state has increased significantly in recent years. [1] Although at this stage it is still mainly occurring in the West Germany, Britain and Italy, it is nevertheless a discussion which – often within the context of debates about “state

monopoly capitalism” and the class nature of the “national-democratic state” (in some ex-colonies in Africa and Asia) – is taking place around the globe. [2] It is not my aim here to discuss in detail the most important texts published on the topic. Instead my inquiry concerns some general problems in applying the method of historical materialism to the question of the class nature of the capitalist state – problems which directly or indirectly play an important role in the controversy.

The central category of the materialist dialectic is that of a totality impelled and being driven to change by its immanent contradictions. The forms of this movement itself vary (for example, purely quantitative changes should not be conflated with qualitative changes). But the motion of the structure is just as important as the character of the structure. For historical materialism, there exist no eternal, unchangeable forms in any social phenomena.

This category of a totality replete with contradictions, and therefore subject to change, directs Marxist research to inquiry into the origins of phenomena, their laws of motion and their conditions of disappearance, both with regard to the base and with regard to the superstructure of society. For historical materialism, the “being” of each social phenomenon can only be recognized and understood in and through its “becoming”.

That being the case, it should be clear from the start that every attempt to define the class nature of the capitalist state which abstracts from the historical origins of that state, i.e. which rejects the genetic method, conflicts with historical materialism. Every attempt to deduce the character and essence of the capitalist state directly from the categories of

Marx's **Capital** – whether from “capital in general”, from the exchange and commercial relations at the surface of bourgeois society, or from the conditions for the valorization of capital [3] – overlooks that this state, as an institution separated from society and transformed into an autonomous apparatus, was not created by the bourgeoisie itself.

In reality, this class originally took over a state which existed prior its conquest of political power (in Europe, the semi-feudal absolutist state) and then reshaped it according to its class interests. To understand the class character of the capitalist state, we should therefore start off by asking: why did the bourgeoisie not destroy the absolutist state machine, but only transform it? How did this change occur? For what purpose does the bourgeoisie use the state machinery it has conquered and adapted, and how does it necessarily have to be used? How does the bourgeoisie succeed in using the state machine for its own class ends, notwithstanding the autonomy that the state has?

The objection that such a methodological approach to the problem is ambivalent and eclectic can be dismissed straightway, because the field of action of the state is never reducible to “purely economic conditions”. As an outgrowth of the social division of labor, state functions as such originally gained independence, i.e. became the responsibility of special institutions separated from society, when the division of society into classes was occurring, i.e. they were the instruments of an existing class order. Technical necessity or reified consciousness [4] by themselves cannot explain why the majority of the members of society are compelled to leave the exercise of particular functions to a minority. Behind functional necessities or reified consciousness exist relations among people, class relations and class conflicts. So if we try to deduce any given state form, including the capitalist state, from purely

economic relations, we either remain trapped in reified reflexes of class relations, or else we reduce class conflicts in a mechanistic way to “pure economics”.

On the other side, the origins and development of the capitalist state cannot simply be reduced to some general imperative to use non-economic force against the class enemies of the bourgeoisie either. The basis of this imperative must be related to the specific forms of capitalism, and viewed as a necessary feature of the rule of capital, rather than of the ruling class in general. If the essence of the capitalist state is detached from the conditions of existence of the state, then what distinguishes it from all other class states, is lost sight of, instead of being included in the analysis. Only by linking the special functional conditions of the capitalist state with the specificities of capitalist production and bourgeois ideology – co-determined by the structure of bourgeois society. as well influencing each other – can we frame the problem of the class nature of the capitalist state exhaustively, and solve it.

The corollary is that every modern capitalist state combines general features of this class nature with unique characteristics, which derive from the moment in history (the stage of capitalist development, of the formation of the bourgeoisie and the working class) when the national bourgeoisie fought to conquer independent political power, as well as from the historical conditions of the class conflicts (including the balance of power between the bourgeoisie, the aristocracy, and plebeian/pre-proletarian, semi-proletarian and fully proletarianized workers). Not just the specific institutional arrangements and the precise state form obtained (e.g. a constitutional monarchy in Great Britain and Sweden, versus a republic in the USA and France), but also the unique political tradition of each bourgeois nation

and its prevailing political clichés and ideologies (which also play a very important role in the emergence and development of the modern labor movement) are bound up with this.

It is also important to distinguish clearly between what is intrinsic to bourgeois society generally, and those special features of the capitalist state which only reflect specific power alignments between the social classes. Several authors unjustifiably claim that the reproduction of capitalist relations is more or less automatically guaranteed, because those relations directly influence and shape the consciousness of the producers (the working class). Since wage earners experience their exploitation as the result of an exchange, so it is argued, they will not question these exchange relations. Hence they will also not question commodity production, or the capitalist mode of production, or the accumulation of capital. From this idea, it is then inferred that, in contrast to other class states, it is sufficient for the capitalist state to provide formal legal equality which separates political-legal relations between people from actual social production.

