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KAPITALISTATE

7/78

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WORKING PAPERS ON THE CAPITALIST STATE

NUMBER 7 — 1978

CLASS STRUGGLE AND THE STATE

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UNITED STATES CONTACTS

Binghamton, N.Y.: Southern-Tier Kapitalistate Group, Rhonda Levine, Department of Sociology, State University of New York, Binghamton, N.Y. 13901

Boulder, Colo.: Tom Mayer, Department of Sociology, University of Colorado, Boulder, CO 80302

Madison, Wisconsin: Erik Wright, Department of Sociology, University of Wisconsin, Madison, WI 53706

New York, N.Y.: Andrew Rollings, 300 Parsippany Rd. 13B, Parsippany, N.J. 07054

San Diego, California: Clarence Lo, Department of Sociology, University of California

San Francisco Bay Area: Patricia Morgan, Kapitalistate, P.O. Box 1291, Palo Alto, CA 94302

Santa Cruz, CA: Les Guliasi, Department of Sociology, University of California, Santa Cruz, 95064

Washington, D.C.: Capitol Kapitalistate Group, Meredith Turshen, 1884 Wyoming Ave., N.W., Washington, D.C. 20009

EUROPEAN CONTACTS

England: Simon Clarke, Department of Sociology, University of Warwick, Coventry, CV4 7AL, England

Italy: Alberto Martinelli, Via Fontana 28, I-20122 Milano, Italy

Republic of Germany: Gero Lenhardt, Brummerstr. 74, 1000 Berlin, W33 West Germany

Margaret Fay, Max Planck Institut, D-813 Starnberg, West Germany

Introduction

In assembling this issue, we in *Kapitalistate* have been concerned with a classical Marxist theme which is reappearing in current research on the state: the class struggle. Accordingly, we have asked our contributors to make a special effort in their papers and reviews to explore the relationship of the capitalist state to class struggle.

The growing interest in the role of class struggle in the development of the capitalist state of course has political roots. Put simply, neither capital nor capitalism enjoy the ideological hegemony they once did. Anti-imperialist movements in the Third World are continually challenging capital's power. And, in the advanced capitalist nations of the West, the two decades of unparalleled economic growth and political stability that followed the Second World War have given way to crisis and conflict. Workers' struggles at the point of production, grassroots struggles over the control of communities, and political struggles over state policy and state power are, in the 1970's, undermining the political coalitions that have protected and promoted the power and interests of capital. In Europe, some of these struggles are taking explicitly left directions. In the United States, their direction is less clear. While the delegitimation of the bourgeois political parties and state institutions reflects the intensification of the class struggle, these struggles have not, as yet, developed as left or socialist movements. Still, throughout Western capitalism, class struggle is once again intensifying and prominent.

Looking at the capitalist state in its relationship to class struggle also makes sense theoretically, in particular because it underscores the importance of conflicts and contradictions in the development of capitalist societies and capitalist states. Much good work has been done in mapping the ways in which the capitalist state functions to promote the interests of capital. Yet, capitalism is not simply capital; and the capitalist state is not simply capital's state. Capitalism is a set of contradictory relationships among social classes. And these contradictions shape the form and functioning of state power. The capitalist state is, then, a product of complex and conflicting forces. A focus on class struggle hopefully makes this more apparent.

Treating the capitalist state from the perspective of class struggle will not, however, advance theory unless we pay close attention to the actual development of particular, or concrete, capitalist societies. This is becoming apparent as we gain more perspective on recent developments

in theory. The 1970's have been an especially vital period in the development of a Marxist theory of the capitalist state; in particular, in the development of a notion of politics as something more than the reflection of the economy. At the same time, we have tended to overtheorize, to develop our concepts and categories in the absence of careful empirical work.

This tendency is, unfortunately, often present within Marxism. Whether one emphasizes Marx's political philosophy or his political-economy, the Marxist approach begins on an exceedingly abstract plane. But, if it is to succeed as theory, Marxism also requres close attention to detail, to the specific dynamics of particular capitalist societies at particular times. If we are to build good theory, we have to build it on a foundation of empirical studies. We need, in particular, historical reconstructions of the role of class struggle in the development of the capitalist state. While Marxists have always paid attention to history, the best Marxist histories have been social and economic, not political histories. We need to write our own history of the capitalist state and focus it on specifically Marxist questions.

Finally, while we have focused this issue on a single theme, we do not offer a single theory, nor do we believe that one is appropriate or even possible at this time. Because we are just beginning to return to the relationship between class struggle and the development of the capitalist state, the most interesting work is exploratory. Indeed, once we abandon unproductive controversies, the unanswered questions proliferate. What, for example, are the relationships among struggles in the workplace, the community, and the state? Marxism has traditionally focused on workplace struggles and tended to assume that they were mirrored in the community and the state. Yet the relationship between struggles at the point of production and struggles in other spheres is complex. The state in particular is capable of transforming and not simply a mirroring point of production struggles. How then do popular struggles, wherever they occur, affect the form and functioning of state power? We need to know how various struggles lead to changes in the organization of the state. We also need to know how state policies and state structures, in turn, affect popular struggles.

* * * *

The first paper, "The Democratic Movement in the United States," by James O'Connor, explores the implications for the class struggle of increased state responsibility for the reorganization of social life. While O'Connor's paper is only a preliminary statement of an argument to be developed in a forthcoming book, it does explore a number of important questions and should spark an interesting discussion.

The concept of social reproduction is one of the most interesting ideas developed in recent Marxist theory. Often, Marxists have been preoccupied with struggles at the point of production to the exclusion of other spheres of capitalist society. Yet the class struggle is a social struggle and the concept of social reproduction underscores this idea. O'Connor argues that if the state is to normalize capital accumulation, it must reorganize not only production but reproduction. Yet, according to O'Connor, by politicizing social reproduction, the state threatens its ability to protect the prerogatives of capital: the expanded role of the state ends up providing a focal point for popular struggles and, as a consequence, conflicts in capitalist societies become struggles over state power. As a result, the democratization of the state, rather than the workplace, increasingly becomes the principal axis of class struggle.

At a time when the left in the United States is disorganized and the right is proving adept at focusing popular discontent, O'Connor's analysis is especially hopeful. Bourgeois societies have traditionally excluded the most oppressive and exploitative features of capitalism from public debate. O'Connor suggests that this is ending; that the requirements of accumulation will politicize capitalism; that, in effect, the development of capitalism itself will raise the critical issues that the left believes should be raised. Furthermore, by insisting on the implicit democratic impulse in a wide variety of protest movements, O'Connor is able to avoid prematurely dismissing, as reactionary or bourgeois, struggles which are as yet undeveloped.

While O'Connor's argument is intriguing, our discussions of his paper raised several problems. In particular, O'Connor's analysis of what is democratic about many of the current social struggles is sketchy. He does not offer a substantive account of the nature of democratic claims. Rather, he implies that in advanced capitalist societies all struggles are necessarily democratic because they must eventually confront the power of the captalist state. Yet challenges to the power of the capitalist state can and do arise from anti-democratic as well as democratic demands; and they may undermine, rather than contribute to, a democratic socialist movement.

In "The Future of European Socialism and the Role of the State," Claus Offe takes a brief look at the implications of using a strong state apparatus to effect the transition to socialism in the advanced capitalist societies of Western Europe. This particular piece by Offe is taken from a talk given at Montreal in 1978, and should be seen as preliminary notes from work currently being developed in Germany. In this initial piece Offe argues that the traditional Western European socialist strategy—a strong state owning and controlling the key industries—is bankrupt. According to Offe, while such a strategy may accomplish its intended purpose—to circumvent the veto power that capital enjoys due

to its control over investment—it will not, in fact, assure the establishment of socialism. For one thing, reliance on existing state structures in the transition will pervert state policy. In addition, social differentiation within capitalist societies will make it impossible for a strong socialist state to maintain the support of the populace. Finally, social differentiation will also make it impossible for the new socialist state to replace the capitalist market system with an efficient planning system.

In raising these issues, Offe makes an interesting and important contribution to our understanding of the possibility of using the capitalist state to transform capitalist society. However, many of us felt that Offe may have overstated his case by contrasting the strong, but problematic power of the state with the weak and fragmented organizations in civil society. It may be more useful to assume that a strong state power will be necessary in the transition to socialism and then to ask how that power might be controlled democratically. Today, the Eurocommunist parties are asking that question and many of them are advocating a dual policy of local self-management and strong central direction. Finally, Offe's account of the debilitating effects of social differentiation on the legitimacy and efficiency of a socialist state appears to neglect counter-tendencies such as social homogenization.

The capitalist state is not only shaped by class struggle, it also plays an important role in shaping it. In "Notes on Regionalism and the Capitalist State," Ann Markusen considers how regionalism, promoted by the capitalist state, has functioned to divide subordinate classes and increase the power of capital in the United States. According to Markusen, regionalism should be considered primarily as a political phenomenon, rather than as an economic or cultural one. While economic and cultural differences between regions may have, at one time, been important, today the primary differences between regions are artificial constructs, created by state power. In fact, Markusen argues, regionalism is neither requied by the logic of capitalist accumulation nor rooted in basic social differences among regions. Rather, the primary differences among regions today are political and serve to obscure class relations which are shared by all regions.

Markusen's analysis of the "new regionalism" in the United States is particularly interesting. The terms "sunbelt" and "frostbelt" have recently gained a certain currency as ways of distinguishing capital in the Northeast and upper Midwest from capital in the South and Southwest. In the work of people such as Kirkpatrick Sale (*The Power Shift,* 1975) these terms denote important rivalries that are critical factors in shaping ruling class policies. In contrast to this view, Markusen argues that the interests of capital transcend regional subdivisions and it is chiefly the activities of the state which have kept regional rivalries alive. Finally, Markusen considers the impact of the "new regionalism" on the working class and points out that while

regionalism has often pitted workers in different areas against one another—and thereby obscured the class nature of American society—in the course of concrete struggles, authentic regional movements can help workers to recognize their shared interests. If understood and organized as movements for democratic control, regional movements may lead to more unified action by workers to gain control over their lives.

The emergence of regional or separatist movements in a number of capitalist countries, including Canada, Great Britain, France, Denmark, and Spain underscores the necessity of developing a theory of regionalism and its relation to the state. Markusen's ideas should, therefore, interest people in a number of countries. Overseas readers may discover that her ideas need to be substantially modified to suit their particular settings. They may also feel, as many *Kapitalistate* members did, that Markusen underestimates the importance of economic, social, and cultural divisions between regions. Clearly, however, Markusen's work on the role of the state in perpetuating and manipulating regional differences points out a promising area for further analysis.

This issue of *Kapitalistate* also includes two historical studies of the American state and its relationship to class struggle. As we noted above, we believe that careful empirical studies of the development of specific features of the capitalist state are important at this time. Nancy DiTomaso's "The Expropriation of the Means of Administration: Class Struggle Over the U.S. Department of Labor" and Robert Bach's "Mexican Immigration and U.S. Immigration Reforms in the 1960's" provide this kind of analysis. Each attempts to concretize some of the general theoretical advances made in recent years; and in doing so, both help to clarify how variations in the form and functioning of the capitalist state develop as responses to particular conditions and particular conflicts.

Not only state policy, but the organization of state power itself is a product of class struggle. In her paper, Nancy DiTomaso takes a close look at the development of the state bureaucracy as a response to and "solution" for the class struggle. DiTomaso's study, which focuses on the struggle over the formation of the Department of Labor in the late-19th and early-20th centures, and its reorganization in the 1960's, is particularly important as an analysis of how class struggle has affected the particular form that the state has taken at different times and under different circumstances.

DiTomaso is especially concerned with what she calls "strategies of control," that is, with how capital has used bureaucracy to diffuse and delimit opposition to its rule. Her attempt to incorporate the Weberian analysis of rational-legal authority into a Marxist analysis of class domination is stimulating, as is her account of how strategies of centralizing and decentralizing administrative agencies affect the ways in which those agencies serve the needs of dominant and subordinate

classes. DiTomaso is also sensitive to the importance of the opposition of subordinate classes in the development of state power and her paper makes clear that organized labor played a critical role in the initial and subsequent stages of the evolution of the Department of Labor.

DiTomaso's analysis, then, contributes to our understanding of how the political power of capital is reproduced through struggle, rather than unilaterally imposed. However, many of us felt that while DiTomaso is sensitive to the importance of subordinate classes in the development of the state, her analysis still overemphasizes the instrumental aspects of capitalist power. Moreover, DiTomaso's notion of class struggle is not clear. In her study of the formation of the Department of Labor, DiTomaso focuses on the struggle between capital and labor; in her study of the reorganization of the 1960's, she focuses on conflicts between organized labor and blacks. DiTomaso's account would be strengthened considerably by a discussion of the differences between inter- and intra-class struggle and their impact on the state.

In "Mexican Immigration and U.S. Immigration Reforms in the 1960's," Robert Bach demonstrates how changes in the interests and demands of both capital and labor have led to changes in state immigration policy. Mexican immigration restriction began in the 1930's as a way of protecting domestic workers from competition; in effect, as a social welfare measure. In contrast, the Bracero Program (Public Law 78) was initiated in response to labor shortages in agriculture during World War Two, and primarily served the interests of agricultural capital. As Bach argues, Public Law 78 functioned through the 1950's as a state-directed compromise between capital and labor. In the 1960's, changes in agricultural production and the rise of the Civil Rights Movement led to the reform and ultimately the termination of Public Law 78 and its replacement, in 1965, with a new immigration policy.

As Bach points out, changes in accumulation and in the nature of popular struggles continue to affect immigration policy. While Mexican workers continue to play a vital role in the American economy, they are increasingly concentrated in low-wage, unskilled, and semi-skilled jobs in manufacturing, service, and construction. Mexican workers are, in fact, becoming an important part of the urban industrial working class. It appears that, in response, organized labor is changing its position toward immigrant workers. Trade unions are increasingly willing to consider Mexican workers as part of the American working class and to fight for their rights. Bach concludes then, that the continued exploitation of immigrant workers may in fact help to build rather than weaken the American labor movement.

Like Markusen's work, Bach's study has implications that transcend the specific American context. The regulation of immigrant labor is being debated in a number of advanced capitalist countries and Bach's paper touches on a number of important issues raised by this debate.

However, a number of us felt that Bach's analysis is weakened by the fact that he does not take a clear position on immigration policy. Moreover, while Bach does provide an interesting account of policy-formation, his paper lacks a unifying theoretical focus.

* * * *

The second part of this volume of *Kapitalistate* consists of a book review section. The review section has been considerably expanded in this issue in order to cover the growing number of new publications on politics and the state. The books under consideration fall into several broad categories. First, a couple of the books explore the history of liberal democracy and its contemporary predicaments. A second set of books attempts explicitly to advance aspects of Marxist state theory. Finally, a third set of books deals with recent and contemporary working class struggles in Europe and the United States.

Alan Wolfe's *The Limits of Legitimacy* is an ambitious study of the contradictions of liberal democracy. It is, beyond a doubt, an intellectual tour de force, as well as a provocative work of political theory. We in the Bay Area *Kapitalistate* collective have undertaken to review this book ourselves. In embarking upon a review of a work by someone who is directly associated with our group, we recognized that we might have some difficulties in presenting a fair and detached assessment of Wolfe's achievement. On the other hand, we believed that we were in an especially favorable position to explore the merits, intricacies, problems, and contradictions in his work.

In our extensive discussions of *The Limits of Legitimacy,* we found much that was valuable. Wolfe does a fine job of tracing the successive historical attempts which have been made to reconcile democracy with liberalism. In addition, he argues forcefully that liberal democracy has reached its limits, that capitalist societies are confronting an exhaustion of democratic solutions, and that the future of democracy lies with the coming of a socialist alternative. Although our collective felt that Wolfe's main argument was persuasive, we found many specific features of his analysis problematic. For instance, we felt that Wolfe's historical typologies, while suggestive, were frustratingly unsystematic; that his insightful analysis of ruling class ideology tended to be carried on at the expense of the analysis of concrete historical struggles; that he never really worked out the relation of political and ideological changes to economic ones; and that, though he should have begun to develop a genuine Marxist theory of democracy, he never really did so. Despite these shortcomings, our collective felt that Wolfe successfully accomplished his main objective of examining the history and future prospects of liberal democracy. It also seemed to us that his book made a number of

significant contributions to state theory. Finally, we found that even the book's difficulties helped force us to develop our own ideas further.

In a similar vein, C. B. Macpherson has recently published a short book entitled *The Life and Times of Liberal Democracy*. In this volume Macpherson continues his path-breaking work on the western democratic tradition. As George Panichas notes in his review, the cutting edge of Macpherson's analysis is his insistence that liberal democracy must be understood as the developing ideology of modern bourgeois society. Like Wolfe, Macpherson explores the historical roots of democratic ideology and finds it is closely bound up with the rise of capitalism. And, again like Wolfe, Macpherson asks whether democracy can be liberated from its historical role as bourgeois ideology.

Clearly this last question is a major one which must be addressed by people on the left. We are currently at a stage in political struggle when Eurocommunist parties are committed to a "democratic road to socialism" and when the question of a democratic socialist alternative has begun to come to the fore in every serious political discussion. Hence, as current theory and practice alike remind us, a key set of problems which Marxists must now deal with concerns the future of democracy in advanced capitalist societies, democracy's role in the transition to socialism, and its prospects under socialism.

* * * *

But the question of democracy is not the only one about which contemporary state theorists are concerned, as several of our reviews indicate. The last few years have witnessed the proliferation of analyses of the state and related topics based on what might broadly be called a "scientific" Marxism. The emphasis in these studies has been on developing categories, principles, and theories which can clarify the nature and functions of the capitalist state. A particular focus of concern in many of these studies has been on systematically exploring the connection between the state and the capitalist system.

In fact an entire school of state theorists, writing primarily in German, has been termed the "state derivation" school, based on its attempt to derive a theory of the state from Marx's analysis of capital. In an anthology appropriately entitled *State and Capital,* John Holloway and Sol Picciotto have brought together translations of essays by some of the leading "state derivation" theorists; hence it is now possible for English speaking readers to get access to the ideas of their German counterparts. In her review of this anthology, Margaret Fay juxtaposes the "state derivation" theorists with certain other groups of Marxists, including those associated with *Kapitalistate,* who have tended to

emphasize the relative autonomy of the state from the economy. As Fay is quick to point out, the "state derivation" theorists are no simple-minded economic determinists. The point they are making is that not only economic but also political relations in capitalist society must be understood in relation to the workings of capital, as worked out by Marx. Such an approach, incidentally, is especially relevant to the issue of the state's involvement in class struggle; for, insofar as the state is involved in reproducing the social relations of capital, it naturally becomes a central focus for class struggle.

Fay, who herself has been active in *Kapitalistate,* finds much that is useful in the ideas of the "state derivation" school. She credits this school with opening up new directions for research. She even anticipates a reconciliation of this school's ideas with other versions of Marxism, and looks forward to fruitful collaboration. Yet she does not hesitate to offer criticisms where she thinks they are warranted. In particular, she criticizes the "state derivation" theorists for the extreme abstractness of their work, for their endless preoccupation with finding the correct beginnings of analysis, and for their lack of concrete historical work. Even so, Fay's conclusions are optimistic. The "state derivation" school, she believes, has rendered a valuable service by keeping critical, theoretical issues alive; and, as their work is applied to more concrete and historical areas, it should enhance state theory considerably.

Göran Therborn shares with many other contemporary Marxist theorists an interest in tracing the connection between the state and the economy. The first essay in his recently published book is a deliberate attempt to build a comparative and historical typology of different kinds of states and state apparatuses which correspond to different modes of production. But Therborn is also interested in other matters. As the very title of his book *What Does The Ruling Class Do When It Rules?* suggests, Therborn is primarily concerned about how political power is used. The argument he makes is that power is *class* power; that a Marxist theory of power must not only identify the wielders of power (as "instrumentalists" would emphasize) but also must examine what is done with power; and that a principal use of state power in capitalist societies is to reproduce antagonistic class relations. Finally, like many other current writers, Therborn attempts to apply his theories to the contemporary political struggles which have opened up the possibility of a transition to socialism.

In his reivew of Therborn's book, Herbert Kitschelt finds much to be praised. For instance, he feels that the shift from holistic or instrumentalist views of the state to a discussion of state apparatuses and political power is a progressive step. He also feels that Therborn is on the right track when he looks at states in different historical and comparative contexts rather than talking about *the* state. But Kitschelt criticizes Therborn, too. He says that Therborn's approach is excessively static

and taxonomical; it lacks a sufficient sense of contradiction; and it downplays class struggle and conflict. That these faults are by no means exclusively Therborn's problem underscores the need for Marxist theoreticians to be sensitive to them.

Like Therborn's book, Eric Wright's *Class, Crisis, and the State* is a collection of essays which presents a wealth of new concepts and approaches. In their review of Wright's book, Greenberg and Mayer point out that readers will probably find two chapters especially valuable: one on the class struggle of advanced capitalism, in which Wright presents his intriguing concept of "objectively contradictory class location" within advanced capitalist class structure; and another on capitalist crisis tendencies, in which Wright explores the various Marxist theories of crisis and tries to reconcile them. Wright's chapters on methodology, the state, and socialist strategies also provide interesting insights, though they are less original. Though the reviewers level many pointed criticisms at particular aspects of Wright's analysis, they ultimately conclude that he has produced a seminal work in Marxist theory that is worthy of careful study.

The kind of work that has been done by Wright, Therborn, and the "state derivation" theorists has made a major contribution to Marxist analysis. It has enriched our understanding to the state, produced a wide variety of new categories, and strengthened our theoretical understanding. But, as the reviewers in this issue concur, this kind of analysis has tended to fall prey to certain unfortunate tendencies. It is often too abstract. It tends to be ahistorical. Its categories of analysis are frequently static or taxonomical. Its style is typically quite academic or scholastic. Finally, despite the earnest efforts of those engaged in this kind of research to apply their ideas, their theories often seem far removed from practice. Besides these difficulties pointed out by the reviewers, one might add that there is a strong "objectivist" emphasis in this scientific variety of research. As a result, the "subjective" side of things—including crucial questions relating to consciousness, ideology, and political action—are downplayed or ignored. But hopefully, as Marxist state theory evolves, many of these deficiencies which are perhaps unavoidable at this early stage of theory-building will be overcome.