Three conceptual confusions are involved here. Firstly, the fact that a given mode of production generates its own forms of reified consciousness, does not mean at all that these forms suffice to guarantee the reproduction of the social order. Secondly, even a consciousness which cannot rise beyond exchange relations can threaten the reproduction of capitalist relations of production; workers who are politically uneducated can nevertheless stage rebellions which threaten private property and the bourgeois order. Such revolts might have little chance of success, but they can cause so much damage, that the capitalist class believes that maintaining a costly and parasitic state apparatus as a bulwark against the possibility of such revolts is essential

(cf. the second German empire). And thirdly, this train of thought contains an economic error. The continuation of commodity production and privately owned means of production does not automatically guarantee that a rapid valorization of capital will occur all of the time. That also requires among other things a specific distribution of the new value produced by labor-power between wages and surplus value, which permits a “normal” valorization of capital. Aside from quality, quantity thus plays a central role here.

Capitalism has a built-in limit preventing wages from rising above a level that would endanger the valorization of capital, principally through an expansion of the reserve army of labor, in reaction to a decline in the accumulation of capital. But this longer-term tendency does not have a continuous and uninterrupted effect. In spite of the fact that it is “bounded by exchange relations”, wage-labor can thus demand, and achieve, wage rises in some situations which make the valorization of capital more difficult, and endanger it in the short term.

Moreover, precisely because wage earners (be it with a “false consciousness”) experience their exploitation at the most basic level “only” as the result of exchange, they are forced into a fight to defend and increase their wages. Thus, so-called “reified consciousness” could even lead them to conclude that this fight will succeed only through united collective action and organized solidarity. Mutually contrary aspects of “reified consciousness” (resignation and rebellion) are therefore inherent in the system, but each of them obviously has different consequences for potential threats to the system. Out of the impulse towards trade unionism, emerges an elementary proletarian class consciousness, which can at least potentially and episodically lead to anti-capitalist struggles.

And so, with a less mechanistic analysis of the connection between generalized commodity production, reified consciousness and the need for a state machine for the bourgeoisie, we arrive at conclusions quite different from many participants in the debate. In contrast to slaves or serfs, wage earners are free workers, a circumstance which should be understood dialectically and as replete with contradictions, and not simply reduced to “separation from the means of production”. Additionally, capitalism implies not just a universalized market (and thus the inevitable reification of social consciousness), but also – in contrast to the work of private producers in simple commodity production – the objective socialization and co-operation of labor in large-scale industry. That is precisely why non-economic power is essential for capital. It must guarantee the reproduction of the social relations of bourgeois society, and market mechanisms alone are not sufficient for this.

Free workers can at least temporarily refuse the sale of their labor-power under conditions most favorable for the valorization of capital. They can do this more effectively if they have collective resistance funds and collective organizations, and these have emerged everywhere in response to capitalism, just like reified consciousness. Securing the reproduction of social relations within bourgeois society therefore demands coercion and violence by the agents of capital, to prohibit, prevent, frustrate, or restrict the collective refusal to sell the commodity labor-power (the right to strike) or at least make it less successful. That imperative is visible throughout the whole history of bourgeois society.

Not only because “free” wage-labor in reality (implicitly) also means work under compulsion – not just economically or personally, but also at the level of “law and order” – freedom and coercion necessarily co-exist in bourgeois

society. Without coercion for the working class, no freedom for the employer: the young Marx had already grasped this when he noted in his article *On the Jewish Question* that “Security is the supreme social concept of civil society, the concept of police, the concept that the whole of society is there, only to guarantee to each of its members the conservation of his person, his rights and his property. In this sense, Hegel calls civil society ‘the state of need and of reason’.” [*den Not- und Verstandestaat*]”. [5] Indeed. Without police, private property and the valorization of capital are not secure; without capitalist state violence, there is no secure capitalism.

It follows that there has never been, and will never be, a capitalist state based on the preservation of “juridical equality”, or on the securing of the “application of formal principles”. The capitalist state is and remains, like all other political states before it, an instrument for the preservation of the rule of a definite class – not just indirectly, but also directly. Without a permanent repressive apparatus – and in times of crisis the “hard core” of the state reduces to this apparatus, to a “body of armed men” as Frederick Engels put it – the capitalist state could not exist, the reproduction of capitalist relations of production becomes at the very least uncertain, and bourgeois rule is vulnerable to challenge.

One could actually turn the theories of many (especially German) participants in the discussion on their head; precisely because the conditions of capitalist exploitation seem to be based exclusively on exchange relations and not on direct, personal master-servant relations, the potential threat always exists in bourgeois society that the wage earners will “abuse their freedom” to threaten the existing social order, if not overthrow it altogether. Since the capitalist state was itself the product of bourgeois revolutions, and since revolutions are, as is known,

dangerous schools in the possibility of changing society radically, the bourgeoisie understood immediately after the conquest of political power that it needed a permanent non-economic repressive apparatus to oblige resistant workers to the sale of the commodity labor power, at prices promoting, and not braking, the valorization of capital.

For the same reason, it is simply wrong to suggest that some or other tendency towards formal-political equality before the law of all “citizens” of a bourgeois nation necessarily follows from the formal equality of all individuals in bourgeois society. To the contrary: to neutralize the contradictory effects on the market of the formal equality of capital and wage-labor – an equality essential for the continuation of capitalism and the valorization of capital – the tendency towards violating or contesting the political rights of the working class is built into the capitalist state. The idea the capitalist state or all of bourgeois ideology tends spontaneously and automatically towards equal voting rights for all people is belied by the real history of bourgeois society. It is one of the great achievements of Leo Kofler to have demonstrated this in detail.

In the real history of the capitalist state, the combination of the universal franchise, equal voting rights with a secret ballot, and effective freedom of political organization for the working class, has been the exception. Even in Western Europe, it became the norm only after World War I. In the rest of the capitalist world, it remains until this very day the exception rather than the rule.

More significant is that even this purely formal political, legal and organizational equality for the working classes was in Western Europe nearly everywhere forced on the bourgeoisie by the other social classes, and that the bourgeoisie in no sense voluntarily granted it to all *citoyens*.

[6] Just exactly under what conditions and within what limits it could turn this political defeat temporarily into a political victory is an issue which does not alter the importance of the historical fact in any way whatever – if only because in the last sixty years the ostensibly “bourgeois-democratic” achievement has already been overturned again on many occasions (Mussolini, Salazar, Hitler, Franco, Petain, to mention only the most important West European examples) and because a renewed questioning of these rights is again a definite theme in Western politics.

The form of the capitalist state as the means of government of the bourgeois class is therefore determined by class interests. It can only assume a given form, if it coheres with its nature. So long as the bourgeoisie has not lost its economic and social power – i.e. its command over the means of production and the social surplus product – any suggestion that a fundamental change in the form and function of the state is possible assumes that the ruling class would use the social surplus-product not for maintaining itself but for its own self-destruction. There exists not a single historical example of such a process of the self-destruction of ruling social classes, neither in the history of pre-capitalist societies, nor in the history of capitalist society. So the primary task of the capitalist state is to provide, secure and reproduce the social conditions (the social framework) of the existing class domination, those conditions in other words which Frederick Engels indicates in **Anti-Dühring** with the formula “external conditions of production”. The state is “an organization of the particular class, which [is] *pro tempore* the exploiting class, for the maintenance of its external conditions of production and, therefore, especially, for the purpose of forcibly keeping the exploited classes in the condition of oppression

corresponding with the given mode of production (slavery, serfdom, wage labor)". [7] The way in which it fulfills this task is determined by the specificity of the capitalist mode of production and the nature of the social classes that it creates. It is also determined by the given, historically emergent relationship of forces between the classes specific to each specific bourgeois form of society, in each given phase of its development.

To carry out this task, both a repressive and ideological-integrative instrument must be applied. The formal-legal equality of individuals in bourgeois society and the absence of direct master-servant relations certainly creates the possibility of much stronger legitimation of the capitalist state in the eyes of the dominated classes as the (false) representative of society as a whole than was the case in pre-capitalist states. But the universal franchise, freedom to organize politically for the workers movement, and the integration of the leaders of their mass organizations in the capitalist state are only necessary, not sufficient conditions for this perception of legitimacy. A definite long-term decline of mass participation in class struggles, or a definite low level (or a definite decline) of the average class consciousness of the working class, due to particular historical circumstances, is also a factor.

Whether the complex concatenation of objective and subjective factors actually enables the bourgeoisie to camouflage its class rule successfully in the eyes of the exploited as being the "result of popular sovereignty" and as the "will of the people" expressed in electoral outcomes is something which only an social and political analysis of a specific state in a specific era can reveal. But whatever the case may be, there is no convincing proof that particular state forms – such as in Great Britain at the time of the prince-regent and of Queen Victoria, in France during the

reign of Louis Philippe or the Second Empire, in the German Empire under Wilhelm I and Wilhelm II, in Belgium under Leopold I and Leopold II, not to mention Mussolini's Italy or Franco's Spain – were perceived as the “legitimate representatives of the whole society” by the working class of these countries. Similarly we can justifiably doubt the presence of such a perception in the North American state in the Coolidge-Hoover period.

The capitalist state must not only secure the external conditions, but also the social conditions of the capitalist mode of production. That is, it must also create those general conditions for production proper which the “functioning capitalists” cannot produce themselves, either because it is not profitable for them to do so, and because of the prevailing competition among private capitals. Capitalism presupposes social production and social exchange. But “capital cannot of its own accord, by its actions, produce the social character of its existence by any means”, as Altvater puts it so well. [8] The relationship between state and society is therefore not reducible to the relationship between politics and economics; because the capitalist state is also a directly economically active institution of the capitalist order.

This is most clearly shown by the monetary regime. Just as generalized commodity production presupposes the independent existence of exchange value in a universal equivalent, in money, the normal reproduction of total social capital requires a continual division and reconstitution of productive-, commodity- and money-capital. [9] And that process cannot occur, at least not on any large scale, without a currency and credit system which is guaranteed and secured by the state. If we examine the supply of money and credit, it is immediately obvious that without a central state authority, a fully functional capitalist mode of production

could not exist. But money and credit point straightaway to other “directly economic” functions of the capitalist state. Capitalist competition manifests itself in the history of capitalism in two ways: as competition between individual capitals, and as competition between fractions of world capital sited in territorial states. In this second form of competition, the capitalist state fulfills a defensive role for “national capitals against “foreign” competitors, in the area of currency, customs and trade policy, colonial policy, etc. This role of the state is likewise, at least initially “purely economic” and without it the system would again fail to function, or function fully.