* * * *

The last set of books under review, more than any of the ones examined so far, focus on concrete political practices and struggles. Two of them are discussions of Eurocommunism, the most important development in western Marxism in a long time. Both *Eurocommunism and the State* by Santiago Carrillo and *Eurocommunism and Socialism* by Fernando Claudín were written by Spaniards. Even though their authors have somewhat different histories (Carrillo is the head of the

Spanish Communist Party whereas Claudín was expelled from it in the sixties) and though the books diverge at some points, they have certain major themes in common.

In his review, Patrick O'Donnell traces these common themes. First, both Carrillo and Claudín devote considerable space to criticizing the legacy of ideas and strategies inherited by the European left from the Russian Revolution and the Stanlinist period; these, both men argue, are no longer appropriate for a contemporary European socialist movement. Similarly, the longstanding dependency of western European communist parties on the Soviet Union is now an obstacle to future progress. Both authors agree that the European working-class movement must now develop an effective *political* strategy for achieving the transition to socialism. This, in turn, requires that the left develop a new practical and undoctrinaire analysis of the capitalist state and politics. Finally, and perhaps most encouragingly, both authors endorse the emerging Eurocommunist view that the best way to achieve the goals of the working class movement is to pursue a "democratic road to socialism." (Once this common strategy is agreed upon, there is plenty of room for debate over the relative emphasis that should be placed on parliamentary measures, electoral strategies, coalition building, trade union activities, or grass-roots organizing.) In brief, these two books on Eurocommunism vividly remind us that the analysis of the capitalist state and political system need not, and indeed should not, be a strictly academic affair. The real promise of the renewed interest in state theory is that it may produce ideas, strategies, and programs that may help build a worldwide socialist movement.

But the difficulties still ahead, especially for members of the American left, are brought into sharp focus by Francis Fox Piven and Richard Cloward's *Poor People's Movements: Why They Succeed, How They Fail*. In their analysis of the unemployed and industrial workers' movements in the 1930's and the Civil Rights and Welfare Rights movements in the 1960's, Piven and Cloward describe how each of these movements faced considerable difficulties getting started, in part because of the formidable ideological obstacles that had to be overcome; how each movement, in a period of upheaval, was able through mass defiance to change the perceptions not only of others but also of their own members so as to permit a phase of militancy; how each movment as it evolved generated one or more organizations which sought to represent its members within the electoral-representative process; and how, in response to the challenge from below, the U.S. state was able to undertake measures which successfully dispersed the protest.

Piven and Cloward's book is at the same time a powerful testament to the efficacy of mass protest and a revealing analysis of the ability of the U.S. state to coopt, manage, and disperse such protest. This historical relation between popular protest and the state poses a real dilemma for

the American left. Should it support, encourage, and fight for all progressive protest movements, recognizing that in the end they are likely to get coopted? Or should it attempt to build a different kind of movement which, not being capable of being coopted, could promise a revolutionary transformation of American society?

The Capitol *Kapitalistate* collective, which wrote the reivew of *Poor People's Movements,* seems to adopt the latter position. The reviewers suggest that Piven and Cloward are guilty of adopting a reformist approach; that they fail to lay the basis for a class-conscious working-class movement; that, in their enthusiasm for protest, they undermine the need for more effective organization; and that they do not come up with an adequate strategy for challenging the state.

The Bay Area *Kapitalistate* collective, it turned out, found itself in sharp disagreement with our colleagues in Washington on a number of issues. First, we felt that their review missed the point (or rather points) of Piven and Cloward's book. The review greatly oversimplified the argument of *Poor People's Movements* by, for example, ignoring the authors' valuable discussion of the role of ideology and dismissing off-handedly their quite original analysis of the mechanisms by which the state undermines protest movements. Put another way, we felt that the review neglected the complexities and problems facing protesters, which we believed Piven and Cloward did a good job of exposing. And we felt that the Capitol *Kapitalistate* collective adopted an abstract and unrealistic "revolutionary" position which prevented them from seeing the strengths, as well as the weaknesses, of Piven and Cloward's book. But, in the end, we have to acknowledge that our basic differences may be political. We in the Bay Area, indeed, may be more willing to support movements with limited goals and reformist tendencies because of our interpretation of the conditions under which we think the left operates in the United States. In the absence of a strong Marxist tradition and popularly supported left parties, protest movements—despite their very real limits—seem to us a legitimate vehicle for social transformation. We welcome further discussion and debate on this point.

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The last part of this issue consists of a series of short working notes. The purpose of this section is to make available to readers ideas, concepts, and theoretical formulations which people are working on, but have not yet published in a completed form.

* * * *

In conclusion, this issue of *Kapitalistate* is in effect a summary of much of the recent work on the theory of the state. As the articles,

reviews, and notes published here indicate, a good deal of interesting work is underway. Yet, as they also make apparent, much remains to be done.

Without attempting to be comprehensive, it may be useful at this point to mention some of the key questions relating to the state that this issue has brought to the fore. One of these, mentioned at the outset, is the role of the state as an arena for class conflict. As we have seen, class struggle must now be recognized as taking place outside the point of production. Much of this struggle revolves around the public sector. The intensification of conflict in the public sector has been brought about in part by the state's expanded role in reproducing the social relations of capital. Furthermore, conflict over the use of state power has become especially heightened in recent times as a result of the economic and political crises currently besetting advanced capitalist countries.

Another crucial issue is the future of liberal democracy. Democracy has historically been linked with bourgeois society. But today many advanced capitalist societies are moving in the direction of greater authoritarianism. So the question arises as to whether democracy can exist outside the capitalist context which gave it birth and is now devouring it. This question is particularly important for those in Europe who are seeking to pursue a "democratic road to socialism." But it is important for people everywhere who are committed to the goal of a democratic socialist society. The need for a Marxist theory of democracy is therefore now more urgent than ever.

It is also clear that we are only beginning to understand the relation of the state to the economy. Under this heading, a number of questions arise. What is the relation of different states to the mode of production under which they arise? How are capitalist states limited and defined by the logic of capital? What role will (or can) the state play in the transition to socialism? And what is the nature of the truly socialist state?

Historical and empirical work on the state, though underway, is still in its infancy. We need to have a better idea of how to do such work. We are still working with crude typologies and categories. We are far from understanding the dynamics of the historical process. We rarely display an adequate appreciation for the contradictions embedded in historical development. Finally, much historical work lacks a theoretical foundation (just as most theoretical work lacks a sense of historical specificity).

Although the list of tasks and problems facing us could be considerably expanded, one final matter needs special mention. Much of the recent work on the state strongly reflects the academic or professional preoccupations of those who have undertaken it. This explains, for example, the importance which some state theorists have placed on establishing the scholarly and scientific character of their work. While there is doubtless plenty of room for scholarly research, it is important

to remember that the ultimate purpose of Marxist theory has always been to change the world not merely to interpret it. So in the future one of the chief tasks of work on the state must be to bridge the gap between theory and practice.

This completes our introduction to the current issue of *Kapitalistate*. In our next issue, we will be asking our contributors to focus on "The State in the Third World." Readers who are doing work on this topic, or who know of persons doing interesting work on it, are encouraged to get in touch with us as soon as possible.

The Bay Area *Kapitalistate* Collective

THE DEMOCRATIC MOVEMENT IN THE UNITED STATES

James O'Connor

Introduction

This statement on the democratic movement in the United States is based on an analysis of current economic crisis tendencies, which will be published under the title *Accumulation Crisis*. There is no time here to even sketch the main lines of analysis put forth in that work, but only to state the main conclusion: namely, that the conditions for profitable capital accumulation in the USA have been undermined by modern class struggle and capitalist competition which have effectively reduced surplus value production absolutely and relatively; hence reduced the rate of exploitation and in turn the Marxian rates of profit and accumulation. Using an overly-simplified formula, industrial capitalism in the past faced the problem of realizing values and surplus value precisely because there was little problem to produce surplus value. In recent decades, however, capitalism increasingly faced the problem of producing surplus value precisely because there has been little problem realizing values (including surplus value). This new disequilibrium (or disruption of the unity between production and circulation) is largely the result of a profound transformation of class relationships. To a greater or smaller degree, the working class struggle for work has been transformed into a struggle against work; the struggle for wages based on productivity has been transformed into a struggle for wages based on needs; needs defined as the individual need for commodities increasingly have changed to the social need for racial and sexual equality, environmental protection, and other "quality of life" issues. Compounding these "diseases" of capitalism's old age has been the failure of traditional "keynesian" demand management, which raises the specter of realization crisis without at the same time ameliorating the problem of insufficient surplus value production.

In *Accumulation Crisis* I also reconstruct theoretically the connection between accumulation crisis tendencies and new trends in state social and economic planning. In brief, the purpose of modern state planning is to improve production and reproduction conditions for capital by restoring and reinforcing capital's domination of the labor market and workplace and lowering the reproduction costs of laborpower. The gist of this analysis is that the normalization of capital accumulation requires not only the traditional restructuring of production conditions but also the restructuring of the reproduction conditions of the work force: i.e., planning of social life organized by social-industrial capital armed with the financial support and political legitimations which the national state alone is able to provide. The planned reduction in the reproduction costs of laborpower appears to be the most effective way of expanding surplus value and profits without antagonizing the working class by mass unemployment, systematic wage reductions, etc. while at the same time retaining the loyalty of the "middle class," i.e., salariat. Ideally for capital as a whole (although not the individual capitals considered separately) the USA would be transformed into regional and subregional "high wage" company towns with housing, education, health services, transportation, etc. under the control of state planning bodies associated with social-industrial capital (see Markusen in this issue). This means that wages, salaries, and welfare would be indirectly under the control of capital and state. This capitalist utopia would permit the state to revive and refine demand management policies with some confidence that they would not result in politically dangerous and economically damaging and hence unacceptable inflationary trends.

At one level the political conditions of the "crisis of social capital" mapped above are straightforward. Social reorganization presupposes political reorganization. The reorganization of social life requires political instruments which today are undeveloped or missing. Thus, the central issue is the nature of crisis politics in a period when the political system itself is laden with crisis tendencies. Specifically, how can the rackety system of social-liberal democracy deal with the dangers of the current accumulation crisis which itself is rooted in New Dealism, the Keynesian coalition, Federalism, and the pluralistic system of Congressional committees, Federal agencies, and their clientele populations, i.e., the institutionalized political expressions of capitalist competition and class struggle?[1] The political power of the largest capitalist factions and the working class organized within pluralistic political forms underlies modern accumulation crisis tendencies. To repose the question, what is the political solution to economic crisis tendencies which themselves have in large part political origins? More specifically, what is the capacity of the state to control the famous present-day "democratic distemper"? What is the capacity of the working class and its allies to advance democratic institutions and

practices? Does the working class have the capacity to forge political unity around issues pertaining to the democratization of the state bureaucracy? Is it possible for capital and the state not only to "lower expectation" and develop alternatives to consumerist ideologies but also to control the demands of individual capital and working class factions by neutralizing their pluralistic "special interest" political vehicles which since the New Deal have constituted the foundations of American politics?

The Capitalist State

The capitalist state is defined as the undemocratic and bureaucratically organized "executive branch." The formally democratic "representative branch" is defined as the "government." Representatives in elected bodies are once-removed from the people; appointed state officials are twice-removed from the people. Elected representatives who constitute the government formally make the laws; informally they function as middlemen who plead lawyer-like their constituents' interests before state "judges." The bureaucratic organization of society's working bodies ("the working activity of the state," in Lenin's words) means that neither individual citizens nor their representatives are responsible for carrying out public work themselves. Citizens are institutionally and legally prevented from learning to regulate their own social affairs democratically. By contrast, in a democratic state public work is self-organized in accordance with the principles of direct and representative democracy. Lenin writes that "we cannot imagine democracy, even proletarian democracy, without representative institutions. . . ." A democratic state of course is nothing more nor less than a revolutionary process of popular self-government.

In the USA, as is well-known, the state is pluralistically organized, i.e., it consists of semi-independent and independent bureaucracies which are "relatively autonomous" not only in relation to capital but also in relation to one another. This state pluralism and the associated system of "interest group liberalism" have been the main vehicles for the political competition between capitalist enterprises and factions and the class struggle between capital and labor. Many state planners and bourgeois academics today glimpse that state planning of social life requires the abolition of state pluralism or at least the introduction of measures which will minimize pluralism's damage to "efficient and rational planning." In effect, they seek to roll back democracy. This viewpoint is very traditional. Capital constantly stresses the connection between "economic progress" and "democracy," i.e., it legitimates its domination with the matter-of-fact assumption that democracy presupposes capital accumulation. Hence when economic failures reach cirsis proportions and accumulation itself becomes problematic, capital will

have a ready-made explanation why democracy is abolished (or should be and can be abolished).

Historical attempts to centralize power within the state and rationalize state working activity are too familiar to bear repeating. Suffice to say that centralization of decision-making within the state is a long process explicable mainly in terms of class struggle. The main political contradiction of the capitalist state is simply that the growing propertyless class of wage workers came to exercise political rights established by the property-owning bourgeoisie and small commodity producers. The danger arose that the government which was once the instrument of the individual property-owning interests of the capitalist class would be transformed into the instrument of the propertyless collective interests of the working class. This is of course what the socialist movement tried to accomplish; in turn this is the main reason capital has tried to centralize decision-making power within the state. President Carter's state reorganization plan merely illustrates the principle of continuity through change in this connection. But the essence of the problem from capital's point of view is not merely reorganizing state working bodies but rather severing the connections between elected representatives in the government on the one hand and state agencies and bureaucrats on the other. These connections are the vehicles of "interest group liberalism." They are the bridge between "interest group" private organization and the independent and semi-independent state agencies. But these connections are also Congress's life blood; they are the avenues through which elected officials represent their constituents to the bureaucracies. Carter may consolidate and centralize these bureaucracies, but as long as they are sensitive to Congressional initiatives, rational state planning from the standpoint of capital as a whole is impossible. Hence what is required is either the reorganization of Congress to minimize special interest representation (e.g., the Congressional budget committees) or the neutralization of Congress through Presidential initiatives and rule (e.g., Carter's attempts to go over the head of Congress with direct appeals to the people). But these initiatives have been frustrated and in certain areas defeated. It will be difficult to establish anything like a Presidential dictatorship because of the American tradition of "society of state" which Martin Sklar forcefully reminds us is not altogether dead. Besides this tradition, Presidential initiatives to centralize decision-making have been frustrated by large individual capitalist enterprises with their own interests to protect. In sum, the establishment is not united around programs which unambiguously strengthen the state. To cite one example, Nixon's New Federalism tried to decentralize the organization of the reserve army of labor at the State government level with the simultaneous purpose of dividing the working class and promoting "fiscal integrity." Meanwhile the national state and Carter administration policies become more contradictory and more deserving the description "the institutionalization of anarchy."

To sum up bourgeois rule through government is endangered when the working class reaches its majority and develops into a force for itself. Hence the established tendency to weaken the government and strengthen the state. Hence also the tendency to transform political issues into technical issues which require "experts" who themselves are elevated into political authorities to resolve. "Technocratic social democracy" is the culmination of this tendency. And although there is the strong inference that the working class as well must shift the focus of its struggles from the government to the state, the theoretical critique of technocratic social democracy has been advanced by critical theory rather than Marxism. The practical critique therefore has developed spontaneously within the community rather than through the organized efforts of the Marxist left.

The Democratic Movement

The arrogation of power by the state against the government is a necessary but not sufficient condition for the shift in focus of class struggles and indirect interventions in state working bodies through the vehicle of parliamentary representatives to direct interventions in the state. The sufficient condition is the intervention of the state into social life generally and the social reproduction conditions of labor-power particularly. When the state intervenes in all aspects of social life society necessarily intervenes in all aspects of state administration. Particularly when traditional working class political parties become parties of national government the working class appears to abandon parliamentary struggle for direct action within and against the state.

In the USA there seems to be occurring today major political realignments. These realignments appear to be basic shifts in the locus of political activity rather than traditional changes in party loyalties. Opinion polls indicate that people increasingly mistrust political parties, government, and state. These polls however keep secret that apathy and cynicism towards bourgeois democracy as presently constituted is not the same as political apathy and cynicism *per se*. It is easy to document the decline in political participation in the major parties; it is more difficult to document the increase in direct interventions in state working bodies by ordinary "citizens" at times in collaboration with state workers. Every step backwards by social democratic parties and politicians (i.e., every step away from honest economism taken by establishment politicians) appears to be matched by a step forward by community-based and work-based groups struggling directly to redistribute the productive forces and reform the state relations of production.

As already mentioned, state interventionism today is increasingly designed to reorganize social life with the purpose of lowering the reproduction costs of laborpower. Health maintenance organization; regional transit systems; educational reforms; urban planning stressing the relationship between housing, commutation patterns, and workplaces; regional land use planning; energy policy; and related processes have one common element: namely, the conversion of the expensive individualistic American way of life into an increasingly planned social way of life with the overriding purpose to lower reproduction costs of laborpower. It would be mistaken however to believe that national planners alone are aware of the many contradictions inherent in present-day individualistic social reproduction processes. Ordinary people are also theoretically and practically critical of individualism and the organized systems of education, social services, law and order, etc. To be sure, popular doubts and anger have been mobilized by national planners and politicians and used to legitimate state planning of social life. But the democratic movement has developed an autonomous critique of both capitalist productive forces and production relationships. To cite one example, in the medical and health field the uncontrolled interests of individual capital units have had the effects of raising reproduction costs. The distribution of curative facitlities is irrational; there is no coherent planning of drug and medical supplies and hospital and medical practices; the system produces disease along with the means of treating disease. The solution is to reorganize both the medical work process and access to curative facilities. Neighborhood clinics and free centralized specialized services appear to be important components of the solution. These are precisely the policies advanced by the popular movement, codified in the Dellums health bill introduced into Congress, and unalterably opposed by the health and medical establishments which continue their internal struggle over "business as usual" versus the accelerated development of health maintenance organizations.

These kinds of state and social-industrial capitalist interventions in social life together with the relative decline in the power of representative bodies have become the context in which grassroots social and economic movements intervene in state working bodies and planning agencies. In fact these popular interventions in community planning, energy development, land use planning, health services, police and courts systems, transit systems, etc., appear to be the main form which the class struggle in the USA assumes today. Few if any state agencies at all levels escape the practical criticism of the people. This criticism, which in effect constitutes a movement to democratize the state, appears to be using the legitimating slogans of the bourgeoisie with some success. "You say we have a democratic society and democratic government. But the state is undemocratic. We are finding this out in

our struggle around dozens of economic and social issues. We are going to make you live up to your ideals and make the state democratic." This seems to sum-up the attitude of many groups engaged in different kinds of struggle today. It appears to be the temporary culmination of the 1,000 year old struggle for democratic rights which today are limited and corrupted in so many ways.

The struggles to democratize the state seem to be fought on three broad fronts. First, there are the struggles to establish *de jure* democratic control, i.e., struggles to elect hithertofore appointed state officials, e.g., Bay Area Rapid Transit District Board of Directors in San Francisco; directorships of planning agencies in various parts of the country; university officials. It is important to view the elections of individuals constituting the state not merely as an extension of democracy but as a redefinition of democracy, i.e., as one step toward the abolition of the difference between society and state. The reason is that elected officials within state working bodies are directly responsible to the people; they must in effect carry out their own plans themselves hence are at one and the same time political leaders and social and economic leaders. Second, there are the struggles originating within the representative government to establish *de jure* and *de facto* democratic control of state working activitym e,g,m Ron Dellum's health bill which in effect abolishes the distinction between the representative and executive branch by formally placing state working activity in the health field under community and worker control. The important point here is to elect individuals constituting the government pledged to abolish the distinction between government and state and hence the distinction between state and society. Third, there are the day-to-day practical interventions in the state to establish *de facto* democratic control, e.g., Lifeline's struggle to democratize public utility regulatory agencies; local community coalition struggles to defend state funding of democratically-organized community services; the environmentalist struggle to intervene in state capitalist planning in the energy field, etc. These struggles lay the groundwork for (1) and (2) above and establish some working principles for a democratic society.

The results of these struggles are twofold: first, the working class broadly defined has established a degree of power to codetermine utility rates, housing rentals, access to medical services and welfare, and income distribution generally. This reflects the democratic movement's struggle for equality i.e., the struggle to redistribute the productive forces. The movement has also established some power to codetermine court procedures; personnel rules governing state workers; planning procedures; etc. This reflects the movement's struggle to reform the state relations of production, i.e., the struggle to establish ourselves as rule-makers. These quantitative and qualitative changes in the social relationships of state production and distribution together constitute

what has been called the struggle for "structural reforms" or the "long march through the institutions."

It should be quickly added that this democratic movement is by and large not conscious of itself as such at the present time. Thus the social and economic defensive positions and advances noted above conceptually must be separated from the political power latent therein. The movement's actual self-conscious practice consists of struggles around economic and social single issues. Political means are employed for particular economic and social ends. The consequence is the differentiated, fragmented, localized quality of the movement. We should remember, however, that capitalism organizes different spheres of social life on different principles. Different spheres are governed by "relatively autonomous" social laws of motion. The movement at present is "pluralistic" because the various moments of capital—production, circulation, reproduction—are structurally and historically governed by different social relationships which pose unique problems. Moreover, every state activity is organized in a somewhat different way(e.g., HEW compared with the Pentagon). Further, state interventionism itself divides the working class into segments and factions, e.g., taxpayers versus state workers. Seen this way the movement's fragmentary and localized character is not surprising. Fragmentation reflects the movement's totalizing critique of US capitalism and localism for the time being insures its internal democracy. This means that individual "citizens" are typically concerned with mainly or only one aspect of social life.

It seems safe to conclude that while the movement's struggles appear to be particularistic hence unrelated, in fact they have the same implicit objective—namely, the democratization of the state (or the triumph of society over the state, as Sklar formulates the issue; or the dismantling of the US imperialist state as Saul Landau poses the problem). It is certain that political unity within this fragmented movement is impossible without a political objective. Economic objectives which employ political means and which necessarily reduce all issues to the lowest common denominator (money) at best unify movements at the level "you scratch my back, I'll scratch yours" and at worst degenerate into "scrambling for the crumbs." The only possible political objective which can unify any peoples not openly ruled by fascism or foreign imperialism is the democratization of the state. Revolutions are always fought over political issues, and there is only one political issue in the USA today of general importance, namely, the USA capitalist and imperialist state dictatorship. Hence there is only one possibility for popular political unity—a possibility which the democratic movement here has already implicitly grasped.