In his **Grundrisse**, Marx concluded that the ideal conditions for the capitalist mode of production are those in which private capitals themselves can create a maximum of those “general conditions of production”. [10] Nevertheless, in the case of a third category of these “general conditions of production”, namely those related to the provision of infrastructure and education, the general tendency was demonstrably in the opposite direction, from the time that large-scale industry began to dominate. These functions were increasingly – and later almost exclusively – fulfilled by the capitalist state, because far too much tension existed between private interests seeking to organize them according to the profit motive, and the collective interests of the bourgeoisie as a class, or the objective requirements of the valorization of capital in general.

A unified taxation system connects the money and credit system with the infrastructural tasks which must be fulfilled. The link between the “external” (social) and the “economic” (general) conditions is formed by those state functions that fall under the general heading of “administration”. Included here are not only the administration securing law and order and the protection of private property, but also the police

and military apparatus protecting the bourgeoisie from “internal and “external” enemies as well as all of the administration concerned with other public services, such as the infrastructure proper (e.g. the public health system, which, given the raw poverty of the early proletariat was essential to protect the bourgeois class in the large cities from the danger of epidemics).

In the course of the development of bourgeois society, the number of “general conditions of production” met by the state grew almost without interruption. But this apparently linear process must be analyzed in its different aspects. In some areas there really existed something like technical necessity here, i.e. the logic of technology demanded ever stronger centralization, and forced the bourgeoisie to recognize the objective socialization of labor in these areas, through a genuine nationalization of these functions. That applied, for example, to railway construction and management, and later to the regulation of air traffic. Private organization in this area was so strongly stamped by “partial rationality” [11] that it endangered the system as a whole, so that bourgeois society could, despite glorifying private enterprise, not afford it.

With the unfolding of the long-term laws of motion of capital (*inter alia* the increasing concentration and centralization of capital on the one hand, and the growing difficulties for the valorization of capital on the other side) there is an increasing number of productive areas in which the risk of losing the gigantic investments required becomes too great to attract any private capital. But within a complex social division of labor precisely these areas can play an important or even crucial role in securing or threatening the competitiveness of a given capitalist class on the world market. Nationalizing these activities, or increasingly subsuming them under the “general conditions of

production” in that case does not express any technical necessity but rather the requirements of capital valorization under given historical circumstances. The nationalization of energy and steel production in Great Britain, or the raw materials industry in France, and more generally the “nationalization of losses” of unprofitable branches of industry necessary for the material reproduction of capital, just like the nationalization of the gigantically rising costs of research and development, belong to this category.

There is, finally, nevertheless also a tendential expansion of the “general conditions of production” in areas where neither technical necessity nor immediate conditions of valorization play a crucial role. Late capitalism tends to bring all the conditions for the reproduction of the commodity labor-power under its control, i.e. subordinate human beings and human needs directly to its valorization objectives. Nationalized health care, education and land-use authorities ultimately rest on the need to discipline people and not on technical necessities. In the many of these areas, parasitic centralisations which so clearly manifest themselves could be eliminated in a systematic and planned way after the collapse of the political power of capital, and be replaced by an integrated system of socialist self-management.

In the development of the capitalist state, a specific, contradictory relation to the history of the state in general emerges, congruent with an analogous relation of capitalist industry (capitalist productive forces) to the general development of the productive forces. On the one hand, despite the historic tendency of the bourgeoisie to weaken state absolutism, particularly in the phase of modern imperialism, classical monopoly capitalism and late capitalism, the capitalist state leads to a hypertrophy of state functions which is almost unprecedented in the history of

class society. The number of functions which become distinct, independent activities through a re-division of labor in basic productive and accumulation functions, grows uninterruptedly and with an accelerating tempo. No doubt the numerical growth of state apparatuses, the growth of material wealth, and the growing complexity and specialization of the administrative activities themselves are part of the explanation – but, for reasons already mentioned, we should not attribute to them the significance which bourgeois ideology postulates here.

At the same time, the average level of culture among large masses in society grows, including the working classes, although this culture may be less and less compatible with, or able to truly satisfy, the real needs of individuals as social beings. In this way, the objective potential grows to stop the further hypertrophy of the state radically, and to eliminate it, if the social interests of the associated producers rather than the interests of capital valorization begin to determine the developmental tendencies of the state. Precisely because the working class, which fuses more and more with the technical intelligentsia, itself acquires the growing capacity for self-management as the capitalist mode of production develops, a workers' state could, after the downfall of capitalism, become a state tending towards generalized self-management in all social areas, i.e. a state which begins to wither away from the moment it is established, as Lenin so incisively and radically put in **The State and Revolution**.