Aspects of the Democratic Struggle

The emergence of the different elements requiring state planning of the conditions of reproduction of laborpower means that the democratic struggle moves along three distinct but related axes. The first is the organization of the debate over the meaning of the expression "social needs," including the premises underlying different definitions of needs. Capital and state are redefining social life in terms of capitalism's systemic needs, i.e., accumulation, legitimation, social equilibrium. The democratic movement is groping for ways to redefine social life in terms of direct social and material needs. Capital and state measure irrationality in terms of dollars and cents; the democratic movement measures irrationality in terms of human neglect and suffering and unmet and irrational needs. State planning of social life therefore creates a fundamental division between conceptions of systemic needs of capital accumulation on the one side and popular conceptions of social and community needs on the other. The establishment of correct premises and argumentation is absolutely crucial at this level of struggle which requires theoretical and practical work geared to defining as sharply as possible the differences between working class social needs and the systemic needs of capitalism and imperialism. Essential to this work is the elaboration of a concept of needs as socially determined and fulfilled, i.e., the rejection of need definitions as individually determined and satisfied in the commodity form. Also important is the struggle to redefine the results of social planning and policy. Capital employs cost-benefit analysis to evalute social projects and measures costs and benefits in terms of dollars. An alternative auditing system evaluates results in terms of the satisfaction of social needs and also the experience individuals acquire in the planning process, i.e., in terms of "process not only product." (There are of course other issues pertaining to sheer power relationships, e.g., control of the media; development of alternative media; capacity of the movement to supply "left expert" testimony during Congressional hearings; etc.).

The correct theoretical definitions of social needs are however insufficient if these definitions do not become the premises of the working bodies which plan social life. Concepts of popular needs constitute mere words for capital's representatives who measure every activity in terms of exchange value. In the past many good intentions have been lost in "non-decision-making processes" and bureaucratically organized planning mechanisms. Hence the second axis of struggle is the establishment of popular active participation in planning activities which of course requires theoretical and practical criticism of make-believe participation or cooptation. Capital's passion for vulgarizing

and distorting popular conceptions of needs requires democratically organized planning activities which guarantee that the correct definitions of social needs actually become the foundations of social policy. Popular participation in planning is also important to legitimate popular struggles to reorganize social life from the bottom up or to establish the premise that it is normal for ordinary people to plan their own conditions of reproduction. And in fact the democratic movement often emphasizes not only planning content but also planning process including the division of labor therein.

Correct definitions of social needs and popular control of planning however are insufficient in the event that plan implementation remains in the hands of state capital or social-industrial capital. The history of the advanced capitalist countries is strewn with good laws which have been implemented badly or not implemented at all. The actual work of plan implementation (enforcing the law) must be in the hands of the people or their elected representatives. This is difficult because the essence of bourgeois democratic planning (i.e., law-making) formally is in the hands of the government (i.e., legislative bodies) while the implementation is monopolized by the state (i.e., executive). Yet as was suggested earlier, it appears that the democratic movement is in fact attempting to abolish the distinction between govenment and state, hence dismantling one basic foundation of capital's domination of society.

Conclusion

We appear to be heading for a direct confrontation between capitalism's traditional ideologies of individualism which divide the working class and the reorganization of social conditions of reproduction, the result of which is precisely increased working class socialization and potential class unity. The consequences of the massification of production conditions once the mass working class grasped its enormous power in production and the market for laborpower are well-known. The consequences of the massification of reproduction conditions once the working class grasps its collective power within new socialized reproduction processes may be a kind of totalizing class unity hithertofore undreamed of. No one knows what exactly are the political implications of a working class communal way of life coexisting with continued massification of labor which today extends "upward" into the middle-class salariat. It would appear that in a society which worships "consumer choice" unknown political dangers lurk in every attempt to plan social life on the basis of the systemic needs of capital. Certainly in the past there has been more unified opposition by families housed in public projects; workers employed by large-scale public hospitals and medical facilities organized by social-industrial capital; counter-cultural communities forced to confront capitalist development projects; etc. In brief, ideologies of private property and individualism cannot be perpetuated easily when working class social life is rendered increasingly public and social, i.e., politically determined.

Already this contradiction seems to be one source of the failures of social democracy generally and political legitimation and economic policy failures specifically in the advanced capitalist world. Bourgeois political theory presupposes the adaptability of the political system and claims that when the demands of organized groups surpass the capacity of existing institutional arrangements to deal with them new institutions are created which mute and contain popular struggle. David Apter reminds us that this theory presupposes that the political system and the new institutions which it creates are in fact coherent and can actually deal with new issues when they arise. This is by all accounts not true. The reason is supplied by structuralist theory which claims that the adaptation of old institutions to new conditions and the creation of new institutions cannot abolish social conflict nor even manage this conflict without displacing the underlying contradictions elsewhere in society. This is why many Marxists expect technocratic social democracy to be surpassed by more repressive states which will take direct and forceable measures to restore profitable accumulation conditions. These measures, which we have already glimpsed, would include mass unemployment, the destruction of the welfare state, and the forceable reduction of wages below the normal reproduction costs of laborpower. The appearance of fascist-like political rule and the systematic use of classical economic mechanisms such as mass unemployment obviously would make the prognosis presented herein redundant. In the USA however we are a long way from fascism. Elections remain critical for the legitimacy of the state; no sizeable mass rightist movement has appeared; Congress has not been abolished or even effectively neutralized. Yet Congress cannot meet the systemic needs of capital as a whole; it can only respond to particular capitalist and working class factions, especially petty bourgeois and unionized worker interests. The Carter administration finds this problem intractable especially since the pluralistic state agency system remains more or less intact.

Monopoly capital and its representatives therefore are in an unenviable situation. They are required to argue that restrictions of representative democracy are needed to restore profitable accumulation conditions which in turn it is claimed are required to maintain basic democratic institutions. They understand that "economic health" requires certain redefinitions of political freedom and representative government. On the other side, on the grassroots level, more people are concerned to extend democracy into spheres of social life hithertofore undemocratic, mainly the state itself. In the foreseeable future the great theme which is likely to dominate American politics will be the

meaning of democracy in theory and practice itself. The great showdown is between capital's struggle to restructure the state, government, and political system for more accumulation and the peoples' struggle to restructure state, government, and the political system for self-determination and freedom.

FOOTNOTE

1. See David A. Gold, "The Rise and Decline of the Keynesian Coalition," *Kapitalistate* 6 (1977), 129-161.

Notes on The Future of European Socialism and The State

Claus Offe

Introduction

A theoretical discussion about socialism is similar to talking scientifically about the future, which by definition, does not constitute a "present reality" but an imaginary object of reflection. No one in the tradition of Marxist theory has talked about socialism *as such,* but only about the present reality as a history out of which a socialist social formation is a *real* (as opposed to merely imagined) *possibility*. As an objectively identifiable possibility inherent in present conditions, socialism requires struggles, the contingencies of which are beyond the capacity of social theory to prescribe or predict. It is only as an objective possibility that we can talk, on the level of theoretical discourse, about socialism. It is on this level of theoretical discourse, that we attempt to examine possible strategies involving the state's role in affecting the future of socialism in Western Europe.

In doing so, two steps are required to substantiate the claim that socialism is an objective possibility thereby constituting the object of analysis. The first of these steps develops the argument that *capitalist* social relations (relations of production, power relations) are subject to *self-paralyzing laws* or tendencies. In the history of socialist thought, we have economic theories trying to demonstrate the self-annihilating nature of the capitalist mode of production (e.g., the falling rate of profit debate); we also have theories of class conflict and growing class consciousness, as well as various attempts to link the two together in a comprehensive theory of capitalist crisis and breakdown. Although the argument that capitalism is self-destructive is not easy to conduct *in detail*, and with all the theoretical and empirical sophistication it requires, it is still the easier one of the two steps to take, partly because

everyone tends to accept its correctness and almost no one is surprised by it. Even liberals have reacted to social, political and economic disorder with an almost inflationary use of the concept of "crisis." Clearly, however, the impossibility of capitalism does not tell us anything about the possibility of socialism, and it is this second step that one has to examine before we can even start to talk about socialism as an objective and real possibility. Such an argument would have to demonstrate that the crisis of capitalism is *not* a total crisis (a crisis of *history*, as it were), but a crisis that *contributes to* and *prepares* a socialist social formation rather than chaos, stagnation, or barbarism.

Marxists have generally argued that capitalism both is (partly) bound to be self-destructive *and* is (partly) capable of making a substantial contribution to a socialist society which, in fact, inherits its very foundations from what survives the decomposition of capitalism. Thus past revolutionary theorists have argued that the forces of production, highly developed by the dynamics of capitalism, constitute the material basis of a socialist formation. Similarly, theorists have argued that the inherent capitalist tendency toward capital concentration creates preconditions for socialist forms of management and the "administration of things" (Engels, Hilferding, Lenin). They have also argued that a socialist revolution will redeem the cultural tradition and political values (such as the idea of the nation, democracy and equality) which are inherited from the bourgeois revolutions but have been betrayed and corrupted in capitalism's history (R. Luxemburg). Finally, revolutionary theorists have emphasized that capitalist relations of production create a large, unified, self-conscious and mature working class capable of bringing about a revolutionary transformation of society. It is exactly this type of argument—developing the point that capitalism is not only *destructive of itself,* but at the same time *constructive of a socialist formation*—which would have to be elaborated to counter the presently abundant crisis rhetoric and all those apocalyptic visions suggested by radically disillusioned liberal cynics.

The definition of socialism is itself affected by such dialectical tension of continuity and discontinuity with capitalism. If socialism means the abolition of the domination of capital over wage labor, and thus the abolition of the *commodity form of wage labor* including the political and cultural structures supportive of such commodity form, it also means that this is accomplished *within* the economic, political, and cultural framework of the society that is to be transcended. Rupture and continuity *together* define any concrete instance of socialism, of which consequently no abstract, once-and-for-all definition is possible. This unavoidable component of inheritance and continuity that is to be found in movements, parties, and societies that describe themselves as socialist has often given rise to the critical question whether or not particular politics or social arrangements do in fact constitute a break

with the past, a liberation of the proletariat. The question, more precisely, is whether *continuity outweighs change,* whether the form of change annihilates its content, or the *means* used obstruct the *end* of liberation.

The two major traditions of European socialism, going back to the Second and the Third Internationals, have become subject to parallel criticisms which argue that the inherited form of the struggle for socialism has in fact spoiled its revolutionary content. Such criticism was first formulated by the left minority, most notably by Rosa Luxemburg, in their attacks on the reformism, revisionism, and "parliamentary cretinism" of the pre-World War I Social Democratic party. How justified this critique has been becomes all the more evident if we look at post-World War II Social Democratic and Labour parties, which, due to their commitment to parliamentary forms of transformation, have been forced to abandon more and more of what remained of their radical programmatic intentions. No less important is the analogous critique of Stalinism and Eastern European socialism which argues that the very conditions that have *made possible* the transformation of 1917, namely the overthrow of Tsarist autocracy, or those of 1945-1948, namely the imposition of socialist regimes in the aftermath of the war, have at the same time *seriously perverted* the socialist content of these transformations. Vestiges of authoritarian regimes—such as the "asiatic" mode of production, military occupation, etc.—remain prominent features of these regimes. The decisive theoretical and political problem for all modern socialist politics, on the basis of this critique and its underlying experience is this: given the unavoidability of the fact that one has to rely, in the process of transformation, on the institutions, political opportunity structures, and both the progressive and constraining traditions of the system that is to *be* transformed, how can it be avoided that those links of continuity, *forms* and instruments of transformation turn *against* its purpose and content?

The State's Role in the Socialist Transformation

It is in the context of this problem that I want to discuss conceptions of the state's role in the process of socialist transformation. One of the most powerful ideological objections by liberals to a process of socialist transformation has been the fear that the means of such transformation, the occupation of state power by a socialist party, would by necessity turn against the proclaimed ends of the process, the liberation of the proletariat. Thus, according to Max Weber, socialism would not mean something different and progressive but more of the same—that is, more of the same inescapable element of bureaucracy that capitalist liberal democracy, at least, is able to curb through institutions securing

individual freedom. In view of this almost ubiquitous fear, and amidst a perception of the social and political realities of the Soviet Union and other Eastern European States which render this suspicion highly plausible, socialist and communist parties in Europe have considered it their major task to develop convincing alternatives to the *etatist* models of socialist transformation. These theoretical and programmatic formulations take seriously what the classical writers, Marx and Lenin in particular, have strongly emphasized: namely that state power must not only be *occupied* by the victorious organizations of the working class, but at the same time must be *"smashed,"* that is, fundamentally transformed, so as to be "appropriated" by society. According to these formulations, the problem exists of revolutionizing the very means by which the revolution has been accomplished if the inherent danger is to be avoided that the *form* perverts the *content* of socialist transformation.

Due to widespread fears, especially among the middle classes, communist parties of the Latin European countries have partly committed themselves to strategies which would weaken and disperse state power after these parties came to power, broaden popular participation, decentralize authority, and guarantee democratic freedoms. Such anti-etatist commitments eventually would lead to a greatly increased social character of state power by overcoming the separate autonomous organization of society's repressive and directive capacity. This cannot be understood as a tactical consideration of electoral politics, but as a revitalization of an original Marxian formulation of revolutionary politics. The question, of course, remains, whether the structural conditions of socialist transformation in Western Europe are likely to be supportive of such programmatic design or whether, as has been the case in the Soviet Union, the authoritarian bureaucratic form of the socialist state remains unchallenged, thus exacerbating the form/content problem. Most commentators, when discussing this crucial question, have put it in extremely voluntaristic and subjectivistic terms, which is to say: they have limited the problem to the question of whether or not the leadership of Communist Parties is *sincere* when committing itself to a far-reaching democratization not only of the social and economic content but also of the *political form* of the socialist state. Putting the question *this* way, however, makes it both largely uninteresting and unanswerable. What I want to do instead is to discuss whether the structural conditions of advanced industrial capitalism are in fact conducive to non-etatist forms of socialist transformation; or, in other words, whether they facilitate and at least make possible the implementation of the classical idea that the occupation of state power has to be followed by its structural transformation and democratization. In my view, the conduciveness of such objective conditions will play a much larger role in determining the outcome of the form/content dilemma than the sincerity of politicians and party elites. Correspondingly, the truth of any programmatic statements and commitments of the latter cannot be measured by judgements about the honesty of their intentions, but only by a social analysis of whether there exists the objective possibility for such intentions to *become* true *if* taken seriously by party elites as well as their mass constituency.

The Dilemma of the Capitalist State

A rough outline of such an analysis begins with an observation on the dilemma of the *capitalist* state on which there exists a surprising agreement among Marxist, conservative, and liberal analysts. This dilemma is the following: the interventionist capitalist welfare state (with its institutional framework of party competition and representative democracy) is confronted, as it fulfills the fundamental stabilization and protection of a national social formation, with a multitude of demands and requirements. These are impossible to satisfy *within* the constraining parameters of this *very same* order with its liberal democratic arrangements. The political and the economic structures of advanced capitalism are not in harmony. What the state is *required* to do becomes evidently *impossible* to accomplish unless either the private character of accumulation or the liberal democratic character of the polity are suspended. For our present discussion, it is pretty much irrelevant whether we explore this dilemma in terms of the contradiction of capitalism and democracy (Marx's original formulation), or in terms of the antinomy of accumulation and legitimation functions of the modern state (O'Connor, Wolfe) or, in terms of the now fashionable theories about the "economic contradictions of democracy" and the ensuing "crisis of democracy" (Huntington). The underlying diagnosis, if certainly not the implied therapy, is almost identical: the emergent functional discrepancy, or "lack of fit," of economic and political substructures or advanced capitalism. The demand "overload" cannot be absorbed by the state without its simultaneous *undermining,* e.g. via inflation, the rule of profit that it supposedly protects. Conversely, a "healthy" growth rate cannot be achieved without imposing restrictions on democratic freedoms and political mass participation, the right to strike, the accomplishments of the welfare state, etc., which of course is what the neo-conservative proponents of this crisis-analysis are less and less reluctant to advocate.

The constraints that the capitalist economy imposes upon the state, thereby disorganizing its capacity to maintain "order" by responding effectively to political demands and requirements, is based upon capital's *power to obstruct.* As long as investment decisions are "free," that is, as long as they obey the rule of maximum expected profitability, the decisive variable constraining "realistic" political options is what

Kaleci has called "business confidence"; and the ultimate political sanction is non-investment or the threat of it (just as much as the ultimate source of power of the individual capitalist vis-à-vis the individual worker is nonemployment or termination of employment). The foundation of capitalist power and domination is this *institutionalized right of capital withdrawal,* of which economic crisis is nothing but the aggregate manifestation.

On the basis of this analysis, one strategy of socialist transformation follows the logic of *vetoing capital's use of veto power which forecloses exactly that one option upon which the class power of capital resides:* the option *not* to invest and thereby to withdraw society's resources from societal use. This process would take the form of a thorough nationalization and bureaucratization of at least those branches of industry which could, by using their potential for obstruction, cause significant constraints and damages to societal reproduction as a whole. This is the line of reasoning that I consider an ideal-typical model of *etatist* solutions of the problem of socialist transformation in Western Europe.

Three types of objections can be raised against such an etatist strategic orientation. First, from a normative point of view, we could run into the aforementioned form/content problem. Although this solution would, at least in the short run and within the confines of a national political economy, eliminate the constraints to which the political system is subject in capitalist societies, such *liberation of policy making* is by no means necessarily identical to any notion of the *liberation of the proletariat.* Second, in an industrially advanced society there exists a highly differentiated social structure which implies a great number of partial divisions and conflicts of interest according to such criteria as occupational groupings, regional interests, branches of industry, etc. The very fact of such differentiation would preclude a degree of homogenous mobilization that could serve as a solid basis of support and legitimacy for a unified command structure of political and economic decision-making, as soon as the "party in struggle" has become a governing party; nor could repression and exclusion—regardless of its normative incompatibility with any notion of "liberation of the proletariat"—conceivably act as a functional equivalent to legitimation, because the fact of structural differentiation increases the vulnerability of the bureaucratic apparatus to non-compliance or resistance. Third, the fact of differentiation and complexity affects the political balance sheet not only on the support side, but also on the policy side; once the profitability criterion is eliminated as the ultimate guideline of allocation decisions, the complexity of industrial economies precludes any immediate shift to an alternative substitutive mechanism of allocation, certainly not within tolerable limits of time or efficiency. We would conclude, then, that not only on the basis of normative considerations, but also from the point of view of effectiveness criteria (obedience to

commands) as well as efficiency criteria (rationality of commands), the feasibility of any etatist model of socialist transformation would appear as something beyond the realm of objective possibilities. Seen this way, the recent commitment of socialist theoreticians and Euro-Communist parties to non-etatist conceptions of the process of socialist transformation would appear not as a major political "concession" (to say nothing about deception), but as a reflection of the insight that etatist roads to socialism, a societal transformation performed through bureaucratic planning, is no longer a realistic option in the advanced capitalist system.

This leaves us with the inverse dilemma, compared to the one which I have described as the structural problem of the capitalist state. Whereas the capitalist state suffers from an "overload" of demands and requirements which it cannot *satisfy* without destroying the capitalist nature of the economy nor *ignore* without undermining its own democratic institutional setup and the regulation of class conflict provided by it, any socialist state *can* only solve this dilemma by exposing itself to a different one: the new dilemma of a state apparatus that can maintain its directive capacity only to the extent that it gives itself up *as a state*—that is to say as a *separate* organization of the ultimate power of collective decision-making—ultimately by negating its identity as an "apparatus" and eliminating the categorical distinction of "state" and "civil society." In brief, whereas the capitalist nature of civil society constrains the capitalist state, the etatist nature of the any socialist state constitutes *its* major barrier.

The dilemma can be described as the contradiction between two insights, or assumptions, shared by almost all socialist parties and groups in Western Europe: first, the insight that winning state power, gaining control over institutionalized political decision-making positions and using the directive capacity of economic, social and foreign policy making, etc., is an absolutely indispensable element in the struggle for socialist transformation, or class struggle, on the political level; second, the insight that what is to be won in this struggle, namely the control over state power, is itself in need of transformation and eventual negation. Socialism in industrially advanced societies cannot be built *without* state power and it cannot be built *on* state power.

State power, both in its directive and repressive capacities, is needed in order to consolidate political change and protect institutional accomplishments against countermeasures initiated by elements of the capitalist class. Such resistance (or manifestation of lack of "business confidence"), can take any form, ranging from acts of strategic disinvestment, boycott, sabotage and capital flight to secessionist movements to the organized intervention of transnational corporations, banks or social democratic parties and retaliatory acts of supranational economic and military organizations. Obviously, only a regime that is

able to insulate itself against the disorganizing impact of such measures and to maintain a minimum of autonomy vis-à-vis such pressures can hope to continue the process of socialist transformation. The decisive test occurs when the strategies of retaliation not only consist in economic pressures coming from national or international actors or in military threats, but when they, in addition, involve strategically important elements of the *domestic* constituency, such as the intelligentsia, the military, or other segments of the middle class (cf. the case of Chile) which become part of a capitalist "popular front." In such cases, a socialist regime—whether or not it resorts to more farreaching repressive measures, thereby compromising on its commitment to political freedom and democracy—will soon succumb to international pressures and its domestic repercussions. This is the reason why the state as a *national* organization of power is unlikely to be the scene of a process of socialist transformation in the absence of strong *supranational* alliances of socialist parties and governments such as those which seem to be developing in the Latin European countries—an alliance that eventually might serve to make dependence on the Soviet Union avoidable as well.

The structural weakness of a socialist *national* regime, its extreme vulnerability to international pressure, also explains why a 51 percent majority is not strong enough to absorb the foreseeable measures of retaliation. It is exactly under conditions of international and domestic resistance to incipient processes of socialist transformation that the weakness of the state as a guarantor and agent of such transformation becomes apparent.

The powerlessness of state power as a means of transformation appears to render any etatist solution—whether traditional Social Democratic or Communist ones—clearly unrealistic. But it does not by itself suggest practicable non-etatist solutions. Almost all concepts and strategies of social struggles that have been discussed in European Community, Socialist and Labour parties have in common that they emphasize the need to extend the *concept of politics* beyond the sphere of the state and its institutional channels (*"autogestion"*). The enormous renaissance that the work of Antonio Gramsci has experienced in recent years, and particularly his much debated concept of proletarian hegemony, refers to a level of politics and alliance which is not based on formal organization incorporated as agencies of group representation in the state apparatus, but rather on the spreading of values and the proclamation of collective identities which transcends both the state apparatus and classes lines. (During its brief period of active reformism, 1969-73, even in the German Social Democratic Party the idea was entertained that extraparliamentary mobilization might be as important a way to accomplish reformist projects as electoral politics.) And the practice of most European Communist parties has demonstrated that

the conditions of struggle are most favorable and the chance of political penetrability are greatest not at the center, but at the *margins* of the state apparatus, for instance in city governments and universities, where there are likely to exist sustained networks to communication and mobilization.

One major change that has occurred in the politics of most European countries (and also elsewhere, including North America) is the appearance of movements which are activated not by specific class *interests,* or status-related demands, or *ideological* orientations, but by *moral, political,* and *cultural values.* These movements have defined new conceptions of autonomy and collective identity that neither correspond to the categories of the market place nor to those of institutionalized political conflict. Such movements, based on *"causes"* rather than class interests or ideologies (i.e., feminist and environmentalist movements, and movements struggling for national, regional, cultural autonomy), play at best a peripheral role in the political process as it is defined by the state structure. Their mobilization is directed against state-initiated or state-supported measures and institutions (such as abortion and divorce laws, nuclear energy programs, administrative denial of cultural or regional autonomy). Equally *negative* is the reaction of state agencies toward these movements: non-recognition and repression. In this situation socialist political forces have been consistently the only ones which have succeeded in providing some organizational and theoretical coherence to these new movements, thus reconnecting the economic, cultural and, political levels of struggle and broadening their own political base. The effort to reach to the margins and beyond the margins of what the capitalist state admits in its highly selective definition of politics has in the recent past been a much more successful and promising road to the renaissance of European socialism than the focus on central positions of state power itself.

Conclusion

Let me end with a hypothesis. A disillusionment with etatist conceptions of the road to socialism is to be found in the theory and practice of both Socialist and Communist Parties in Europe. This development, unbalanced and inconclusive as it certainly still is, leaves us with the question whether the commitment to parliamentary forms of socialism *plus* extraparliamentary tactics of struggle does not make the socialist movement particularly vulnerable to the repressive and ideological counterattacks of the capitalist state? This appears to be a particularly pertinent question in view of recent German developments which have greatly increased the repressive potential of the state apparatus. Isn't it more than likely that the extension and utilization of the powers of the

capitalist state will hopelessly encapsulate and marginalize the socialist movement both in its electoral and non-electoral politics? I wish to suggest that the capitalist state, under the impact of economic crisis, undergoes structural changes of a corporatist kind which could favor and facilitate a non-etatist socialist strategy.

What I mean by corporatism could also be described as an *increase of the social character of politics within capitalism,* a dissolution of the institutional separateness, or relative autonomy, of the state, the withering away of the capitalist state as a coherent and strictly circumscribed apparatus of power. What we find instead is a process in which policy-making powers are "contracted out" to consortia of group representatives who engage in a semi-private type of bargaining, the results of which are then ratified as state policies or state planning. To be sure, such corporatist arrangements, as they become manifest in state-instituted bodies of social and economic councils, social partnership, concerted action, macro-codetermination, investment planning boards, etc., are significantly class-based in two aspects. First, the representatives of *capital* do not only participate in the negotiations on (at least) equal terms, but also their private power remains unchallenged; as a consequence, they do not only negotiate, but they *also determine the limits of negotiability* by use of the indirect threat of non-investment (i.e., they define the scope of "realistic" issues and demands). Second, working class (*union*) representatives, in order to be admitted to corporatist policy making bodies and to be licensed as participants of policy bargaining, are subject to legal and factual restrictions which are designed to severely limit their bargaining power. Nevertheless, the shift from representative to "functional" forms of representation breaks down the bourgeois definition of politics as the struggle for institutionalized state power.

As the realm of *politics* transcends *state institutions,* new arenas of resistance are opened up. Moreover, the class harmony which is supposed to be instituted within such corporatist bodies of policy-making is clearly limited by constraints. First, agreement and peaceful accomodation presupposes growth rates which allow for a positive sum game. Second, a cooperative attitude of unions and other working class organizations within such corporatist modes of decision-making can only be achieved by the means of the *exclusion* of issues, groups and interests of the working class which are made "non-negotiable" by existing conjunctural power relations. Third, the legitimacy of corporatist arrangements and consequently the acceptability and bindingness of the results of this mode of conflict resolution are extremely feeble, relying on nothing but their empirical results rather than any form of democratic theory or ideology. The fact that the centers of political power have more and more visibly moved away from the official institutions of the state (such as parties, the parliament, the presidency, or

bureaucratic policy-making) and rather has assumed, within the boundaries of corporatist politics of group accomodation, an increasingly social character, seems to increase the potential leverage of non-etatist strategies of socialist transformation aimed at the breakdown of the limitations of corporatist institutions. At a time when capitalist societies themselves, under the pressure of social and economic crises, are forced to give up their own fundamental distinction of state and civil society, the insistence upon etatist strategies of socialist transformation is rendered both unrealistic and anachronistic.

University of Bielefeld
Bielefeld, W. Germany

Regionalism and the Capitalist State: The Case of the United States*

Ann R. Markusen

The phenomenon we call regionalism—the existence, significance and consciousness of territorial differentiation—accompanies capitalist development in the world system. This paper treats the phenomenon at various levels of abstraction, working from the origins of modern regionalism in the uneven development of capitalism to its contemporary re-emergence within the U.S. as a political and ideological, more than material, construct.

The argument proceeds from a recognition that uneven capitalist expansion with its companion capitalist State,** particularly during the mercantile capitalist era, was responsible for putting in place contemporary political boundaries which now serve as the framework for regionalism. Yet capitalist production relations in their fundamental logic are spaceless. In its historical expansion, capitalism as a set of production relations is most notable for overcoming regional barriers to exploit labor power wherever it resides. Capitalism destroys ethnic and cultural differences that attempt to impede capitalist penetration, differences that simultaneously were the roots of State formation. The spatially differentiated nation-state apparatus dating from the period of emergent mercantilist capitalism has become the inheritor of regional

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** In this paper, the word State refers to the Marxist characterization of the entire political apparatus in a capitalist society, while the word state refers to American subfederal political jurisdictions.

identity, which is better preserved in the political structure, in codifications, and practices of the State than in any other form, including popular practice—at least within the U.S.

The re-emergence of modern U.S. regionalism has accompanied the growth of the state. While the *boundaries* of regions are inherited from past events in the political economy, the *significance* of contemporary regionalism derives more from the evolution of capitalist political structure and power than from the evolution of capitalist production relations per se, which are increasingly homogeneous across U.S. regions. State actors and class fractions within a country may find it desirable to selectively engender regional consciousness in order to promote their ends. In the U.S. this is precisely what has occurred in the so-called sunbelt-frostbelt debate. While ubiquitous capitalist economic relations, culture, and ideology homogenize American society, State sector power is employed to preserve and create new regional differentiation.

Capitalist Uneven Spatial Development

That capitalism has produced irregular spatial arrays of economic activity is empirically documentable. However, on a theoretical level, the causal imperative of this pattern is the subject of much debate. And, empirically, Marxist research has not proven *systematic* production of uneven spatial form.

Uneven development was Marx's characterization of the process of capitalist expansion. Marx applied it primarily to the specialization of labor within industries, although his description of the antagonism between the city and the countryside echoes a spatial dimension. Marx's emphasis was dynamic: it was the *process* of capitalist development that he characterized as uneven, not its outcomes. The transportation of this notion to the characterization of outcomes, "spatial unevenness," has been accomplished by younger Marxist social scientists, who unwittingly mimic the tendency within bourgeois social science to assign characteristics to places and things, rather than sticking to the dynamics of a process as the analytical focus. Uneven development remains a feature of the capitalist expansion process, not a quality of particular places.

Three types of uneven development have been most noted in recent Marxist literature: temporal, sectoral and spatial.* Sectoral uneven

* Other forms of capitalist "uneven development" have been studied, including race and gender. There may be many more. It is precisely the descriptive nature of the characterization "uneven" which permits us great elasticity in the various categories which can be included as types of uneven development under capitalism.

development involves the uneven expansion of industries, some faster than others, with consequences for employment, profitability and inter-industry links. Temporal uneven development refers to the short and long run cycles of capitalist expansion, where overproduction crises stunt expansion and create periods of unemployment, low profits and restructuring of the economy. Spatial uneven development refers to the uneven progress of capitalist social relations and sectors across territories. It has been used to characterize the relationship between city and countryside, and the more rapid development of certain regions than others. In all of these cases, the characterization of the process as uneven remains descriptive. In order to understand the causation in each case, Marxists have had to delve deeper into the structure and dynamics of capitalist social relations.

The spatial array of capitalist social relations has never received the attention that the sectoral and temporal dimensions have in Marxist theory, with the exception of still immature theories of imperialism. Many bourgeois and Marxist scholars alike drawing on the apparent correlation of capitalist development with uneven spatial phenomena, have concluded that capitalist development necessarily requires or necessarily produces spatial unevenness. For instance, Walker writes

> The kind of development operating throughout the United States today is not chiefly a consequence of barriers to capitalist transformation, development, and convergence, but of capital's own internal logic working itself out in space. (Walker, 1978, pg. 3)

Three positions on the inevitability of uneven regional development seem to emerge from Marxist work to date on uneven regional development.

1) Capitalism requires uneven spatial development as a condition of accumulation.
2) Capitalism *produces* systematically uneven spatial development, although it may not require it and may even suffer from its consequences.
3) Capitalism *may produce,* as well as *may eliminate* uneven regional development.

Resting on an appeal to theoretical plausibility and empirical evidence, I would argue the third of these positions. First of all, there is nothing in the logical capitalist accumulation that requires spatial differentiation. Capital, the motive force in the expansion of production, pursues the extraction and realization of surplus value through the organization of the production and circulation processes. As such, it is always in search of wage labor, the source of surplus value. As many of the accounts of imperialism assure us, pre-capitalist modes of production, including federal agriculture and peasant subsistence farming, have provided impediments to capitalist expansion (Brenner, 1977) by withholding wage labor from the capitalist sector. Such prior modes of production had their own class structure cultures, and state formations, each of

which provided elements of resistance to capitalist incursion,. This line of reasoning suggests that it is not capitalism per se, but the environment which capitalism encounters on its expansion path which renders the process of expansion "uneven." Particular capitalists and corporations may be able to exploit conditions existing in any one region at a particular point in the process, but the system as a whole has no stake in ensuring uneven development. This interpretation of uneven development also permits convergence and reversals in the positions of different regions.*

Secondly, the arguments about the necessity of or systematic occurrence of uneven development operate at too aggregate a level. In order to understand *why* uneven development results in a particular region lagging behind others in a particular point in time, we have to know the specifics of the particular region relative to other regions. The recent *Review of Radical Political Economy* special issue on uneven regional development demonstrates that a number of features have retarded or accelerated capitalist expansion across different regions (RRPE, 1978). They include differences in the degree of militance of various classes in pursuing or fighting capitalist incursion, differences in ownership patterns of both land the means of production, differences in the degree of competitiveness or oligopoly in industrial structure, differences in nature (existent but overplayed in the bourgeois literature), and differences in the adjustment of various sectors to crises in the accumulation process. However, these various features are not peculiar to *regional* distinctions, since they also characterize neighborhoods, cities, and conflicts or differences *within* regions.

Finally, the empirical evidence on regional experience suggests that different regions' fortunes within capitalism rise and fall with the evolution of capitalist social relations and their expansion across the world. Most recently, the rapid growth of resource rich (especially oil rich) Third World nations belies the conventional wisdom that resource-based economies are necessarily on the losing end of uneven regional development. At the same time, the woes of the British economy and hard times in the European Economic Community suggest that nationally-based capitalist hegemony may not be permanent. And within nations, such as the U.S., the rapid growth of previously laggard regions, such as the South, suggests that once precapitalist and sectoral

* My argument here, and that of Brenner's as well, parallels Schumpeter's argument on imperialism: "Imperialism is thus atavistic in character. It falls into that large group of surviving features from earlier ages that play an important part in every concrete social situation. In other words, it is an element that stems from the living conditions, not of the present, but of the past—or put in terms of the economic interpretation of history, from past rather than present relations of production" (Schumpeter, 1955, p. 65).

barriers to incursion are removed, capitalist production will indeed move to areas where immature capitalist relation of production result in less militance, lower wages, and a less expansive welfare state. Thus generalizations about the systematic nature of uneven regional development are dangerous unless they are disaggregated to specify the precise set of forces operating in each case.

In this disaggregated analysis, the role of the State and political conflict becomes clearer and more significant. While economic specialization does create potential regional differences, it is the establishment and operation of State machinery along regional lines which gives regionalism both its framework and contemporary significance. Political economists grant too little credit to both culture and politics as sources and perpetrators of regional differentiation. While I try to acknowledge the cultural forces at work, the remaining sections of this paper focus on the significance of politics and State structure in the evolution of contemporary regionalism.

The Concept of "Region"

The concept of region has never clearly been granted a precise universal analytic definition. In the U.S. university curriculum it is negatively defined as everything that is complementary to and superceding the "urban." In popular usage, region refers to everything from the metropolitan to the state and multi-state levels, to Third World countries and continents of the world. Castells (1977), Feldman (1978) and others have recently begun to question the usefulness of the notion "urban," correctly pointing out its ideological function—the reification of certain spatial consequences in the sphere of reproduction under capitalist economies and the prescriptive treatment of them separately from capitalist dynamics and social relations. Capital mobility undermines urban viability so that it becomes increasingly clear that urban problems cannot be dealt with in isolation from regional and inter-regional forces. The renewed U.S. controversy at the "regional" as opposed to "urban" scales may be a direct consequence of imperialism and urban crisis coming home to roost.

Abstractly, region is a conceptual category that connotes a physically definable and contiguous geographical area with some political status (not necessarily legal, e.g., Palestine). Membership in a region may be multiple (I am a Minneapolitan, Minnesotan, and American), but it is primarily determined by political status, not by class or cultural circumstance. Regional membership generally extends to all those who reside within the region. It does not distinguish residence from membership, although access to power may be very different across groups within the region and there may be strict controls via immigration on who may

"join." Regions may have multiple cultures and economic activities existent within their boundaries. In a nation state with multiple levels of power, such as federal system, regional groupings may arise from cultural affinity or common economic problems, but remain political aggregates (e.g., the Appalachian Regional Commission or the Western Governor's Policy Office) or political derivatives (Federal Regional Councils).

The essence of State power is the monopoly of force in a territorial unit. Because of the changing nature of the capitalist economy and the existence of resistance to cultural and political oppression, many regional delineations are frequently under attack, through conflict over the political structure or control of the existing State apparatus (Northern Ireland, Cyprus, Northern Michigan, Quebec). Thus, the form and content of regional divisions and groupings change over time as an indirect function of capitalist dynamics and a direct function of class, political and cultural struggles. But the target of such changes is always political structure and power. Therefore, we are justified in identifying the political as the primary determinant of regional divisions, even though at any given moment we may have to seek the roots of political conflict over regional boundaries in the cultural and economic events internally. But no consistent relation between cultural and/or economic status can be found empirically to justify the primacy of either as the definer of region. I argue that a consistent relationship can be found between State boundaries, State power, and the content of regionalism. An operational definition of region therefore uses subdivisions of and aggregates of existing political jurisdictions.

Regional Structure: The Inheritance of Political Boundaries

Regional spatial structure coincides with political boundaries. The history of these political boundaries explains why contemporary nation-states may have serious internal regional problems or threats to their territorial sovereignty from without. Original political boundaries were drawn as a result of conquest, unification, separation, or incorporation. Each region has its own unique history, where its political structure can be traced to the dynamics of the dominant mode of production. This political structure now wields power that may no longer correspond to the underlying economic or cultural dynamics and may therefore be the subject of conflict.

For instance, in the colonial era, mercantilist capitalists enlisted the aid of their own nation-states to break down barriers to capitalist expansion, through military, economic, and ideological means. Imperialism and its predecessor, colonialism, were thus propagated by an inextricable mixture of State and private institutions. In fact, the major protagonists were seen to be "Spain," "France," "England," etc., not the primitive accumulators or industrial capitalists behind each. As part of world expansion, these nation-states replicated themselves by imposing nation-state political structure on the Third World. These political divisions remain as the primary regional identifiers today.

U.S. regional structure parts dramatically from the European tradition because its territory was resettled during the era of mercantilist capitalism, not feudalism and its native population was exterminated rather than incorporated as under classical imperialism. Furthermore, its settlers came from many different cultures and political and economic experiences. Of all the advanced capitalist nations, it thus has the most youthful political structure, in the sense that its evolution was less constrained by previous indigenous social relations and cultural traditions than most other nations. Nevertheless, it has a political structure strongly regionally based and has had many regional conflicts, even one, the Civil War, at the scale of insurrection and warfare.

The U.S. political structure from the outset granted regional sharing of power within the nation. Its federal system derived from the different colonial political structure in the original thirteen states, themselves a function of the different franchises and charters granted by European powers, encompassing striking cultural and economic differences within the set. As the new nation expanded across the continent, first to facilitate primitive accumulation, later to aid exploitation of farmland, and still later to engender industrialization, several features determined the boundaries and size of new political units. First of all, "defense" requirements (from other European powers and from Native Americans) made rivers and mountains convenient boundary lines, regardless of the fact that lining the border down a river frequently dissected a natural economic and cultural unit—the water basin. Second, the emerging dominant regional conflict between the slave based cash crop economy in the South and the wage labor manufacturing and commercial economy in the North required additional states to enter as slave/not slave duos, resulting in smaller states than might otherwise have been carved out of existing territories. Third, the boundaries of many states were inherited from the older claims of European colonial states, which devolved in chunks upon the American nation (the Northwest Territory, the Louisiana Purchase, and Texas and California). Finally, the demands of new settlers for protection and control of resources were also granted in some cases, especially if contiguous territory were not already incorporated in another state.

East of the Mississippi, the dominance of the defense motive produced an array of states strongly outlined by rivers. The middle western and plains states were drawn on both river and "equal population" criteria.

California boundaries date from several events. Her northern and southern boundaries were inherited from previous colonial settlements, her mammouth size can be credited to her strongly organized internal politics (although from the start a counter proposal would have made the five southern counties into a separate state), and her eastern boundary was charted by settler greed for the timber on the east slope of the Sierras and control of the lower portion of the Colorado River.

Both economic motives and cultural identities were thus important shapers of the original political units in the United States.* Following the establishment of the fifty states, the political endowment of power in the lower tier of the federal structure began to reorganize regional affinities. During the Western U.S. statehood creation process, strong regional identities emerged on a state by state basis. Settlers, egged on by provincial newspapers, held great pride in their state and in the joint venture that it appeared to be. In the West, regional identifications were dominated from the very beginning, by a series of political events and institutions, not by a common cultural tradition. In the East, large-scale immigration and the transition from an agricultural to an industrial economy transcended the older cultural and economic character of the regions. Virtually every state by the mid-19th century had an ethnic mix in its population. Continual immigration and internal mobility prevented the equation of regional identity with cultural identity. The South was the exception: here an antagonistic mode of production and an accompanying culture, both built on slavery, resulted in a regional identity which led to civil war.

Thus political structure in the U.S. derives historically from the dynamics of capitalist expansion confronting a pre-capitalists territory. A sufficient history of U.S. regionalism would inquire after the complex interplay of the economic, ethnic, cultural, and political events surrounding its evolution. In this section, I have traced only the setting place, and maintenance, of political boundaries which are the framework for regional identity. But formation of the specific regional boundaries is not of interest to us unless events within those regions lead to conflict. In the next section, we explore the content of contemporary regionalism, which I will also argue is primarily shaped by the significance of the political realm.

Nevertheless, the importance of political boundaries and membership in a nation-state should not be belittled. The experiences of Hawaii and Puerto Rico, for instance, have been starkly different from other Pacific and West Indian territories primarily due to their incorporation (in different forms) in the U.S. political structure. When ethnic identities or

* A detailed documentation of this political shaping and the subsequent sectionalism that focussed on the federal political structure is presented in Turner, 1932, especially Chapters II, XI, and XII.

common economic ties are bisected by political boundaries, the possibilities for alliances may be impeded and the fortunes of those with common cause may vary dramatically across borders. Sioux Indian members' political strength is diluted by their dispersal over several states; auto workers win better state concessions in Michigan where their numbers are largest; ranchers fighting coal stripping fare better in Montana than in neighboring states because of the different political histories of each state.

Contemporary U.S. Regional Differentiation

Past historians of U.S. sectionalism believed in its vitality. In an essay entitled "Is Sectionalism Dying Away?" written in 1907, Frederick Jackson Turner concluded that distance from markets, sectional distribution of crops and other economic activities, and the sectional distribution of ethnic stocks "will always tend to produce sectional diversities and conflicting interests in the vast area of complex geographical provinces which make up the U.S." (Turner, 1932, p. 312). Similarly, Hesseltine began his 1944 essay on "Regions, Classes, and Sections in American History" by claiming that "the divergent interests of sections have constituted the major problems of America's past and bid fair to be the major issues of the future" (Hesseltine, 1944, p. 35). His analysis emphasized the struggle for control *within* regions as well as the fundamentally different economic interests of each section. While both regional scholars acknowledge the increasing economic integration of U.S. regions and the clear movement toward national planning (Hesseltine, p. 43; Turner, p. 311), each championed the hardiness and desirability of sectionalism.

Over the past hundred years, political structure and political power, rather than economic or cultural stakes, increasingly have become the causes and targets of regionalism. In this section, I argue that increasing cultural and economic homogenization in the United States has broken down the old basis for regional rivalries. Previously, the division of state power between federal and state levels of government resulted in persistent sectional differences based on economic and cultural claims of each section on the national government (Turner, 1932, pp. 327-8). For instance, the agrarian and non-industrial sections (Upper midwest, Plains, and part of the West) would fight in federal forums for concessions from the industrial northeast. But the advance of capitalist industrialization has increasingly eliminated such geographic differences in mode of production or sectoral specialization. New regional rivalries appear to be much more an artifact of pure State power struggles than of true economic or cultural differences. Without charting in detail the 20th century diminution of economic and cultural roots, the following

argument relies on a consideration of the current significance of these features across U.S. regions. By looking at the microdialectics of particular regions and relationships within them, we can decipher the forces which give rise to the consciousness of regionalism and test the contention that political forces dominate.