[12]

The specificity of the capitalist state is not just defined by its special relationship to the working class, but also by its origins in the relationship of the bourgeoisie to the semi-feudal nobility in class struggles. This class conflict is closely related to an essential distinction between bourgeois and pre-bourgeois class society with respect to class rule, and

between the capitalist class and the pre-capitalist ruling classes, to which we ought to pay attention in analysing the class nature of the capitalist state. Pre-bourgeois ruling classes appropriated the social surplus product mainly for the purpose of unproductive consumption. The form of this appropriation varies according to the prevailing mode of production, but the goal is generally the same. Although accumulation as goal was not entirely absent in the history of pre-capitalist modes of production and ruling classes, it nevertheless played a smaller, subordinate role compared to the capitalist mode of production.

The capitalist class is compelled by generalized commodity production, by privately owned means of production and the resulting market competition to maximize capital accumulation. This limitless drive for enrichment (production of exchange-values as an end in itself) is made possible by the fact that the social surplus product takes the form of money. But that circumstance also means a contradiction emerges between different possibilities for investing the social surplus product which is specific to the capitalist mode of production alone (although it may also present to some extent in other types of society partly based on cash economy). The immanent tendency of capital to maximize accumulation (i.e. to maximize both the production and realization of surplus-value, and of the productive expenditure of realized surplus-value to capitalize it) collides with the tendency towards increased squandering of surplus-value on unproductive consumption by the ruling class and its hangers-on (“third parties”) on the one side, and with the growth of unproductive state expenditures on the other. Just how much capital tries to restrict the unproductive waste of surplus value by individuals to “normal” limits but also “to the level of one’s social station” is well known, and requires no further

comment here. It is important, however, to note that capital historically first experienced the unproductive expenditure of the social surplus-value as the waste of this surplus-value by a power alien and hostile to it, namely the semi-feudal absolutist monarchy, which distributed the social surplus product to the parasitic court nobility and the higher clergy, who were exempted from taxation.

The battle of the rising bourgeois class to maximize accumulation of capital, or rather, remove all restrictions on its free development, was initially a struggle against the unlimited powers of the pre-capitalist state to levy taxes. Thus originally its battle for the conquest of political power was fundamentally about the power to decide itself what fraction of surplus-value would be withdrawn through taxation from immediate capital accumulation by “functioning capitalists”, i.e. objectively socialized. It is indisputable, and cannot be dismissed as “mere empirical detail”, that all successful bourgeois revolutions between the 16th and the 19th century were sparked off by taxation revolts, and that all modern parliaments emerged from the fight of the bourgeoisie to control state expenditure. The specific organizational forms of bourgeois political power, with its complex array of informal political structures (parties, clubs, pressure groups, networks and lobbies), trade associations representing different interests in economic disputes (which were at first mainly, if not exclusively, taxation disputes), elections and elected parliaments, as well as a permanent administrative apparatus and a suitable state ideology (including the doctrine of the “separation of powers”), is largely reducible to this basic conflict.

The real contradiction involved does not require elaboration in detail. It is clear that when, after its triumph over absolutism, the bourgeoisie did not smash the state

machine but transformed according to its own needs, it also had to pay for this state as soon as there was no longer any major source of revenues other than the surplus-value appropriated by capital.

When an actively organized labor movement did not yet exist, the “political life” of bourgeois society revolved mainly around the question of how much surplus-value should be withheld from private accumulation through government taxes (direct collectivization), at the expense of which fractions of the propertied classes, for what specific purposes, and with what financial advantages for particular fractions of the bourgeoisie.

We can also view the question more generally in terms of the direct material basis for the existence of the state apparatus. Things are probably less cut-and-dried when we frame the problems in this way, and do not limit ourselves to abstract philosophical definitions. I think however that, if we do not reduce everything to individual corruption of government leaders and higher functionaries, it is no “vulgar Marxism” to ask the macro-economic (or macro-sociological) question: what, then, is the material basis (in capitalist society, the financial basis) of the state? And the final conclusion of a materialist investigation of the class nature of the bourgeois state must return us to the Marxist axiom that the social class controlling the social surplus product therefore also controls the state.

The classical pre-capitalist state had its autonomous material basis. The Roman Empire of the slave owners, in its heyday, maintained the army (and the slave market) through conquests abroad. The court in ancient Asiatic modes of production lived on the plunder of their own producers, and on the plundering of foreign countries, and not on the gifts of the mandarins, priests or generals. The feudal king was originally the foremost landowner, and as

such was supported by tributes paid from the surplus product appropriated by other lords. But with the generalization of a cash economy, closely related to the victory of capital, i.e. with its penetration in the sphere of production, a state form appears which does not possess autonomous sources of revenue apart from taxing the population (in the last instance, this signifies collectivizing a fraction of the social surplus-product).

The absolutist monarchy, very aware of its income source, for centuries battled (ideologically aided by its legal counsels) to maintain sovereign rights to taxation. This battle, in which it sometimes united with fractions of the rising bourgeois classes, was ultimately lost. The unrestricted power to levy tax was broken, and since that time even the most “autonomous” or most “tyrannical bourgeois state (including Hitler’s Third Reich) failed to force unacceptable taxes on the bourgeoisie.