The Cultural Roots

The reader might protest that cultural and social identifications regionally are quite strong, forming a basis for regional ties. While some cultural pockets thrive, strong forces undermine cultural commonality as a regional phenomenon. First, the settlement patterns in the U.S. referred to above, and the continual high rates of migration by members of all classes and many ethnic groups, tend to break down *regional* correspondence between culture and place. Some urban neighborhoods may remain culturally intact; thus urban politics may exhibit a strong ethnic or cultural component. But contemporary regional politics demand transcendence of particular ethnic affinities in order to forge alliances, whether we are speaking of corporatist regional policies or western indigenous battles again energy development and federal domination. Regional cultural identity has eroded over the 20th century. While in the 1930s the Communist Party could propose a Black Nation in the cotton belt (Allen, 1976), today the case for the nationalist potential of a people within the U.S. coincident with a particular region would be difficult to make. (The single exception are the claims by some Native Americans to western land. Yet the reality of the moment is that the Cheyenne must join forces with Montana ranchers to protect their adjacent lands from capital incursion.)

Second, the commercialization of culture has preempted people's self-determination of their own culture. In place of an indigenous tradition, plastic images of regional culture are canned in T.V. programs, novels, and the press. David Whisnant (1977) has documented the destruction of Appalachian mountain culture. Economic development funds have been used to encourage craft production, resulting in Taiwan-made replicas of Appalachia arts sold in highway stands to tourists. Likewise, the appropriation of hillbilly music turned Buck Owens' insults the indigenous tradition of Appalachian music. The degradation of their culture through such commercialization has destroyed Appalachian pride in it; many people have stopped making music and art. Similar images of the California beach boy, the Texas cowboy, and the Northern lumberjack pick up on a tiny truth on tradition and smear it on billboards, records, screens, and restaurant menus. People's experience with their culture tends increasingly to come through the media, not through daily contact with similar people in which this culture is

nourished. It is close to being completely synthetic and dangerously manipulable by commercial interests. The overwhelming cultural event of post-World War II America is the nationalization and homogenization of culture through television.

These observations suggest that there is no major cultural content to contemporary U.S. regionalism. While cultural and ethnic ties may be extremely important at the family and neighborhood levels, they have been largely eliminated on the regional level by capitalist mobility and cultural control.

A deep longing for an ethnic or cultural regional identity may remain, and in part be responsible for the popularity of synthetic and commercially-imposed images. The full understanding of this quest for local identity may be blocked in Marxist analysis by the overemphasis on the material relations of *production* at the expense of an analysis of reproduction of labor power under capitalism. The community is the sphere of this reproduction and the assertion of local pride may be a statement by women and children in particular of the importance of reproductive mechanisms, like family, school, and church, in people's lives, and issues of control over them.

The Economic Roots

Much has been made in recent years of the uneven development of capitalism across regions, as students of imperialism brought home their analysis and applied it to Appalachia, the Great Lakes, Native American reservations, the South, and now the Northeast. The clarification and synthesis of this work is only now being undertaken (see URPE, 1978; Simon, 1978; Markusen, 1979). Regions which are differentially occupied by capitalist accumulation are classified as "developed" and "underdeveloped," itself an unsatisfactory delineation, since "underdevelopment" can arise from multiple sources. It can refer to incomplete incorporation into the mode of production of a particular people, the result of resistance by a prior mode or the blocking of full development of free wage labor. On the other hand, it can refer to particular features of capitalist dynamics in a fully integrated region, such as the exhaustion of a resource base, or the persistence of racism that prevents certain groups from freely entering the labor market and encouraging them to migrate. A great deal of bad and incomplete analysis of regional economic development by Marxists has left us a legacy of confusing notions, such as the internal colony, core-periphery, dependency, and backwash effects (Collective, 1978).

As I have argued above, capitalist development is impervious to the needs of people in any particular region and will seek out cheap labor whenever and wherever it is profitable to go. No region's fortunes under

capitalism can be analyzed without an understanding of all other regions, and no historical conclusion of empirical regularities in regional features is warranted. Regions may reverse their position (e.g., the South and the Northeast, cities vs. rural areas) as favored locations for capitalist development. Economic forces are not reducible to regional boundaries or regional qualities.

However, there are two ways in which regional economic differentiation may still feed regionalism. Even though over the long haul each region faces the same capitalist dynamics, at any point in time their experience may be problematic and different from other regions. The significance of the law of uneven development is that it describes the empirical experience of *temporal* (not spatial) aspects of capitalist development. Rapid growth may characterize one region today, after many years of stagnation. Either rapid growth or decline is problematic; each is disruptive of existing regional productive and reproductive structures.

Thus despite ubiquitous incorporation into the industrial and monopoly capitalist mode of production, the *age* of the regional capitalist economy and its rate of change may be a source of continued regional economic differentiation. People in such circumstances may view the different experience of another region as the cause of their plight. For instance, people opposing rapid growth in the West with its myriad boomtown problems might blame the Eastern demand for energy and argue that the Northeast should tighten its belt. People in the Northeast, experiencing the pains of job loss, might blame the South and the West for stealing jobs. These perceptions are not accurate, since the culprit is capital, which knows no home. But upon such regional anxieties, as I argue below, a politically-inspired regionalism is imposed.

The second source of persistent regional economic differentiation is the immobility of certain sectors within regions whose fortunes are tied to that of the region. These may be of two types. First, even though manufacturing, construction, finance, and transportation have decentralized radically, some degree of sectoral specialization may still exist in certain regions. A current example is energy, which places mineral and fuel rich regions in a potentially antagonistic position as suppliers with respect to energy-consuming regions like the Midwest and Northeast. However, energy production makes strange bedfellows, with states like Alaska, Louisiana, and New Jersey suppliers of off shore oil to consumers from California to New England. Thus sectoral specialization as a basis for regionalism is somewhat unpredictable. The second type of local capitalist interest tied to regional futures are those industries whose assets are tied to regional land uses and population centers: banks, real estate, commercial interests, etc.—the constituency of the local Chambers of Commerce. Their stakes in regionalism have not changed perceptibly over the course of U.S. development. Prominent

among these is the local press, which has a monopoly over local regional consciousness and is supported by the Chamber of Commerce coalition, but whose economic asset (its circulation) is not mobile. This single fact may result in the prevalence of a regional consciousness even when the material conditions for regional differentiation have disappeared.

The Political Roots

In the U.S. the entire progress of capitalism has been shaped regionally by the not-so-visible hand of the State. The consolidation of economic power in industrial, monopoly, and multinational corporations has been accompanied by a concomitant growth in national government power and domain. Radical historians have documented the employment of regulation, national government spending and federal land policy in the interests of the capitalist system as a whole, frequently overriding or eliminating small, particular capitalist interests whose behavior stood in the way of the smooth process of capitalist accumulation (Kolko, 1963; Boyer, forthcoming).

Current regional actors know that the State's activity can vastly affect their region's development prospects. Past federal policies and structures which have affected regional differentiation can be conveniently grouped into five categories: regulatory and commercial policy, land policy, infrastructure and public investment, intergovernmental functional allocations, and explicit regional development policies. I have elsewhere rejected the current sunbelt-frostbelt rhetoric that accuses the federal government of some aggregate unfairness, measureable in fiscal flows (Markusen and Fastrup, 1978). The reality is far more complex, sometimes deliberate, sometimes not, not necessarily budgetary, and far more profound than fiscal flows analysis suggests.

Regulatory and commercial policy have affected regional growth rates profoundly, but in ways which are frequently hard to gauge conclusively. The Civil War was largely a regional battle over federal commercial policy toward two competing modes of production. The inability of the auto industry after World War II to secure tariff barriers to imports was a result of regional concentration of production (and therefore lack of Congressional power). The Congressional disinterest helped spur the industry to disperse auto production away from the Michigan axis, while imports made big inroads on U.S. markets, further harming regional growth. Natural gas regulation is purported to have shifted a great deal of industrial production to the South. Regulation of transportation rates (truck, railroad, and air) has shaped regional growth, principally through successive waves of decentralization. Oil quotas for years stimulated the growth of Texas, Oklahoma, and Los Angeles. Such regulatory policies never appear on fiscal flows tallies.

Land policy, including settlement policy, determined basic U.S. settlement and land ownership patterns in the nineteenth century. Particularly significant were the extensive lands given to the railroads, the engendering of petty bourgeois farming by the homesteading arrangements, and the retention of vast amounts of forest and arid lands in the public domain. In more recent years, the disposal of these lands (and offshore shelves) through cheap leasing arrangements to energy companies, timber companies, and ranchers has undoubtedly stimulated the growth of coastal and western interior areas. The recent growth of western coal stripping at the expense of Appalachian expansion may be in large part a result of the advantages of cheap federal land in the west.

Infrastructure and public investment programs, especially the location and construction of military bases, have been incalculably important to regional growth rates. Military installations, especially through porkbarrelling by Southern Congressmen with electoral longevity, favored the South and Southwest. Army Corps of Engineers programs for improving waterways (e.g., Mississippi, St. Lawrence) and building dams for water and power have secured the income of North Dakota wheat farmers and Western Slope irrigators. Likewise, the construction of the interstate freeway system profoundly rearranged access networks in this country, stimulating a continuing decentralization of industrial production.

The intergovernmental allocation of responsibilities and resources, especially in the areas of tax, welfare, and labor policy, have allowed regional differentiation to flourish in ways that are functional for capital. A labor policy that has left questions like right-to-work, workman's compensation, and health and safety issues up to the states has permitted the more conservative dominated states to prevent unionization in the South and to undercut Northern unions by attracting industry away from high wage areas. Similarly tax and welfare policies left to the discretion of the several states have resulted in competition that tends to discourage high tax and welfare levels, with industrial relocation among the states the disciplining force. On the other hand, where competition among states would hurt capital (e.g., trade policy) banking policy functions are centralized at the federal level (Friedland, et. al., 1978). Federal decisions regarding the delegation of state power among levels of government has thus shaped regional growth.

Finally, there have been two sets of explicit regional policies implemented in this century. First, in the 1930s, Tennessee Valley Authority, the Bonneville Power Administration, and sister proposals for other regional power and water development schemes aimed at stimulating regional economies through outright public construction and subsidy of a basic industrial cost. These explicit regional programs were legitimation devices to ward off radical transformation in regions with broad based radical coalitions (e.g., Communists and Black sharecroppers in the South). They succeeded. The TVA was a mainspring of the regional migration of manufacturing activity to the South and capitalist incorporation of wage labor. Bonneville was the key to the aluminum industry's location in the Pacific Northwest (the bauxite was imported), which in turn permitted the development of an aircraft industry.

In the post World War II era, territorially based policies gave way to regional planning which explicitly attempted to force integration of regions into the capitalist mainstream (Friedmann and Weaver, 1978). The postwar policy aimed at destroying isolated communities and existent regional networks by inducing regional migration to "growth poles"—cities organized around wage labor and full integration of the population into capitalist production and consumption structure. The most outstanding example is the Appalachian Regional Commission with its conscious intent to destroy the subsistence economy in the hollows, by encouraging people to migrate to Lexington and Cincinnati, by withdrawing health services and public schools from small locations, by emphasizing education and manpower training, and by encouraging capital to migrate into new growth pole cities (Burlage, 1970). Its major component was a new highway system designed to relocate people and jobs spatially, also a big boon to capital accumulation through the traditional method of stimulating the construction sector. This has succeeded in its task of securing capitalist incorporation, though not in eliminating poverty.

Thus the past records shows tremendous regional consequences from federal and state government policies. I have refrained from offering a comprehensive theory of causation or a definitive accounting because I believe that in large part the regional consequences were not the aim of the policy, but incidental to the more pressing needs of U.S. capitalism: State underwriting of accumulation, State discipline of labor, State championing of petty bourgeois structure in agriculture, State defense policy, and State distribution of favors to particular industries. But the belated recognition of these regional consequences and of their persistence is a prime force in the ideology and reality of contemporary U.S. regionalism.

THE NEW REGIONALISM

I have argued above that culture is not an important basis for contemporary U.S. regional identity, that economic differentiation exists but not consistently or nonreversibly across regions, and that the State has been the primary factor determining regional boundaries and an important force in regional differentiation. In this section I argue that the new regionalism is focused on the capitalist State for good material reasons

and that it is used by regional capitalist interests and sectors in government to obscure the basic class and corporate dynamics of the actual economic situation.

What is the new regionalism? It is the emergence in the early 1970s in the media, in the lobbying world, in regional organizations, and in the State itself (especially Congress) of a strong regional identification and assertion of conflicting interests among such loosely construed regions as the frostbelt, the sunbelt, the South, the Southwest, the Northeast, etc. (Markusen and Fastrup, 1978). While the emergence was concurrent with academic "discoveries" of reversals in central city and regional demographic and economic trends (Sternlieb and Hughes, 1977; Weinstein, 1977), and with state and local government fiscal ills associated with disruption in development paths, the actual popular jargon seems to have begun with several press accounts, namely Kirkpatrick Sale's Yankee/Cowboy hypothesis and the original National Journal article that announced "Federal Spending: The North's Loss is the Sunbelt's Gain" (Sale, 1973; Havemann, et. al., 1976).* Subsequent to the press announcement of the "Second War Between the States" (Business Week, 1976), Congressional caucuses on regional lines were formed and two Governor's groups emerged: the Conference of North Eastern Governors (CONEG) and the Western Governor's Energy Policy Office (WGREPO, now WGPO). Numerous groups launched studies of regional shifts in economic activity and population, and attempts were made to document federal favoritism toward one region or another (Rafuse, 1977, 1978).

The rhetoric, of course, obscured the primary culprit of regional hardship: capital mobility. While always a prompter of regional reorganization, capital mobility was particularly fierce and apparent in the early 1970s because of the conjunction of a recession and the energy crisis. The recession closed down the older industrial plant, located primarily in the more easterly regions, and bared the significance of state sector inducements, such as the interstate freeway system and post-World War II military base locations. The energy crisis, the only stimulus to accumulation during the recessionary period, channelled investment into a sector highly dependent on certain resources, mostly located in the South (the Gulf Coast) and the West (interior gas, oil, coal). Furthermore, the high capital intensiveness of energy production (hugh plants, pipelines) required a labor-intensive construction period, so that lots of short-run jobs mushroomed in these areas. During the recession the typical cylical repression of labor through unemployment

* Not so ironically, given its charge of sunbelt robbery of the northeast, the latter article uses data from, and seems to have been inspired by Dreyfus Fund (New York all the way) study of fiscal flows. Can we conclude that regional capitalists were the inspiration from the beginning? Nice, but not necessary.

and downward pressure on wage rates, and through cutbacks in social services, hit hardest in the Northeastern region and in central cities around the country. In response to high energy costs and labor militance, jobs continued to migrate out.*

From the point of view of capital as a whole, only the recession itself is a problem. The regional impacts, unless so severe that they affect the availability of other factors of production or regional markets—a possibility, are of no consequence. In fact, neoclassical economists would argue that this is simply the evening out of capitalist development, working toward an interregional equilibrium. The right of capital to pursue cheap labor wherever it exists, i.e., the right to mobility, is guaranteed by the State. (Despite the recommendation to Third World countries that they employ controls of all capital flows, the U.S. has never taken its own advice.)

Current U.S. economic structure produces different regional politics than the 19th century Eastern industry/commerce vs. Southern slave cash crop vs. Western agrarian politics. The hegemony of the capitalist mode of production and the mobility of capital have eliminated the 19th century economic cleavages between regions. The predictions by Turner (1932) and Hesseltine (1944) that U.S. sectionalism would persist were based on an assumption of continued divergent economic interests of major proportions, where the dominant classes in each region were based in entirely different and competing economic bases. Capitalist class interests have now become nationalized, even internationalized, so that the leadership of regional coalitions has devolved upon remaining locally tied economic groups such as the financial sector, and their government counterparts. But local financial capitalists, minus their industrial capital counterparts of an earlier era, are less strong as the core of a continued regional politics, so that they have made greater efforts to build cross-class coalitions.

Above, in the section on economic roots, I contended that two sets of economic factors still matter in regional politics. The first set, arising from capitalist "age" and growth experiences, produce a bewildering array of coalitions: rural vs. urban, Northeast/Midwest vs. South and West, which impede the establishment of contemporary "sections." Only the Northeast appears to be at all unified around this set of experiences, and even here several states have refused to join the common front. The second set, the enterprises with regionally fixed assets, are replicated across regions. They engage in competition for resources and privileges from the federal government and their own

* Not all of these jobs went to the South; in fact many went to Taiwan, the Phillipines, and Korea, and to rural areas within the originating region. But people seeing jobs leaving their yard and grow next door are apt to perceive next door as the locus of the problem.

state and local governments. This competition does not rise from regional differences but from substitutability: each set of bankers and rentiers want development to take place within its domain.

Unlike their multi-national employers, workers are apt to perceive that they have a stake in regional development. While many are mobile (especially professionals, certain classes of workers like construction, transportation, and farmworkers, and very poor people), frequently workers *want* to stay in a particular place for reasons of family, friendship, rearing children, home ownership, and what we might call affection for a particular environment. For workers, the costs of migration are much higher than for capital, so that while they may be forced (that is, "choose") to move, given the options, it is not a pleasant prospect. When workers see neighbors and friends get laid off, default on mortgage payments, or drink heavily, they fear the same consequences themselves, become angry and seek for the cause of their situation and a target for changing it. Similarly, workers and residents in boomtown communities fear the consequences of rapid growth—unless they benefit from it financially (see Markusen, 1978).

Regional leadership, which is generally the press, state and local government, and the Chamber of Commerce steps into this situation with the suggestion that the villain is other regions, that the federal government is in cahoots with those regions, and that regional citizens should join together to fight at the federal level for money to "save our jobs" or to mitigate adverse boomtown effects. The same corporations that are constructing new plants in Taiwan must lobby to "save" their plant and real estate investments locally or smooth the way for their intrusion into new areas. Since they cannot direct their demands to capital because they are part of capital and because they are engaging in precisely the same underlying behavior, they direct their demands at the State. Their hope is that State sector subsidies will dam up local deterioration or ameliorate disruptive boomtown growth so that their particular interests will be secured. The inclusion of labor in regional caucuses (but only big labor, not ethnic or community groups) obscures the responsibility of capital mobility, diverts workers' attention from the plight of workers in other regions, and focuses political energy on the federal government, not on capital locating decisions.

That the new regionalism should direct its demands to the State is not surprising, given the suggestion above of the State's past role in regional differentiation. Regional lobbies are the logical outcome of the growth in State expenditure and power, to the point where hardly any sphere of economic activity is free from State influence.

In addition to the sheer size of the federal government, two other features of U.S. political structure are important for explaining the new regionalism. First, regionalism is facilitated by spatial political representation, an ingenious synthetic device of the bourgeois state in the

U.S. democracy. Unlike the first nation-states under capitalism (England, France), where representation was strictly allotted by class (House of Lords, The French Estates), U.S. political representation is distributed by place. (The initial representation system was also classist, since it required property ownership, but the peculiar exigencies of colonial revolt required a geographical representation system that has become a powerful framework for democratic ideology.) People identify with government primarily on the basis of where they vote, e.g., as a Coloradan from the 7th District. On election night, mediated by the press, people watch how their city, county, and state voted rather than how their class of ethnic group voted. The political identification of citizens is individualist; one is a voter, not a Tory or a Socialist or a Communist. Secondarily, one may also be a Democrat or Republican, an identity that for the most part is mediated entirely by the press and the primary election ballot, not any real organization experience. Vaguely, the Democratic party may have some connotation of class, but its non-class character dominates (Bay Area Kapitalistate Collective, 1977).

Second, in the 1960s, demands on the federal state often originated directly from local ethnic or class groups, such as welfare rights, Blacks, poor people and were responded to by programs like Model Cities and OEO. The Nixon regime replaced these programs with a "new federalism" which strengthened local and state government through revenue sharing, and dismantled class and ethnic programs, ostensibly under the rubric of "decentralization." The new federalism makes more explicit the extent of federal government fiscal control over state and local governments (now as high as 40%) and sets up a formal competition among levels of government and regions for a share of the federal pie.

These notes suggest that the new regionalism is not perhaps all that new, but a more intense and more explicit manifestation of a process that has accompanied the growth of the capitalist State since its inception. It leads us to question the vociferousness of the regional charges and the strength of the claims of "newness" as perhaps ideologically inspired more than anything else. Above we noted that the new regionalism obscures capital's role and undermines worker solidarity across regions. It is this latter feature that is perhaps its greatest strength for capitalism as a whole. In an era when large-scale immigration is not a primary source of capitalist expansion of production, and ethnic and gender divisions are increasingly under attack, capitalism may fasten on regionalism as a means of promoting a new division of the working class, "placism" or more conventionally, "regionalism." To do so, given the remarks above about the virtual disappearance of strong ethnic or experiential differences among working populations in various regions, is certainly a credit to the ingenuity of capital. Could it be that capital is superimposing a new regional image and affinity back on regional members, packaged in a

way that it can easily be discarded by leavers or adopted by newcomers (Colorado is full of eastern-born cowboys whose saddle alternates between a truck and a bar stool). What are the prospects for the new regionalism and the contradictions within it?

THE PROSPECTS FOR THE NEW REGIONALISM

No social phenomenon of major import is without its contradictions. The new regionalism, which I have presented in its least attractive garb, does speak to people's concerns, even while it diverts attention from the fundamental causes. And, even if a reified conception, the region is where many people feel they can organize and affect change. Therefore, progressive impulses and organizations have also evolved on a regional level, sometimes competing for control of the regional political apparatus, sometimes building alliances across regions to destroy the divisive quality of the new regionalism. I would like to introduce them as part of the dialectic, by describing the logic of the scenario implicit in the above described new regionalism vs. the prospects for the future explicit in people's regional movements.

First, the pessimistic possibility. Suppose that the new regionalism encounters no resistance. Then perhaps twenty years from now we will be able to look back on it as a powerful device for bailing out capitalism yet one more time. It has multiple advantages for capitalism. On the one hand, it rationalizes the spatial structure of capital deployment at a time when its movement is becoming problematic. Whether this takes the form of impact aid for capital at both ends of the migration process (aid to distressed cities and aid to boomtowns) or the form of regulation of capital movement through locational incentives, it will smooth out the worst effects of mobile capital through restraint or subsidy. (The choice of a direction—subsidy vs. regulation—will depend on the relative strength of industries and regions in Congress vs. the constraints on spending by the State). The result will be consistent with the needs of capitalist accumulation and mobility, either by partnership of the federal government in stimulating the economy and investment through more infrastructure, or by further tax rebates and forgivenesses that encourage new investment in older areas. Thus a by-product is the use of regional trauma to guarantee a new wave of capitalist accumulation. And as we noted above, such policies will serve *regional* capital by bolstering the profitability of immobile plants.

Meanwhile, the ideology of regionalism will have served well in disuniting the working class across regions, with workers arguing for aid to cities, national development banks, etc., in the declining regions, and workers arguing for impact aid for infrastructure themselves and their children in booming areas. Each will see the demands of the other

group as antagonistic to their ends, since the regional debate will focus on who gets what rather than how big is the pie for all. Each group of workers will feel compelled to participate with regional capital in lobbying the federal government. They may also begrudgingly participate in disciplining their own ranks, since this will be represented as the only way to attract capital and stem further job outmigration. At the state and local level, they will also be compelled to permit public service cutbacks at the same time business tax rebates are extended, and to join in near scandals like the state of Pennsylvania's $50 million subsidy to Volkswagon to locate an assembly plant in Pennsylvania.

But this scenario is overdrawn. There is no reason to think that working people would in fact put up with such manipulation. Furthermore, already various manifestations of opposition to the new regionalism have developed. I will list several, certain that there are more that I have not yet learned of. First, there is the commitment of some unions, such as the UAW and the textile workers, to organize those areas of the country currently unorganized and to join with local workers to defeat state right-to-work laws. In the West as well, the United Mine Workers have organized the Navajos and are trying to organize strip miners in the more northernly states. This may herald a reversal in decades-long lack of interest by organized labor in organizing the unorganized.

Second, Western coalitions of ranchers, environmentalists, Native Americans and workers have formed to fight unrestricted energy development. The most sophisticated is the Northern Plains Resources Council in Montana, which is fighting to maintain the Montana severance tax, to protect and extend the state's progressive industrial siting authority, to oppose the proposal in Congress to allow the Bonneville Power Administration to preempt local control, to control strip mining and air pollution. They have stopped construction on the two new units of the Colstrip coal-fired electricity plant. The Council has spawned several sister groups, in Wyoming, North Dakota, and Colorado, and is working closely with the Northern Cheyenne Resource Council. It hopes to unite many groups in the Pacific Northwest to stop or control massive incursions of capital associated with energy extraction, production, and the feared consequent industrialization. It has also contacted groups in Appalachia, including the mine workers, about common interests at the national level regarding coal development and strip mining.

Third, environmental groups concerned with ecological damage, community health, and increasingly, worker's jobs and health, are succeeding in slowing down new capital developments, especially in the energy sphere, and propagating their oppositional techniques across many regions. New groups are appearing, such as the Appalachian Alliance, a new community and union-oriented umbrella organization to raise issues of development in Appalachia, and the National Citizen

Labor Energy Coalition, a national group dedicated to forging a strong alliance across those interests. Local and state level groups concerned with economic development have demanded controls on capital mobility and have designed their own alternative institutions. The Ohio Public Interest Campaign, for instance, calls for charging outmigrating capital the costs of its exit and requiring notice of intent to leave, embodied in a proposed law to the Ohio legislature. Environmental impact statements are a form of control over capital mobility, as are western states' siting authorities. Alternative institutions such as coops, publicly-owned and worker-owned businesses, community development corporations, and state banks exist, succeed, and challenge the inevitability of capitalist economic structure. These constituent organizations are supported by funds and analysis from various small foundations, technical assistance groups, academics, and the Conference on Alternative State and Local Public Policies.

If such groups succeed, the following more optimistic prognosis can be sketched. The new regional capital-dominated coalitions will find themselves thwarted by only partial cooperation from labor and other community groups. Such groups will have stronger ties to their kin in other regions and be unwilling to participate in disciplining their own ranks or going along with capital-inspired schemes such as the national development bank. Instead, interregional labor cooperation will succeed in unionizing across regions, preventing wage rate erosion, and standardizing welfare treatment. Interregional environmental and economic development groups will combine arguments about the physical and economic damage of capital mobility and press for severe controls on mobility. Interregional groups will continue to make inroads on the private sector by using public funds and people's labor power to build public and cooperative institutions that form an alternative and a move in the direction of socialism. As private capital becomes less profitable, because it is held responsible for its regional damage, smaller scale, decentralized and locally controlled production will become increasingly possible. Changes in the economic base will be accompanied by changes in the political base that reintroduce real democracy into the political sphere.

Of course the forces of reaction are strong. The most serious threat to this second scenario is imperialism. Thus a progressive interregional strategy is only a part of an international strategy. In addition, the possibility of repressive deployment of the State in the interests of capital in the face of strong interregional coalitions of workers and community interests is also a possibility. At that point, we would be talking revolution or fascism.

Speculation ends here because the future cannot be predicted. I have laid out the elements of the emerging new regionalism in the U.S., specifying its cultural, economic, and political content. Economic

realities will condition the possibilities, but political struggle will determine the outcome.

Department of City and Regional Planning
University of California, Berkeley

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Mexican Immigration and U.S. Immigration Reforms in the 1960's

Robert L. Bach

This paper examines the processes of capital accumulation and various manifestations of class struggle which constitute Mexican immigration to the United States. These processes are examined in relation to the political activity involved in changes in U.S. immigration policy. The period of study is formed by the consolidation of U.S. state intervention in the Mexican labor flow during the Depression and by the substantial change in the sectoral destinations of Mexican workers in the U.S. at the end of the 1960's. Two policy reforms are of particular interest during this period: the extension and then abrupt end to the Bracero Program (Public Law 78) and the amendments to the Immigration and Nationality Act in 1965. The analysis tries to identify the contradictory relations which bring about the immigration reforms, but which simultaneously redefine the subordinate positions of Mexican workers in the United States.

Migration and State Intervention

The limits of state action toward immigrant labor are produced by the intersection of two processes. On the one hand, there are the relations of accumulation which exist in a global form and are imposed upon by the political forces contained in nation-state formation. The capitalist state, formed historically in conjunction with the expansion of capital, maintains its power from continued private accumulation and acts to promote this private success through the protection of property and capitalist social relations in general. Accumulation on a global scale means, then, that the state must facilitate the exchange of commodities,

including labor power, in and out of the territory formed by the nation-state.

On the other hand, in representing the political vehicle of the capitalist class as a whole, the state becomes the locus of class struggles which threaten these relations of exchange. The state must respond to these struggles in such a way as to maintain its legitimacy as the institution of universal political representation, while maintaining its own contribution to economic stability. The conflict which rises out of these contradictory relations stimulates an expansion of state intervention into the relations of exchange, in this case immigration, through policies of regulation, amelioration and repression.

At this abstract level, then, U.S. state action toward the Mexican labor flow is largely the unfolding of two inseparable processes: the basic contradictory relations between global accumulation and political intervention on the relations of exchange; and, state intervention to rationalize the resulting conflict by regulating commodity flows and stabilizing working class struggles.

At the more specific level of everyday political behavior, what becomes a matter of public debate is the actual decision-making process affecting the specific mix of strategies adopted, policies emphasizing either repression or amelioration of certain sectors of the working class. This "strategy mix" is politically important but far from critical since what is most important are those alternatives not subject to public debate. As historically structured, then, the reforms adopted by the state merely ensure the continuing contribution of immigrant labor.

But this is not to say that each such reform *resolves* the problems created by the basic contradictory relations. Instead, each set of reforms tends to increase state intervention in the immigration flow and, thus, raise the level of political involvement in maintaining the flow.

This paper attempts to show how these processes are expressed, first, during the 1950's when the state regulated the import of Mexican workers into the U.S. and, second, how the reforms of the 1960's actually helped to restructure a stable pattern of Mexican immigration. The research task is to examine the historical conditions which define the limits of state intervention during both decades. Specifically, this involves a consideration of the importance of Mexican labor in Southwest agriculture and the reaons for state regulation of this labor, the level of working class struggle as a whole, the circumstances surrounding each reform, and, finally, the restructuring of the subordinate conditions in which the immigrants sell their labor power in the U.S. This last section defines the relations which form the basis of the current political debate over Mexican immigration.

Consolidation of State Intervention

The period under study begins with the consolidation of state intervention in the Mexican labor flow during the Depression and immediately afterward. New Deal legislation increased the regulation of production and efforts at ameliorating the worst conditions of the working class, setting the relations of the state to labor and, in particular, to immigrant labor. Specifically, mechanisms of pacifying domestic labor troubles with restrictionist immigration policies suggested and developed earlier in the century by local governments and charities were adopted at the federal level as national policy.

The basic strategy was one of the expansion of social welfare programs along with immigration restriction, both mechanisms serving to cushion the worst effects of the economic collapse.[1] However, as immigrant labor continued to be of substantial structural importance in the U.S.,[2] these interventionist strategies intensified the political debate over immigration as much of this labor was forced into an illegal path of entry. Increased politicalization of the labor flow centering on the question of illegality forced the need for further state intervention.

Regulating Foreign Labor: Public Law 78

In the midst of World War II, a program of Mexican labor import, the Bracero Program, was enacted which was designed to overcome a temporary shortage of agricultural laborers. The Program hired Mexican laborers under contract with wages and working conditions monitored by the Mexican government and controlled by the U.S. government. Most of this labor was used in the Southwest in cotton, fruit and vegetable production. Outside the Southwest, Michigan was the only state to use a substantial number, reflecting the importance of Mexican laborers in sugar beet production.

Although the Bracero Program was designed as a temporary measure, it was clear by the time of the post-War recovery that two factors argued in favor of the program's extension. First, public attention had been attracted to the illegal flow of migrants into the country stemming from the Depression-related reforms.[3] State intervention was called upon as the published figures showed a steady increase in the illegality of the immigrant flow. Second, extension of the Program was supported because of the existing level of state cooperation in providing a stable, supervised labor force to Southwest agriculture. Deregulation at this time would serve as a major source of instability in national food production and as a detriment to further national economic growth.

The data in Table 1 portray the image of Mexican immigration that was available to state managers at the time. The figures themselves must be

interpreted with special care, but they represent, nevertheless, the official evaluation of the extent of the labor flow.[4] The table provides yearly figures for three types of Mexican laborers entering since 1948: legals, apprehended illegals and Braceros.

The last column presents the evidence for the general picture of the increasing volume of Mexican laborers entering the U.S., from 195,153 in 1948 to 896,441 in 1953.[5] This picture of a rising flow signalled an apparent need for these laborers, but also revealed its troublesome feature in that the flow appeared to be mostly illegal, the illegal portion of recorded immigrants being 80 percent in 1948 and dropping only to 76 percent in 1953. Government officials argued that without a sufficient legal outlet, combined with the continued labor recruitment by U.S. employers, the illegal flow would continue to dominate. However, this illegality directly violated the minimum standards won by labor during the Depression and threatened to refuel the continued labor struggles over the immigrant labor system.

The dilemma posed to government managers was how to ensure the contribution of immigrant labor while countering its illegal form. The response was to expand regulation of the immigration with a program that attacked both sides of the issue. Public Law 78 permitted a supply of low-wage Mexican workers into the Southwestern fields and attempted to erase the source of potential opposition to the flow through leglization. However, the entire character of the state response was not fully uncovered until 1954, when Operation Wetback proceeded to remove a substantial portion of suspected illegals and to establish a repressive deterrent to future illegal immigration.

The consequences of this intervention are also partially revealed by the figures in Table 1. Following the year of Operation Wetback, the Bracero portion of the registered flow became dominant, rising from 59 percent (59.4 percent) in 1955 to a high of 90 percent (90.1 percent) in 1959. Agriculturalists gained their desired labor as over 400,000 workers were admitted yearly (1956-1959), while the *public presence* of the illegal immigration declined. The proportion of apprehended illegals dropped from 76 percent (75.5 percent) in 1953 to a low of only five percent (5.2 percent) in 1959. Such apparent consequences led one legislator to announce that Public Law 78 was the most successful state program protecting domestic workers from the unfair competition of illegal wages.[6]

These legislated outlets were not the only mechanisms used to regulate the labor flow, as much was done administratively through the activities of the Border Patrol.[7] From 1947 to 1949, efforts to legalize the flow completely were insufficient, with only 74,000 Braceros contracted directly and the presence of illegals increasing steadily. Consequently, during this same period the Border Patrol intervened to legalize ("dry out") 142,000 wetbacks in a direct attempt to provide more low-wage

TABLE 1
Immigration from Mexico to the United States, 1948-1974[a]

Year	Legal Entrants	%	Estimated Illegal Entrants[b]	%	Braceros	%	Total
1948	3730	1.9	156078	80.0	35345	18.1	195153
1949	7977	2.3	233485	67.0	107000	30.7	348462
1950	6841	1.5	379354	83.6	67500	14.9	453695
1951	6372	1.0	412322	67.5	192000	31.5	610694
1952	9600	1.0	428341	67.5	197000	31.0	635041
1953	18459	2.0	676602	75.5	201380	22.5	896441
1954	37456	3.0	920040	72.6	309033	24.4	1266529
1955	50772	7.6	221674	33.0	398650	59.4	671096
1956	55047	9.8	62625	11.1	445197	79.1	562869
1957	49154	9.4	38822	7.4	436049	83.2	524025
1958	26712	5.4	32556	6.6	432857	88.0	492125
1959	23061	4.7	25270	5.2	437643	90.1	485974
1960	32684	8.8	22687	6.1	315846	85.1	371217
1961	41632	11.7	23109	6.5	291420	81.8	356161
1962	55291	20.2	23358	8.5	194978	71.3	273627
1963	55253	20.2	31910	11.6	186865	68.2	274028
1964	32967	13.4	35146	14.3	177736	72.3	245849
1965	37969	37.1	44161	43.1	20286	19.8	102416
1966	45163	36.1	71233	57.0	8647	6.9	125043
1967	42371	31.0	86845	63.4	7703	5.6	136919
1968	43563	27.8	113304	72.2	—	—	156867
1969	44623	21.9	159376	78.1	—	—	203999
1970	44469	16.9	219254	83.1	—	—	263723
1971	50103	14.7	290152	85.3	—	—	340255
1972	64040	15.3	355099	84.7	—	—	419139
1973	70141	10.8	576823	89.2	—	—	646964
1974	71586	9.2	709956	90.8	—	—	781542
Total	1027036	8.7	6349582	53.6	4463235	37.7	11839853

[a] Adapted from Jenkins, 1977.
[b] For years 1948-54 estimate is .90 of total reported apprehensions.

labor while making it politically more acceptable.

This system of regulation through legislative and administrative efforts came to provide agricultural capital with a stable labor market throughout the period of expansion in the 1950's. But with the contribution of this regulated labor system the success of the agricultural boom

considerably changed the relations of production involving immigrant workers.

Agricultural Expansion

The success of agricultural capital during the 1950's was built upon the ability to maintain a level of generally low wages while making major productivity gains through widespread mechanization. Each of these maneuvers was facilitated by the employment of migrant labor, particularly immigrant labor. Agricultural capital was able to pull in a temporary labor supply and then expel them without major political challenge. Former Secretary of Labor James P. Mitchell summarized these maneuvers in the following revealing manner:

> Modern processing, packaging and marketing techniques have brought to agriculture the stylization and management methods of industrial production—a system in which the migrant appears as an economic element, as one of the phases in the process. . . .
>
> and the migrant can expect to be considered, by many who employ him, and in the literal sense of the word, a 'commodity' to be bought and used at the lowest possible price.[8]

The extent of the agricultural boom and its consequences for agricultural laborers are described by Table 2. These data are single year averages indexed to 1967 and express the growth in total output and worker's productivity—defined as output per man-hour.

The national figures are presented for the sake of a general comparison. Between 1947 and 1964, both total private output and workers' productivity rose by over 40 percent. Meanwhile, total employment and hours of employment increased 11.9 percent and 5.3 percent, respectively. Agricultural output and productivity followed a generally similar trend. Output increased about 18 percent (17.9 percent), less than half the national increase, while productivity outstripped the national rise by more than 11 percent.

The social character of this agricultural boom is spelled out most clearly by the employment figures in columns three and four. Agricultural employment declined rapidly at an average annual decrease of 3.6 percent or 103.8 percent of 1967 levels over the entire 18 years. Hours of work dropped similarly at an average annual decrease of 4.2 percent. These figures clearly reflect the extent of mechanization involved in and the labor redundancy created during the post-World War II period. Specific sectors show this trend even more. For example, in cotton farming, which by sector accounted for 60 percent of the employment of bracero labor, significant moves were made to mechanize during the 1950's and, by 1962, 70 percent of all cotton in the U.S. was harvested mechanically. The result was that in harvesting alone 250,000 jobs were lost between 1959 and 1961.[9] It was, in fact, this success in expanding

TABLE 2
Index of Productivity and Related Data
for Private Total and Farm Economy, 1947-1964

Indexes (1967 = 100)

Year	Output per Man-Hour		Output*		Employment		Hours of All Persons	
	Total	Farm	Total	Farm	Total	Farm	Total	Farm
1947	52.3	32.7	46.7	80.7	81.3	221.7	89.3	246.9
1948	54.5	36.4	48.9	86.8	82.3	214.3	89.8	328.6
1949	56.2	36.4	48.8	86.1	80.7	216.7	86.9	236.5
1950	60.6	41.5	53.4	90.9	82.0	203.4	88.1	218.9
1951	62.6	42.0	56.7	87.2	84.3	190.3	90.6	207.4
1952	64.5	45.1	58.5	88.9	84.7	182.5	90.7	197.2
1953	66.7	51.0	61.1	93.2	86.1	167.2	91.6	182.5
1954	68.0	53.9	60.3	95.6	84.1	165.1	88.6	177.3
1955	70.4	54.7	64.9	98.6	87.1	170.4	92.2	180.3
1956	70.7	56.7	66.3	97.3	89.3	166.1	93.8	171.6
1957	72.8	60.1	67.3	94.9	89.3	156.5	92.5	157.9
1958	75.6	67.6	67.0	99.0	86.4	146.2	88.7	146.4
1959	77.9	65.0	71.5	95.3	88.9	145.7	91.8	146.0
1960	79.0	70.5	73.0	99.7	90.0	140.5	92.5	141.4
1961	81.9	74.7	74.6	100.0	89.4	134.7	91.1	133.8
1962	85.5	76.8	79.1	99.7	90.7	128.5	92.6	129.7
1963	88.4	81.6	82.4	101.4	91.4	122.4	93.2	124.3
1964	91.9	83.9	86.9	98.6	93.2	117.9	94.6	117.5
Total Change	+39.6	+51.2	+40.2	+ 17.9	+11.9	−103.8	+ 5.3	−129.4
Average Yearly Change	+ 3.4	+ 5.8	+ 3.8	+ 1.4	+ .8	− 3.6	+ .4	− 4.2

Source: Table G-1, Employment and Training Report of the President, 1976.

* Refers to GNP in constant 1972 dollars.

agricultural production which helped thrust both Mexican and Chicano labor into the labor-intensive manufacturing and service sectors of predominantly urban areas.

Mexican laborers, however, maintained some of their importance in agriculture. In fact, as the numerical significance decreased, their presence actually became more crucial.[10] This is true for two reasons. The low wages required by *particular* sectors of agricultural capital restricted the willingness of domestic labor to take these jobs. Moreover, the whole process of mechanization, land concentration and labor displacement, reflected in a change in the type and size of farms, forced domestic labor into a migratory labor system of their own, leaving employers to draw in foreign labor behind.

What seems to be most important is that mechanization confined the use of Bracero labor to specific regions and sectors which had a higher stake in maintaining this labor supply. By the late 1950's, for instance, 94 percent of all braceros were employed by approximately 50,000 growers in only five states, while 98 percent of all the nation's farmers used no braceros.[11] A major portion of the farms continuing to use Bracero labor involved those fruit and vegetable farms which could not take advantage of mechanization.[12] In tomato production, bracero-dependent states outstripped average tomato production in non-Bracero states. In addition, tomato production during the heavy bracero years (1955-1959) increased some 40 percent over the 1949 to 1955 average tomato output.[13]

For those sectors of agricultural capital using bracero labor and domestic migrant labor as well, the advantages are clearly evident in the level of their working conditions. Wages, housing conditions and educational levels were all close to the lowest in the U.S. In 1959, domestic farmworkers averaged approximately $892 per year on an average of 125 days of work. Moreover, they existed outside the protection of most social legislation.[14] In 1960, farm laborers averaged only 80¢ an hour, just over a third of the average factory workers' wages ($2.29 per hour).[15]

Although it is difficult to demonstrate this,[16] the presence of bracero labor also seems to have had a generally negative relationship to the level of wages. The U.S. Department of Agriculture reports that from 1953 to 1959, for example, farm wages increased by 14 percent. But in those areas using braceros, average wages remained the same. This same report adds several more specific observations. In Mississippi County, Arkansas, where 11,000 braceros were employed annually on cotton farms, cotton pickers' wages remained the same from 1953 to 1960, despite a 28 percent increase in the statewide hourly wage. A similar pattern was found in the bracero-dominated Imperial Valley of California, where wages were 35¢ lower than the statewide average.[17]

The continued use of bracero labor meant politically that from this sector of capital's point of view, the need for state regulation survived the effects of mechanization. But here lies the problem for state managers. On the one hand, the concentration of the use of bracero labor on a

relatively few farms of a particular type established more clearly the legalized labor program as an advantage to a *particular* sector of capital, thus revealing the apparent instrumentality of agricultural's political influence.

But, on the other hand, since much of this labor had been pushed out of agriculture, the objective need for this labor to maintain a pattern of stable growth was no longer essential. That is, the labor import program had become of considerably less value to agricultural capital as a whole.

Both of these factors weakened the structural importance of the Bracero Program, while making it politically vulnerable. Consequently, as the conditions of domestic labor once again became a political issue, the historical connection between the international labor system and domestic labor troubles was renewed at the level of public debate.