In capitalist society, the individual capitalist obviously experiences every tax as an “expropriation” of a fraction of his own surplus-value, profit, or income. However much he might consider taxes as inevitable under given circumstances, or even a communal necessity, this expropriation always remains a burden, an obstacle to maximizing accumulation. Since the capitalist class nevertheless also needs security for its capital, a genuine “role conflict” reproduces itself within this class as such, and within the consciousness of each individual capitalist, between the member of civil society and the personification of capital accumulation: two souls are continually at war in his Faustian breast. In different historical periods and in different capitalist states, this produced wide variations in attitudes among individual capitalists, from a very ordinary conformity to fiscal discipline to maximal tax evasion. These attitudes can be explained in part conjuncturally and in part

historically. The conflict here is a conflict between bourgeois private interests and bourgeois social interests, not a conflict between the private interests of unspecified “*citoyens*” in general and unspecified “social interests” independent from class divisions. In the consciousness of other citizens, however false or reified, this conflict mostly appeared in that special form.

Workers knew very well that they did not have political equality when the right to vote was based on property ownership. It is an anachronistic error to project modern capitalist ideologies onto early capitalism or classical 19th century capitalism without regard for the specific state forms and political structures of these periods. For citizens living in the period from the 16th century to the end of the 19th century, or even the beginning of the 20th century, it was self-evident that only men of property had full political rights. Only tax payers could have the full right to participate in decisions about state expenditure. Otherwise unrestricted taxation, i.e. collectivization of surplus-value, would have no limit. This principle was not just articulated by bourgeois intellectuals, but also by countless bourgeois politicians of the past. Precisely for this reason, the contradiction between the private interests and the social interests of the bourgeois class, reflecting the contradiction between the expenditure of surplus value for immediate accumulation and for tasks which at best benefit this accumulation only indirectly, remained limited in two ways.

There was a time when all (or a great majority) of the owners of surplus-value were fully prepared to “sacrifice a little to keep the lot”, i.e. there was a general consciousness to defend the class and state interests together. The battle for the conquest of political power by the bourgeoisie was an historical process, in which this bourgeois class consciousness was formed and crystallised. On the other

side, the whole bourgeoisie (with the possible exception of the “lumpen-bourgeoisie” who live by the direct plunder of the public purse) has a social interest only in offering as little as possible, i.e. an interest in a “poor state”. This is not only because the entire bourgeoisie is interested in maximum accumulation, but also because the permanent poverty of the state is the solid material basis for the permanent rule of capital over the state apparatus. The “golden chain” of national and international debts tie the state inextricably to the rule of capital, regardless of the state’s hypertrophy and its autonomisation. Precisely because this dependence exists, regardless of how large the state budget may be – the fiscal crisis of the state can be greater given a budget which absorbs 40% of the national income than with a budget which only represents 4% of that income – it is a permanent structural dependence, without which the class nature of the bourgeois state cannot be fully understood. Because the specificity of the capitalist state derives from the class conflicts between the bourgeoisie, the working class and pre-capitalist classes, it is simultaneously rooted in the characteristics of the capitalist class itself. The conflict between individual and social interests of the bourgeoisie, a conflict that centres on private expenditure versus social expenditure of surplus-value, is closely tied to the problem of the functional division of labor within national territory created by the specific organizational form of the capitalist state.

Just as in pre-capitalist society the state commands a qualitatively bigger independent material basis than the capitalist state, the pre-capitalist state also features a much closer personal union between the top of the ruling class and the top of the state apparatus. In the Roman Empire (even in Julius Caesar’s decadent republic) the ruler was the largest slave owner. In the feudal state, the king was often

also the most important landowner. In the absolutist monarchy, all important offices of the lord, the central administration and diplomacy were exercised by the most important families of the court nobility (and often the court clergy). In capitalist society by contrast, at least in the epoch of bourgeois ascendancy, this was impossible because most capitalists are busy with their private business and simply lack the time to specialize in affairs of state. Insofar as these tasks were not left to the decadent or bourgeoisified nobility (i.e. a rentier class), they were more and more taken over by a subdivision of the bourgeois class, namely by professional politicians and a growing bureaucracy. [13] Although the latter developed parallel to the absolutist monarchy, it could never assume anything other than limited leadership functions, except through entry into the aristocratic elite (*noblesse de robe*). This bureaucracy identifies to a large extent with “the state in itself”, and this identification resonates best with the ideology of the state as representative of society’s collective interests (in contrast to the traditional bourgeois conception of the state as representative of the propertied citizenry). The relative credibility of that ideology in turn depends on the degree of genuine relative autonomy of the capitalist state vis-à-vis “functioning capitalists”. This autonomy is obviously only relative, but it is not just a mere “appearance” insofar as it is based on the mentioned functional division of labour, and insofar as it does not necessarily imply a functional division of labour within the capitalist class (top civil servants can also be drawn from the small bourgeoisie, professionals etc.). This division of labour is structurally rooted in the essence of capitalism, i.e. private property and competition. Private property and the pressure of competition create an objectively inevitable conflict within the capitalist class between private and social interests. A functioning capitalist

forsaking his private interest consistently for a common capitalist interest would fare just as badly as capitalist (i.e. lose out in the competitive battle) as a functioning bourgeois politician who systematically neglected the common interests of capital in order to advance his own private interests – a bad, and from a class point of view incompetent politician. Under “normal” conditions of capital accumulation and valorization, the capitalist class delegates direct exercise of political power to professional politicians or top bureaucrats only if they provide basic guarantees that they will subordinate their private affairs to common class interests – which is something which functioning capitalists usually cannot provide. If professional politicians fail in this respect, they suffer the same fate as Nixon or Tanaka. Even so, the relative autonomy of the capitalist state, shaped by private property and competition vis-a-vis functioning capitalists, should not be exaggerated. Especially to avoid platitudes and prevent abstract Poulantzian formulas about the “structural dependence of the state on the bourgeoisie” from degenerating into empty tautologies or simplistic *petitio principii*, a few more aspects should be integrated into the analysis.