Political Opposition

The apparent liberation of the early 1960's, which is much emphasized by those focusing on time-specific issues, is based primarily on the "welfare explosion" during those years. But, as we know,[18] these welfare rolls did not expand at a time when labor conditions were most wretched but when these conditions were "discovered" during periods of social protest. Much of this welfare expansion resulted from the displacement of agricultural labor and the migrations of black workers to Northern cities which coincided with the eruption of civil disorders. The government response, of course, was not to challenge the pattern of capital expansion, which indirectly gave rise to this protest, but to put down the disorders and stabilize conditions by expansion of the welfare rolls and the initiation of aid programs aimed at the urban poor.

Immigration reform in the 1960's became linked to these welfare concerns, not only coincidentally, but in practical political terms. As mechanization and labor displacement increased unemployment and worsened conditions in rural areas, political forces struggling against widespread poverty and discrimination came to focus on agricultural laborers and the conditions found were linked directly to the presence of bracero labor.

Beginning with the Eisenhower Administration, the Department of Labor moved to upgrade the worst conditions of *domestic* farm laborers. Secretary of Labor Mitchell moved to increase regulation of the migration system through the Employment Service, from which growers of fruits, vegetables, cotton and sugar beets used to secure their seasonal labor.[19] These regulations were intended to establish pay scales, adequate housing standards and hiring guidelines, and were particularly designed to put an end to undercutting practices.

The presence of bracero labor soon became recognized as a related issue. The AFL-CIO supported the Labor Secretary's arguments by attacking Mexican immigration as a form of "imported colonialism." Other major trade unions, like the United Mine Workers and Railway Brotherhood, joined the opposition to imported foreign workers, along with various religious and community groups.

These early attempts, however, met with miserable results. It was not until the early 1960's, when the civil rights movement was in full swing, that the attack on Public Law 78 took on the character of a serious challenge. Two factors seem important. First, the assault on government legitimacy included a direct attack on the "imported colonialism" practices of Public Law 78. In particular, the movement for civil rights for blacks was attached to brown and migrant labor. Second, as was pointed out earlier, agricultural capital's stake in the special conditions of migrant labor had weakened substantially. This did not mean less political influence peddling from agriculturalists but, instead, the recognition by state managers that economic stability was not to be jeopardized by the withdrawal of this certified labor.

The early 1960's saw a number of exposés on the conditions of migrant labor which paralleled those conditions of blacks in the South. Perhaps the most well-known was a CBS television report, "Harvest of Shame," which portrayed migrant workers and their broken families living in shanties with little sanitation, poor enough that their children had to work in the fields instead of going to school, *and* in competition with foreign imported labor for available jobs. But the major argument which finally established a basis for terminating Public Law 78 (by a narrow vote margin even then) was a *specific* link between the rationale of the extension of the civil rights movement and Public Law 78.

During 1962 and 1963, when the civil rights bill was moving toward eventual passage, Southern legislators were, on the whole, the most vocal in their opposition. One particular argument was that federal intervention in ensuring integration of public accommodations was a change in the historically derived rules of the relations between federal, state and local branches of government. Numerous proponents of the civil rights bill countered by pointing out the contradictory stance of these Southern legislators. It seems that one of the precedents for the civil rights bill was contained in Article Eight of Public Law 78, which established grounds for the Federal government to intervene directly in preventing the employment of Braceros in communities which barred Mexicans access to public facilities. Article 8 has been invoked several times when Mexicans were refused service in local shops in Texas.[20] This specific connection between civil rights and immigration law became public record as the major national newspapers carried articles emphasizing the fact that Southern legislators were supporting a public accomodations law in Public Law 78, but opposing it as written into the

civil rights legislation.[21]

Public Law 78 was defeated finally through this specific connection. Its termination in 1964 coincided with the successful passage of the Civil Rights Act of 1964, both pieces of legislation receiving support from similar social groups and Congressional representatives.

The connection between the civil rights struggles and immigration reform continued to guide political debates as they led up to the Immigration and Nationality Act of 1965. Perhaps the best way to see this is to ask why it was at this particular time that the immigration law became a political issue. For as Attorney General Robert Kennedy remarked, "the most remarkable thing is that we did not insist on the reforms long ago."[22]

The amendments involved three major provisions; an end to the national origins quotas, an emphasis on facilitating family reunification, and a preference system designed to encourage a positive skill selectivity among potential immigrants. In addition, a numerical ceiling would be placed for the first time on Mexican immigration. To understand the question of timing, it is important to realize the obvious incongruity between a nationwide movement for civil rights and an immigration law selective of white, Northern Europeans and practically prohibitive for Asians and Africans. Senator Fong (Hawaii) pointed to such a conflict in a speech introduced by remarks about the civil disorders in Birmingham, Cambridge and New York City:

> For as we move to erase racial discrimination against our own citizens, we should also move to erase racial barriers against citizens of other lands in our immigration policies and laws, which are replete with racially discriminatory provisions.[23]

The primary purpose of the amendments to the Immigration and Nationality Act, as stated in the public debates at least, was an attempt to overcome the inequity in the national origins provisions of previous immigration laws.[24] But it was clear that these quota challenges were placed well within the ongoing civil rights battle. Cabinet members, church and civil groups, Congressmen and the nation's newspapers lined up in support of the reforms. The Washington Post editorialized:

> Once the civil rights bill is enacted into law, immigration policy should be high on the congressional agenda. Discrimination on grounds of race and origin is as un-American at the country's gates as it is inside them.[25]

Even the major trade unions altered their longstanding opposition to "liberalization" of the immigration laws, taking a very strong anti-discriminatory position.[26]

Provisions for facilitating family reunions had also been suggested but defeated in Congress before this time. John Kennedy led these earlier efforts with unsuccessful legislative drives to erase the arbitrary quotas of the 1952 immigration law in 1957, 1958 and 1959. It was only in 1965, when the general drive was on to remove the image of

"imported colonialism" from the import of foreign labor, that a family reunification provision was successfully introduced into the immigration law.

This all seems to be a tremendous outpouring of concern for migrant laborers and their families. But viewed historically, it becomes clear that these immigration reforms were promoted as part of a broader social welfare strategy to gain political leverage on the social and political unrest of the time. That these reforms were achieved well within the structural contraints of a capitalist state in establishing political stability and maintaining a source of low-wage labor—and therefore can hardly be said to be "upgrading" or "modernizing"—is evident in the actual terms of the debates themselves.

Stabilization

The primary constraints upon state intervention can be seen first in the nature of the political opposition to Public Law 78. Opposition groups actually helped to identify and narrow the range of policy alternatives considered by state managers. The major trade unions, joined by most religious and civil action groups, sought to eliminate the labor import program but, in turn, accepted the need for a continued supply of low-wage domestic migrant labor to large-scale agricultural capital.[27] As one of the most outspoken critics of Public Law 78 put it, a government program was needed to reduce the level of foreign labor immigration and "help stabilize and bring some order into the farm labor marker."[28]

Limited policy alternatives were also evident in the debates on the Immigration and Nationality Act. As various *supporters* of the reforms emphasized, the whole purpose of the reform was not to affect the already accepted volume of legal immigration but to insist that the criteria upon which immigrants are admitted be changed. In fact, as President Kennedy acknowledged, there was general agreement on the amendments from both Democrats and Republicans:

> There are only a few basic differences between the most liberal bill offered in recent years, sponsored by former Senator Herbert H. Lehman, and the supporters of the status quo.[29]

What these reforms would do, however, is to fulfill the explicitly stated goal of the priority system,[30] which was to admit those highly skilled immigrants who had special contributions to make in the areas of science and technology. That is, the 1965 law had as little to do with substantially changing those economic relations subordinating migrant workers than did the reform and termination of Public Law 78.

Finally, the relatively inconsequential economic impact of the end to Public Law 78 supported the perceptions and challenges of those state

mangers and technicians who had argued that bracero labor was not essential to agricultural production in general. Instead, it became clear that immigrant workers were contributing directly to only a particular fraction of agricultural capital. Thus it was precisely when the direct influence of Southwest growers would have been most needed *but* politically revealing that the state moved in a way apparently in opposition to this fragment of capital.

The consequence of these actions was to dissipate—temporarily—the political opposition to foreign migrant labor and to the conditions of agricultural labor in general. This political peace served to facilitate the reproduction of the subordinate positions of immigrant workers. That is, the *successful* reforms of the 1960's were based on and contributed to the merger of two sets of relations which account for the subordinated positions.

On the one hand, the intervention to reduce the image of "imported colonialism" focused on agricultural production, while Mexican workers were shifting their location to the competitive, manufacturing and, particularly, small-scale urban sectors. But in these areas, the lack of working class organization meant that the state's ameliorative and regulatory reforms had little chance of being enforced. Meanwhile, the end to Public Law 78 and the passage of a numerical restriction on legal Mexican immigration rendered illegal the flow of these workers into the shifted locations.

The consequence of this conjuncture was that the part of the 1960's reforms that had the widest impact on the conditions of immigrant labor was not the regulatory or ameliorative efforts but the political restrictions. That is, just as the Depression-related reforms had created the conditions for the emergence of the political problem of illegal immigration, so the reform of the 1960's set up similar relations. Mexican workers continued to enter the U.S. not only as an addition to the low-wage domestic labor force but as a fragment, that is distinguishable part, of th working class defined by its special relations to the state as a politically defenseless group.

Contemporary Structure

The structure of Mexican immigration during the 1970's is largely the unfolding and continuation of the relations described above; the changing fraction of capital benefiting from immigrant labor and the overriding importance of the illegality of this labor. The state response has been consistent with its historical tendencies, striving for a way to resolve the political conflict while maintaining the labor flow.

Braverman has aptly summarized the relations of production which now engulf much of the Mexican immigrant flow:

The masses of labor sloughed off by the rapid mechanization of industry (and this includes not just those who lose their jobs, but, much more important numerically, *those who keep coming into the employment market* at a time when traditional opportunities for industrial employment are shrinking) furnish the labor supply for the clerical, service, and sales fields.[31]

Mexican immigrants constitute an essential part of this mass of laborers in the bottom positions of primarily urban, fragmented labor markets. According to most existing studies, which admittedly are fragmentary and particularistic, Mexican immigrants are gaining employment in predominantly unskilled and semi-skilled jobs within the construction, manufacturing and service sectors.[32] Socially, the immigrants cluster in ethnic neighborhoods of the larger metropolitan areas where they make few demands on social services[33] but the most of kinship networks both in the U.S. and Mexico.[34]

The tales of oppression and outright abuse of Mexican immigrants and Chicano labor and the structural reasons for these general conditions have become well-known.[35] Even representatives of monopoly capital have supported somewhat energetically governmental plans to reduce the number of such outrages.[36] However the significance of Mexican labor is greater than its mere addition to the reserve army. What is particularly important about Mexican immigrant workers is that, relative to the activity of the workers in similar conditions, their illegal status politicizes a critical part of the current structure of accumulation. That is, while poor white, brown, black and female labor may be conveniently ignored during the current political calm, the illegal "problem" has become an object of political awareness and increasing struggle for various groups.

Some major trade unions,[37] not least of which the United Farmworkers Union, have reversed their strong opposition to the immigrant workers and, instead, have redirected their activities toward employers and lack of governmental regulation. Various Chicano groups have also come to recognize a certain commonality of positions and interests. The immigrants themselves continue to struggle in ingenious ways to legitimize their illegal presence by using the ameliorative provisions of the Immigration and Nationality Act to gain legal re-entry.[38]

Much of this political activity has successfully turned the illegal issue into a potential threat to accumulation and a burden to capital in general. State managers have moved throughout the 1970's with various legislative attempts, so far unsuccessful at the national level, to pass bills which penalize employers for hiring illegals, monitor more closely employer-worker relations and enforce existing labor standards. Most recently, in 1977, the Carter Administration attacked the highly publicized abuses and offered a restricted amnesty to illegal aliens already in the U.S. for more than seven years.

But the state has also moved during the 1970's to regulate this labor

flow directly through an extension of a program of commuting, which permits a regular flow of Mexican workers across the U.S./Mexican border. The Carter Administration has again moved in this policy direction by offering the U.S. Employment Service as an administrative mechanism to locate and substitute comparable low-wage labor to those agriculturalists still using Mexican labor to harvest fruits and vegetables.[39]

These and other programs have had only partial success. Part of the reason may be that the labor flow can not be so easily defined and isolated as "imported colonialism." The nature of the current struggle is increasing an urban one, involving competitive sectors of capital which can not be so readily pressured by state intervention. In addition and perhaps most importantly, the conditions of illegal workers are increasingly discovered as similar to and related with the conditions of Chicano and black labor in general. Mario Vasquez, international organizer of the International Ladies' Garment Workers Union, has suggested such a theme when he said, "about 70 percent of our members are Spanish-speaking and we do not check on their immigration status. Our foremost interest in them is as workers."[40]

The political potential of such a connection is important. For if the state must confront Mexican immigrant labor as a constitutive part of more generalized working class conditions, rather than the cause of these conditions, then the long-standing strategy of social welfare-immigration restrictions may be broken. A strategic weapon of the state in defusing working class struggles would thus be lost and the political problem would fall heavily into the laps of current state managers.

Summary

It may be useful at this point to summarize briefly in an abstract way the conjuncture of the 1960's and the structure of relations which emerges. This requires a restatement of the fundamental contradictions in U.S. immigration policy.

On the one hand, the state has intervened through social welfare reforms to reduce the intensity of political struggles during a period of massive unemployment. However, these reforms raised the social costs of domestic labor which contributed to creating those positions which make use of and require the cheaper labor power of Mexican immigrant workers.

But, paradoxically, immigration restrictions were formed as a fundamental part of the social welfare reforms in concession to the demands of domestic labor. The consequence is that as social welfare reforms expand, either temporarily or as a long-term trend, restrictions or even regulations also tend to expand.

The problem created by these contradictory tendencies is that just as foreign labor becomes increasingly important for capital as a result of the gains of U.S. labor, access to this labor becomes politically troublesome. As a result, immigration becomes a current focal point of class struggle and, indeed, a sort of barometer measuring the contemporary problems for capital in maintaining its insatiable habit for cheaper labor power.

In fact, as one looks elsewhere, the widespread political crises over immigration in recent years in England, West Germany, France and Switzerland, particularly in light of the fact that illegal immigration is at the root of much of the problem, suggests a more general crisis of state intervention in global accumulation. Of course, the global migrant labor system is not the only or even the most important problem facing capital and labor-importing states. But it may be that for the working class the common interests of immigrant and domestic workers represents one of the most important grounds for current political battle.

State University of New York
Binghamton, New York

FOOTNOTES

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12. "Protecting the American Family Farm and Farmworker," *Congressional Record,* Vol. 106, Part 5, 5921-5923, March 17, 1960.
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14. *Congressional Record,* Vol. 106, Part 6, 7914-7915, April 11, 1960.
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16. For an elaboration of this point see Bach, Mexican Workers in the United States, unpublished dissertation, Duke University, 111-113, 1978.
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The Expropriation of the Means of Administration: Class Struggle Over the U. S. Department of Labor*

Nancy DiTomaso

I. *Introduction***

Two tasks confront the capitalist class as it tries to maintain control over the working class while at the same time gaining their cooperation in accumulation: first, it must use the state to prevent crises, to shape them while in process and to end them when they threaten to transform class relations; second, it has to prevent the working class from effectively using the state in its own interests, such as increasing the social wage, engaging in social unrest, or pursuing activities that would delegitimize the capitalist system. To maintain its domination over subordinate classes, the dominant class uses various "strategies of control," and similarly subordinate classes use various "strategies of resistance" to control (which are simultaneously "strategies to gain control"). In the recent literature on the state, much has been written about domination through both coercion and ideology, but very little has been written on the organization of legitimate authority into rational-legal structures (i.e. bureaucracies) as a strategy of control by the dominant class.

In this paper I will analyze the formation and development of the U. S. Department of Labor at two critical periods. I want to examine the "dialectics of domination" in reference to Weber's notion of "hierarchy" within bureaucracies (or in current usage, the "centralization" of authority) as a strategy of domination used by the capitalist class. My

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** See the end of article for a list of acronyms.

aim is to show how the political demands of subordinate classes under capitalism can be defused and isolated by the institutionalization of authority within the state.

I will argue that the organization of the state itself embodies within its structure the relationships of domination between classes in a capitalist society. Class struggle affects each of the following questions about the organization of the state: who defines legitimate goals? what is the range of legal authority? how large is the budget and what items does it contain? what is the pattern of authority and decision-making? and how is the recruitment and screening of personnel carried out? Dominant classes will always try to create particular organizations of authority that will institutionalize their domination in such a way that effective access to power by subordinate classes is minimized.

Despite the institutionalization of authority, domination cannot be frozen in the structure of the state, because the state itself is an object of class struggle. Bendix's description of administration in industrial organizations applies to public bodies as well:

> . . . employees continue to 'bargain' silently over the rules governing their employment, long after they have signed the contract which stipulates these rules in a seemingly unambiguous manner. And managers endeavor to minimize or eliminate this 'silent bargaining' (and thereby to maximize the predictable performance of employees) by the strategic use of penalties, incentives and ideological appeals. (Bendix, 1956: 247)

Both in the original creation of an agency of the state and in the subsequent administration of the agency, the dominant class engages in a continual class struggle with subordinate classes. The domination of the capitalist class, in other words, is maintained by the expropriation of the means of administration from subordinate classes. (The means of administration may not have actually been in the hands of subordinate classes any more than the means of production actually were in their hands in the transition from feudalism to capitalism, but the emergence of the nation state did transfer power from clans and fiefdoms to an impersonal state.)

The U. S. Department of Labor offers some interesting insights into this process, because it is an agency that is expected to represent the interests of the working class. In what follows I will examine this department at two points in its history: its early formation and during a recent period in which the expansion of some controversial programs led to pressure to reorganize it. I will analyze the development of the department as both a response to and a solution for class struggle.

My emphasis on class struggle leads me to be critical of some recent work on the theory of the state written from a structuralist perspective. The emphasis in structuralist theory on the unity of the whole precludes meaningful discussions of class struggle. According to much of the extant literature, the state has functions, the state has consequences, the state has mechanisms, but it does not have a meaningful history of

people contending over resources of power. Class struggle from this perspective becomes a type of "field theory" in which all the positions can be identified, but it is impossible from within the perspective to understand how the "field" changes. Changes of personnel, policies, or programs are considered inconsequential as long as the "unity" of the state remains capitalist. For the same reason, the social backgrounds of personnel and the explicit or implicit intent of policies and programs are dismissed. From this perspective, the state remains an organic whole, with functions and mechanisms but no identifiably specific characteristics.

Structuralist theories therefore leave a variety of unanswered questions. How did the players get into the positions they are in? how do the positions array themselves in the way they do? how do configurations that are produced by class struggle at one point in time change, since it is obvious that they do? Without answers to questions of this sort, Marxist theory appears as a metatheory, a leap of faith. As long as capitalism still exists, then capitalism has been maintained; the state has done its job. From the structuralist perspective as it has been used in some current work (for example, Therborn, 1978), some of the most important questions about states and how they operate are simply defined out of the picture. Class struggle is invoked by this perspective, but not really used to explain: if capital accumulation is expanding, then the current direction of class struggle determined it; if a recession is imminent, then class struggle shaped it; if workers are being attacked at the workplace, it is because they are losing a class struggle.

My argument, in contrast to this type of structualism, is that structures themselves must be created. Capitalists must make a purposive attempt to engender their control over subordinate classes, while attempting to maintain the good will of subordinates. The structure of authority that is created is a result of a series of successful decisions made by representatives of the capitalist class, although resisted by subordinate classes. That structure is a success to the degree that it narrows issues or channels them in ways to obscure class conflict yet reinforces the domination of the capitalist class.

It would be a mistake to believe that state managers have a blueprint that enables them to know in advance how particular struggles will be resolved. Rather, their strategies for controlling subordinate classes emerge in a dialectic of struggle, as successive crises of control develop. The development of strategies is analogous to the development of management ideologies in industrial enterprises. Bendix, for example, argues that a managerial ideology developed only when it was needed:

> Generally speaking, however, the operation of industry did not depend upon a conscious managerial concern with the attitudes of workers. The early industrialists became concerned only when in their opinion the workers became antagonistic. Then their indignation at the impertinence of the 'lower orders' would frequently prompt them to use every means to stem the tide of rebellion. (Bendix, 1956: 203)

Managerial ideologies, Bendix argues, developed almost as an afterthought as previous struggles for stemming the tide—including direct coercion, reliance on traditions, and the creation of particular forms of industrial organization—proved insufficient. Managers could not foresee exactly what was being created, but they, nevertheless, intended to create some structure that would render the challenge of subordinate classes ineffective. The separation of the political and the economic in the capitalist state, as I argue elsewhere (DiTomaso, 1978), was a product of the same kind of conscious concern, although not entirely foreseen and planned in every detail by the capitalist class. My history of the U. S. Department of Labor is designed to emphasize this important point about the degree to which solutions to class struggle can be planned in advance. An important aspect of that planning is the creation of organizational forms which reinforce capitalist domination.

It is also important to note that classes struggle internally as well as with other classes. The formation of particular agencies of the state apparatus draw varying combinations of classes and class fractions into the fray. In the formative period of the Department of Labor, the primary conflict was between capital and labor, but farmers were occasionally involved as well. Within the general categories of capital and labor, various fractions appear: commerce, industry, skilled and unskilled workers, etc. In the later reorganization of the Department, identifiable fractions become even more important: big and small business, craft and industrial unions, and minority groups, for example. These categories are not precisely specified in the analysis, but they represent the identification of class fractions as they appear within the documents and historical records used in this research.

II. *The Hypotheses*

It has been assumed in some earlier work on organizations that hierarchy or centralization of decision-making is in general the "best" means for maintaining control over subordinates, from the point of view of superordinates. In this regard, "decentralization" is assumed to be a sharing of power. I would argue, however, that this general principle is only true under conditions of acquiesence of subordinates. Precisely because hierarchy concentrates power, it also makes it more "visible." In hierarchical organizational structures, the locus of power is more easily identified then in dispersed organizational structures. When the locus of power is more visible, then the "point of change" is also more easily identified. Therefore, under conditions of resistance from subordinate classes (i.e. class struggle), a diffusion of power or decentralization may be the "best" means to maintain the existing relationships of domination—all other things being equal—because decentralization "scatters" the points of change.