It is a mechanistic error to reduce the capitalist class to “functioning capitalists”. All owners of capital belong to it, including rentiers and all those that could live from their interest receipts, regardless of whether they work in some profession. The high income of top state functionaries and parliamentarians, as well as their opportunities for getting access to confidential information enabling risk-free speculation, almost automatically guarantees the inclusion of top politicians and top public servants in the capitalist class, regardless of background – because their position enables them to accumulate capital, which they do in most

cases. As owners of capital they then have a vested interest in the preserving the foundations of bourgeois order.

In capitalist countries there are few top politicians or top public servants who, at the end of a successful career, have not become owners of substantial assets, stocks and share portfolios beyond owning their own home etc., and this “purely economically” makes them full members of the capitalist class.

If in analyzing the structure of capitalist society we do not pay due attention to this aspect tying capitalists and the state together, for fear of “vulgar Marxism” or “descriptive verbiage”, we turn a blind eye to the pivot of society, i.e. capital itself. The universalized drive for enrichment and the cash economy are not “external” or secondary phenomena of capitalism but defining structural characteristics. No group in society can permanently escape their influence, and that includes professional politicians and bureaucrats.

It is not a matter of individual corruption, but rather the inevitable effect of the intrinsic tendency of capitalism to convert every substantial sum of money into a source of surplus-value, i.e. capitalize it. Only a state in which top politicians and public servants would not receive salaries higher than the average wage of workers would evade this direct structural bind. It is no accident that Marx and Lenin made this demand as basic precondition for real workers’ power, and that it is a norm that never has been, nor will be, realized in a capitalist state. [14]

The special nature of the capitalist state is also defined by its hierarchical construction, more or less mirroring the structure of society. Key public servants are no more elected by staff at lower levels or the citizenry than company managers or employers are elected by employees, or army officers by their men. Between this hierarchical structure

and great disparities in income there is again a structural nexus characteristic of capitalist society. Competition, the drive for private enrichment and the measure of success according to financial gain can hardly dominate social life while inexplicably playing no role at all in government affairs. Again, the negative test can round off the analysis: there never was, and never will be, a capitalist state where the hierarchical principle is replaced by democratic elections in all key areas (police, army, central administration). Only a workers' state could realize such a radical revolution in the make-up of the state.

Another characteristic of the capitalist state is the selection process leading to the choice of top positions in politics and administration. This selection process – based less on direct buying of state functions, nepotism, inherited prebends or reward for service to the head of state than was the case in pre-capitalist states – is governed to a large extent by the pressure to perform and competition, which dominate economic life. It is important though to stress that in this selection process, those modes of behaviour and ways of thinking must win out which objectively make successful capitalist politicians and key public servants the instruments of capitalist class rule, regardless of their personal motivation or the self-image they happen to have.

The functional character of the bureaucracy plays a decisive role here. One could imagine prison guards who occasionally help a prisoner to escape. But it is inconceivable that wardens who did this regularly would gain posts at the summit of the justice administration. One pacifist lieutenant is possible, one might even have a few hundred of them, but a military general staff exclusively made up of committed pacifists is obviously improbable. Only those who exercise the specific functions which capitalist society requires with minimum efficiency can reach top positions. Only those who

conform long-term to the prevailing laws, rules of the game and ruling ideology which the social order expresses and secures, can make a successful career in the system.

The weakest point of all reformist and neo-reformist conceptions of the democratic state (including the Eurocommunists [15]) consists in not understanding this specific character of the capitalist state apparatus, inextricably bound up with capitalist society. As an extreme hypothesis, the possibility cannot be ruled out that an absolute majority in a normal parliament could somewhere vote to abolish private ownership of the means of production. But what can be safely ruled out is that the local Pinochets would not regard it as “violation of the constitution”, “contempt for basic human rights” or a “terrorist attack on Christian civilization”. They will promptly react like Pinochet, among other things with mass murder of political opponents, mass torture and concentration camps. [16] In so doing, they would of course take care to draw attention away from the abolition of all democratic freedoms. When the stakes are high, the eternal values of capitalist society turn out to be limited to private ownership, and the necessity to defend it legitimates every violation of even a merely formal popular sovereignty, every kind of violence and even declaration of war on one’s own countrymen (in the course of history, the Thiers, Francos and Pinochets have proved this in a “purely formal” way). In this sense, it is pure utopia to try not only to use the capitalist state apparatus to abolish capitalism, but also to think this apparatus could somehow be neutralized instead of needing to be replaced by a radically different state apparatus, so that the economic and political power of capital can be abolished.

And finally, the management of ongoing state affairs should not be confused with the wielding of political power

at the highest level. If in an enterprise various functions are delegated to specialist managers, this does not mean that the board of directors and the shareholders lose their power of command over the assets and the workers. In the same way, just because the haute bourgeoisie leaves the day-to-day tasks of governing to professional politicians or key public servants, this does not mean that big business also leaves the most important strategic and political decisions to them. If we scrutinize some of the crucial decisions taken in the 20th century – such as for example the decision to appoint Hitler as imperial chancellor, the approval of the popular front government in France (almost at the same time as the approval of the Mola-Franco putsch against the Spanish popular front government); the green light for the start of World War 2 in Germany and Britain; the decision to orient the USA towards participation in the war; the decision of the USA and Britain to ally with the Soviet Union and later to break that alliance; the decision by the Western powers to reconstruct the economic power of Germany and Japan after World War 2 – then we find that these decisions were taken not in parliaments or in ministerial offices or by technocrats but directly by the captains of industry themselves. When the very survival of capitalism is at stake, then the big capitalists suddenly govern in the most literal sense of the word. At that point, every semblance of “autonomy” of the capitalist state vis-à-vis business disappears completely.

Engels’s maxim that the capitalist state is the “ideal-total” capitalist, because the real-total capitalist can only be an aggregation of the sectional interests of “many capitals”, must be understood and interpreted dialectically. [17] Here again, it is a question of applying the dialectic of the general and the particular.

Notes

1. A review of the discussion can be found in Bob Jessop, **The Capitalist State** (Oxford: Martin Robertson, 1982)

2. For a brief discussion of the theory of state monopoly capitalism, see Gerd Hardach, Dieter Karras and Ben Fine, **A short history of socialist economic thought** (London: Edward Arnold, 1978), pp. 63-68. See also Ernest Mandel, **Late Capitalism** (London: Verso, 1981), pp.515-522. On the concept of the national democratic state, see Michael Lowy, **The politics of uneven and combined development** (London: Verso, 1981), pp.196-198 and Henri Valin [pseudo. Ernest Mandel], *Le neo-colonialisme et les Etats de democratie nationale*, in **Quatrième Internationale**, vol.26 no.23, April 1968, pp.43-49.

3. Valorisation of capital (*Kapitalverwertung*) refers to the process whereby capital increases its value through production. In Marx's theory, capitalist production is viewed as the unity of a labour-process creating use-values and a valorization process creating additional capital value (surplus-value). The newly valorized capital must however be realized through sales of output before it can be appropriated and thus effectively accumulated. Many English translations render *Kapitalverwertung* as "self-expansion of capital" or "realization of capital" but this is really misleading because capital cannot "self-expand" without exploitation of living labour nor does it "realize itself" through market-sales automatically. The same problem arises with *Entwertung* (devalorisation, i.e. the loss of capital value) which is often translated as "devaluation".

4. Reification (*Verdinglichung*, thingification) was a term coined by Destutt de Tracy but in Marx's sense refers both to the process whereby human attributes and relations are transformed into attributes of or relations between things, and forms of consciousness resulting from this transformation. The outcome is typically distorted, one-sided or false views of reality. Marx sees

the cause of reification objectively in the mediation of social relations by market transactions, and subjectively in uncritical, dehistoricized thinking patterns.

5. Karl Marx, *On the Jewish Question* (1843), in **Early Writings**, Penguin edition, p.230

6. See Goran Therborn, *The Rule of Capital and the Rise of Democracy*, **New Left Review** **103** (1977), pp.3-41.

7. Frederick Engels, **Anti-Dühring** (Moscow: Progress Publishers, 1947), p. 340.

8. Elmar Alvater, *Zu einigen Problemen des Staatsinterventionismus*. See Ernest Mandel, **Late Capitalism**, pp.479-480

9. See Karl Marx, **Capital** Volume 2.

10. Karl Marx, **Grundrisse** (Penguin edition), pp.530-531 etc.

11. See Ernest Mandel, **Late Capitalism**, pp.508-511.

12. Lenin, **The State and Revolution**, in **Collected Works**, vol.25, p.424f.

13. Bureaucracy in the sense of a social stratum of functionaries.

14. See Lenin, **op. cit.**, and Marx's writings on the Paris Commune.

15. See Ernest Mandel, **From Stalinism to Eurocommunism** (London: NLB, 1978).

16. See e.g. Les Evans (ed.), **Disaster in Chile** (New York: Pathfinder Press, 1974).

17. In **Anti-Dühring**, Engels states that the modern state "is only the organization that bourgeois society takes on in order to support the general external conditions of the capitalist mode of production against encroachments as well of the workers as of individual capitalists. The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capitalist" (**op. cit.**, p.338).

Translator's Note

1*. I made a translation of this article by Mandel in the 1980s and edited it for readability – it originally appeared in **Marxismus und Anthropologie** (Bochum: Germinal, 1980) which was a volume of essays in honour of Leo Kofler, but I based my translation on a subsequent Flemish version appearing in **Toestanden** (Antwerp), vol.1 no.3, August 1981, adding a few notes. It might be of interest to a few readers, though possibly a bit dated nowadays. – *JB*