Based on my study of the U. S. Department of Labor, I can offer the following hypotheses about a dialectics of domination, as exercised through bureaucratic structures. Clearly there will be differences in the use of centralization or decentralization strategies in public organizations, which cannot be owned in the same sense as private organizations. Although there are some indications in the literature on organizations that there may be some similarities with private organizations, my referent in this paper is the organization of the state apparatus. Within the state, whenever the dominant class is less likely to be challenged for the key positions of decision-making, "power" can be concentrated in a centralized structure, which will then be the most efficient instrument of power for use by the dominant class. A centralized organization maximizes the visibility of the exercise of power, both up and down the hierarchy. But, when such visibility is not likely to exacerbate class struggle, the advantages of the visibility of subordinates to superordinates outweigh the disadvantages of the visibility of superordinates to subordinates.

Hierarchical agencies, though, are potentially dangerous targets for movements for change. Therefore, they will usually not only be centralized, but will also be "insulated" in two ways: (a) they will be embedded in a legal structure and will be subject to the development of standard ways of operating that exclude meaningful participation by subordinates or access by "outsiders," and (b) recruitment of personnel will be carefully screened, so that only "compatible" personnel (those who are sympathetic to the same goals as the dominant class) will be allowed to hold key positions. When insulation cannot be assured, the dominant class will attempt to defuse the power of an agency by decentralizing its authority.

As much as possible, the dominant class will attempt to insulate and centralize those agencies which its members feel are critical to their own use of the state. As much as possible, they will attempt to decentralize those agencies which are too directly associated with the interests of subordinate classes, either symbolically or in terms of real services. For decentralized agencies, the dominant class will attempt to use forms of control "from the outside" to prevent any reorganization that is not in their own interests. This may include the specification of budgets in a way which gives little flexibility for change within the decentralized agency and the specification of legal authority in a way which restricts the operations of the agency.

Centralization and decentralization can take two forms, although both refer to the locus of decision-making. They can refer to the structure of a state agency within a level of government or across levels of government, or decentralization may be regional as well as organizational. In either case, the dominant class may attempt to create centralization within decentralization or vice versa, by "capturing" key bureaus

even when the "parent" agency is nominally more accessible to subordinate classes. For example, most of the federal agencies in which subordinate classes are most likely to want or most likely to obtain access are decentralized in the sense that most important decisions are made at the state level of government. This has always been true for labor legislation and has been a major source of contention between organized labor and organized business. Many of the issues over which proponents invoke "state's rights" are of this nature.

These strategies of domination are manipulated to meet changes in circumstances, especially changes in the resistance of subordinate classes. Although my study is limited to the U. S. Department of Labor, I would predict that agencies like the Department of Health, Education and Welfare, and the Office of Economic Opportunity are also decentralized in the above sense, whereas agencies like the Department of State, the Department of Treasury, the Department of Commerce, the Executive Office of the White House, and the Office of Management and Budget are centralized in the above sense.

The strategies of domination used by the dominant class invoke strategies of resistance (or strategies to gain domination) by subordinate classes. If subordinate classes tried to use the same strategies as the dominant class, they would face a contradiction. Any attempts by subordinate classes to centralize the agencies in which they have most access will be ineffective unless they are tied into the "central" authority of the dominant class. This will be strongly resisted by the dominant class, which will in turn try to isolate the agencies to which subordinate classes have access. If subordinate classes are successful in centralizing their own agencies and tying them into the central power of the state, they by the same token become more vulnerable to cooptation or to their own subversion.

Understanding the way the organization of authority can be used to expropriate power is important if subordinate classes are to formulate adequate political goals. Such use is an important strategy of domination. This analysis of the formation of the Department of Labor will stress the means by which the capitalist class tried to block the development of the agency and then attempted to acquire control over the means of administration when it was unable to do so. The analysis of the later period will show how the expropriation of the means of administration continues after a specific agency structure comes into being. Both periods are considered because they were characterized by significant social unrest, setting the conditions for renewed struggles over the social wage and the legitimacy of the state. Although class struggles over these kinds of issues are always present within a capitalist system, their intensity varies. Necessarily, therefore, analyses must rest on inferences regarding the class nature of events, organizations, and participants. The two sections can be considered as two case studies of the use of strategies of domination.

III. *Formation of the U. S. Department of Labor*

The National Labor Union, a short-lived, national organization of workers, was the first to demand an "executive department of government in Washington" to protect the interests of labor "above all others." Although "labor," it claimed, "was the foundation and cause of national prosperity," workers had no government agency to represent them (Sylvis, 1872: 293). The demand for a department of labor was part of the more general struggle for workers' rights, which was critically shaped in the years from the Civil War to World War I. The major reason workers wanted their own government agency was to identify the sources and the distribution of wealth, as Terence Powderly argued:

> The legitimate aim of the labor bureau is to ascertain beyond the shadow of a doubt what the earnings of labor and capital are in order that justice may be done to both, in order that unscrupulous employers will not have it in their power to rob labor of its just dues, and take all of the profits of the combination of labor and capital for their own aggrandizement. (Powderly, 1890: 306)

Workers resisted wage cuts, demanded higher wages and shorter hours, and insisted on their right to know how much wealth their employers made on their labor power.

The state of Massachusetts was the first government to respond to the demands of workers for a department of labor. Massachusetts workers were more organized than any others in the country at the time (perhaps because of the concentration of craftworkers in the state), and they were translating their union activities into the formation of producer cooperatives and into political strength at the polls. After a particularly bitter strike by shoemakers, who were called by one account the "most powerful labor organization in the world" (Lescohier, 1969: 8), the political leadership in Massachusetts feared the disaffection of workers. To appease them, the state established the Bureau of Statistics of Labor, whose function was to "collect statistical details relating to all departments of labor in the Commonwealth, especially in its relations to the commercial, industrial, social, education, and sanitary conditions of the laboring classes" (Wright, 1892 and Pidgin, 1904: 7).

General Henry K. Oliver, a former state legislator who was involved in the active reform movement in Massachusetts at the time, was appointed to head the new agency. Oliver assumed that a primary goal of the agency was advocacy for workers, and he used the summons power of the agency to study depositors in savings banks. Regarding the incident, the Boston *Commonwealth* reported in 1872, "So the effort now is to abolish the bureau of labor. The struggle between capital and labor is growing bitter—bitter now even on the side of capital. It objects to investigation of its methods" (Reported in Congressional Record, House, April 19, 1884: 3141). The enraged employers were unable to get the bureau abolished, but they were successful in their efforts to have Oliver replaced. The governor appointed instead Carroll Davidson

Wright, a man from a prominent family who had no ties to any labor organization and who had promised to maintain the "neutrality" of the agency.

Wright was to become prominent within the government for his "responsible" role in the collection of statistics on workers. The Massachusetts bureau became the model for other states (Pennsylvania in 1872, Ohio in 1877, New Jersey in 1878, Indiana, Illinois and Missouri in 1879, and New York, California, Michigan, and Wisconsin in 1883). Wright then took the initiative to establish a national organization of chiefs of state bureaus of labor, and he used his influence "to frustrate every effort to commit the chiefs to a program of labor reform" (Lombardi, 1942: 39). He, nevertheless, joined with various leaders of organized labor, after the severe depression of 1873-1877 which culminated in the most violent and extensive strike the country had yet experienced, to promote a national bureau of labor statistics.

Legislation which was nearly identical to the Massachusetts legislation was introduced in the Congress in 1884. A number of issues were discussed in both the Senate and the House; a checklist of some of these is provided in the following:

> This is not a question of an eight-hour law; it is not a question of checking the accumulation of great estates in single hands; it is not a question of dividing the products of labor between labor and capital; it is a simple question of having information furnished by public methods and by public instrumentalities to legislators and to other persons interested specially in these public questions.
> (Congressional Record, Senate, March 7, 1884: 1676)

It was pointed out in the discussions on the bill that each important labor organization in the country demanded a department of labor among its other requests. In the contexts of the discussion, it was pointed out that the Secretary of State had requested information on wages, living costs, and production costs from Great Britain, France, Germany, Belgium, Italy, Spain, the Netherlands, Sweden, Norway, and Denmark. The intent was to show that conditions of workingpeople were far better in the United States than in Europe, but similar information did not exist for the U. S. In addition, the information was desired to influence the bitterly debated tariff legislation of the time, "in consequence of the agitation in regard to the relations between capital and labor, which has signally marked the last decade" (Congressional Record, House, April 19, 1884: 3142). As important was the fear among the legislators of what would occur if something were not done to solve "the labor question":

> If the existing rate of wages paid to workingmen in this country can not be maintained, and increased if possible, I despair of the maintenance of the Republic for many generations. (Senator George F. Hoar, of Massachusetts, in Congressional Record, Senate, March 7, 1884: 1676)

Much of the discussion on the legislation revolved around where to place the national bureau of labor statistics. Those who assumed there

was a harmony of interests between capital and labor suggested the functions of the proposed bureau be added to the already existing Bureau of Statistics in the Department of Treasury, which, as the head of the agency noted, was really a department of commerce. (This bureau was the core for the later creation of a Department of Commerce.) Some suggested that it be included in the independent (non-cabinet) Department of Agriculture, but this was never taken as a viable suggestion. Wright recommended that the bureau be placed in the Department of Interior, which already housed a bureau for the collection of education statistics. There already existed in the House and Senate Committees on Education and Labor, so Wright's suggestion followed the already existing definitions of the proper locations of labor matters in the federal government.

Wright's major concern, however, was to prevent the agency from becoming "political" in the sense of becoming an advocate for the demands of organized labor. He assumed, like many of the Congressional supporters of the legislation, that information on the conditions of workers would neutralize the political demands of workers: "to harmonize and unify existing divergencies between capital and labor" (Grossman and MacLaury, 1975: 26). In contrast, a common theme among leaders of organized labor was that the agency would rigidly scrutinize "the means by which employers or moneyed men acquire wealth" and "put a stop to illegitimate profit-taking" (Powderly, 1890: 158-160). Despite several forms of reorganization, the department of labor was never to take on the major task that workers had envisioned for it. Wright's recommendations, both for the organization and function of the national bureau, prevailed.

After the legislation was passed, labor leaders lobbied for seven months without success, to get a union person appointed as head of the bureau. Instead, after delaying for many months, President Arthur appointed Wright to the position, while he simultaneously retained his position in Massachusetts. Wright gained increasing favor among government leaders, although he never developed strong ties with organized labor. Among other tasks he was given responsibility for conducting the national Census. He became in a short time, for all intents and purposes, the adviser to the President on labor matters.

In 1888, his responsibility, along with the structure of the bureau of labor statistics, was expanded again. The primary goal was for Wright to hire assistants to collect information on wages and working conditions in Europe, again within the context of the growing concern over tariffs. According to one Congressman, the new legislation made "in other words, a department of industrial statistics" (Congressional Record, House, March 21, 1888: 2318). The largest labor organization in the country at the time, the Knights of Labor, continued to lobby in local, state, and federal forums for a cabinet-level department of labor, but to no avail. Wright continued to argue, and continued to be

supported by Congress, that the only way to prevent the agency from becoming "political" was to deny it cabinet status and to keep it removed from too close an association with organized labor. The "labor question" continued to be a major part of the political agenda in the Congress, with many commissions reporting on the causes of strikes and lockouts. Following recommendations of the hearings after the extensive 1886 strikes for the eight-hour day, the Bureau of Labor Statistics was made into an independent, non-cabinet Department of Labor, with Wright again at its head. Wright continued in the position for another fifteen years, but his impending retirement worried some members of the dominant class.

Data of central importance to business was collected by the Bureau of Statistics in the Department of Treasury, but members of the dominant class increasingly argued for more extensive information in order to expand markets abroad. In 1900, the Republican Party included a demand for a cabinet-level Department of Commerce in its party platform. The proposed department was to incorporate all of the separate statistical bureaus of interest to business, including the independent Department of Labor. The legislation was quickly introduced in the Republican-controlled Congress, and hearings began on it in 1901. In the Senate, support for the legislation was orchestrated by people like Senator Mark Hanna of Ohio. Hanna was one of the major capitalists in the country. He is noted, among other things, for controlling the political machine in Cleveland, Ohio, and for organizing William McKinley's notorious front-porch Presidential campaign against William Jennings Bryan.

The overwhelming concern among capitalists at the time for expanding foreign commerce explains the timing of the proposal for a cabinet-level Department of Commerce, but this only explains in part why the Department of Labor was to be subordinated within the new agency as a bureau. Wright's administration of the Department of Labor was characterized in the hearings on the legislation as "beyond praise," and "perfect." Senator Knute Nelson of Minnesota, who introduced the legislation for the Department of Commerce, also praised Wright, but added, "He is a very able man, but he will not always be with us." Because, Nelson argued, that the future head of the Department of Labor may not be "so able and so good as he . . . it is altogether safer for the public service to have a division or a bureau of this kind under some responsible executive department" (U. S. Department of Commerce and Labor, 1904: 491).

Hanna was one of several Republicans to argue that the interests of labor and capital are "identical and mutual." To this end, Hanna also argued, contrary to testimony offered by Samuel Gompers, the head of the American Federation of Labor, that organized labor had no objections to the legislation. Hanna argued that the proposed Department of

Commerce should incorporate Labor because "a close, effective organization, with one able executive head, is always the best way to accomplish a result" (U. S. Dept. of Com. and Labor, 1904: 499). His motivations were not only administrative efficiency, however. He also argued that "there is no interest in the United States today that demands the attention of Congress . . . more" than establishing a Department of Commerce, because "[we] must either find a market for [our] surplus or we must restrict our production . . ." (U. S. Dept. of Com. and Labor, 1904: 498, 500). Senator Joseph Quarles of Wisconsin, in a magnanimous statement, even suggested that the legislation would move "labor" out of a "tent on the outside . . . right into the mansion alongside of commerce, alongside of capital," so that "the Labor Bureau shall not be an orphan, entirely discredited and unaffiliated" (Congressional Record, Senate, January 28, 1902: 1050).

At least some of the members of Congress questioned the motivations of the legislation toward workers. Congressman Dudley Wooten of Texas summarized the intent of the legislation as follows:

> Such men as Morgan and Frick and Baer and those who represent to-day the organized greed and tyranny and oppression of corporations and capital in this country. This is the kind of a department that the Republican party asked to be created, and this is the kind of department that the gentleman are now seeking to create by this bill . . .
> (Congressional Record, House, January 17, 1903: 908)

He further argued that the proposed legislation was "a deliberate attempt to deny to the American laborer his just participation and protection in the organization of the Government" (Congressional Record, House, January 17, 1903: 908). At least three attempts were made to simultaneously create a separate, cabinet level Department of Labor, as well as the proposed Department of Commerce to which the opposition had no objection in principle. The legislation was also a forum for a number of issues regarding the conflicts between labor and capital of the time: immigration, tariffs, regional antagonisms between the North and the South, anti-trust proposals, and others. Despite the frank discussions of the interests underlying the legislation, it was finally passed with one symbolic amendment. The new department was called "The Department of Commerce and Labor," but the labor portion of the department was allocated only $184,020 of a total department budget of $8,363,032. Wright continued for a short time as head of the Bureau of Labor Statistics, but all of the Secretaries of Commerce and Labor were affiliated with business interests.

All of the previous years, the Department of Labor was denied cabinet status so that it would not become a "political" agency. What was really implied by this reasoning was to prevent it from becoming an advocate for organized labor. Wright joined with the others who opposed the Department of Labor's being allowed to perform that role. He argued that advocacy for organized labor would make the department an

"instrument of propagandism," and "such a course would result in its immediate abolition" (Congressional Record, House, January 17, 1903: 905). As capitalists began to recognize their own needs for the information collected by the Department of Labor and as they became increasingly concerned about their ability to control the work of the Department following Wright's retirement, exactly opposite logic was used. Administrative efficiency, responsibility, and "dignity" were invoked to explain why the Department of Labor should be made part of, but not itself become, a cabinet agency. In other words, as long as the dominant class perceived the agency as primarily symbolic appeasement for the demands of labor, it was isolated from the central operations of the government, although controlled through the screening of personnel, the limitations of its funding, and restrictions of its legal authority to collect certain kinds of information. In the context of the growing strength of organized labor, when the dominant class feared it would lose its control and when it saw the usefulness of the information collected by the agency for its own purposes, it proposed to incorporate it into a centralized cabinet agency, which would predictably be controlled by business. And, of course it did so on the pretense of representing labor's best interests.

After a decade of political turmoil in which organized labor increasingly gained strength, the joint Department of Commerce and Labor was finally separated into two independent cabinet offices. The Progressive reform movement; the growth of a socialist consciousness among workers which led to the strength of the Socialist Party; and the entry of organized labor into party politics, each contributed in some important way to the creation of the new cabinet-level Department of Labor in 1913. The legislation creating the Department said it would:

> . . . go far to allay jealousy, establish harmony, promote the general welfare, make the employer and employee better friends, prevent strikes and lockouts, stop boycotts and business paralysis, and every year save millions and millions of dollars of losses which result necessarily therefrom.
> (U. S. House of Rep., Hearings before Committee on Labor, 1912: 5)

Nevertheless, once the Department of Labor was separated from the control of business, it was again isolated from power by the dominant class. Its jurisdiction was limited, its budget severely restricted, and it was continually treated with suspicion. For fifty years after, it remained one of the smallest of cabinet offices, and in the 1940s, there were even attempts to have it abolished.

There is an increasing and important difference in the operations of the Department of Labor before and after its incorporation into the joint Department of Commerce and Labor. Organized labor had wanted the agency to investigate the source and distribution of wealth, but as long as the agency had the appearance of being "labor's agency," it only collected information on workers themselves. Within the proposed

Department of Commerce, the proposed Bureau of Labor Statistics was to "compile . . . statistics of cities . . . ," to report "the general condition . . . of the leading industries," and to collect other "facts as may be deemed of value to the industrial interests of the country" (Congressional Record, House, January 17, 1903: 913). After the Department of Labor was made a separate, cabinet agency, it became a highly decentralized, fragmented, and ineffectual agency. The few powerful bureaus within it by the late 1950s would not even allow their telephone calls to go through a central switchboard (Ruttenberg, 1970). Furthermore, this form of organization for the Department of Labor was strongly supported by members of the dominant class; various attempts to reorganize the Department of Labor in a more centralized form became a serious issue of class struggle, as we shall see in the next section of this paper.

IV. *Reorganization of the Department of Labor, 1962-1974*

Although the identification of classes as "capital" and "labor" were common around the turn of the century, by the 1960s such terminology had disappeared from government deliberations. Instead, the common language had become "business" and "labor." I will follow this convention in this section of the paper. For the Department of Labor in the 1960s, a third group became of central importance also, namely, the "poor." In the 1960s "poor" was often used as a euphemism for "black." A number of conflicts between and within these three groups were played out through the Department of Labor. Although "labor" and the "poor" are undoubtedly both part of the working class in the most general sense of the term, various organizations representing the two identified their interests in antagonism to each other during the decade of the War on Poverty.

Conflicts existed between business and organized labor, between organized labor and the poor, between business and the poor, within business (small versus big capital) and within organized labor (craft versus industrial unions). Although there may also have been conflicts within the poor, these were not an issue for the reorganization of the Department of Labor. The event which brought these class conflicts to the Department of Labor was the development of federal manpower training programs. How these programs were organized within federal agencies was understood by all three parties to be an issue of power that could potentially affect class relationships in the country.

The Origin of Federal Manpower Training Programs

At the end of the 1950s and the beginning of the 1960s, workers and employers had distinctive but convergent concerns over employment problems. A plethora of books and articles on automation and the

supposed effects of technological change appeared at that time. One account suggests that "anxiety almost amounting to panic" developed "over the reported loss of jobs and escalation of skill demands due to automation" (Crossman and Larner, 1969: 176). Workers feared the effects of automation on the elimination of jobs (termed "structural unemployment" by policymakers). Businesspeople worried that the skill level of the U. S. labor force prevented the technological changes necessary to compensate for their competitive disadvantage with European economic organizations. These competing concerns were complicated by a close presidential election, a changing administration which had made elaborate campaign promises, and a growing and militant civil rights movement, which was yet to blossom to its full potential. This combination of factors induced policymakers to define federal manpower training programs as a solution to a crisis.

Despite the demands by organized labor that business compensate workers displaced by automation—including guaranteed income proposals—existing economic problems probably had more direct influence on the selection of manpower training programs as a solution to the crisis: an unprecedented high unemployment rate during a period of expansion, a second recession before the first one was over (1960-1961 and 1957-1958), pockets of depression in the midst of overall prosperity, increasing mobility of both plants and workers, as well as the declining competitive position with Western Europe. In this context a controversy among factions of the dominant class developed within the Kennedy and later within the Johnson administrations. William McChesney Martin, head of the U. S. Federal Reserve Board under Kennedy, supported the use of more traditional and conservative economic policies, but Walter Heller, Kennedy's Chairman of the Council of Economic Advisors, supported the use of Keynesian fiscal and monetary policies. The two positions were reconciled by the Manpower Development and Training Act of 1962 (MDTA), as explained by Sundquist:

> Those who favored an expansionary fiscal policy looked upon retraining as a necessary *supplement*. Those who opposed strong fiscal measures tended to seize upon retraining as a *substitute*. If the economy did not need stimulation to absorb the unemployed, they found themselves reasoning, then jobs for all must in fact exist or would exist if only the unemployed were competent to fill them. If the short-comings were not in the economy, they could only be in the people. (Sundquist, 1968: 85-86)

The representatives of organized labor, however, were dismayed with their initial experience with federal manpower training programs. President Kennedy delegated responsibility for the first programs under the Area Redevelopment Act of 1961 to the Department of Commerce. At first Commerce did not implement them at all, and when it did, money was given to non-union, runaway shops in the South. Despite their strong support of the idea of federal manpower training programs, organized labor was not much more successful in controlling the implementation of programs under MDTA.

Organized labor would have preferred that the training programs be administered by the Department of Labor, but there was no bureau within the Department which could have served their purposes. There were three possibilities which each operated as a separate fiefdom in the Department. The Bureau of Employment Security (BES) administered the critical unemployment insurance program in coordination with the State Employment agencies, but BES is "business's" agency within the Department of Labor (Johnson, 1973: 14). The Bureau of Employment Security is an example of centralization within decentralization; all of the major decisions regarding unemployment insurance are made at the state level of government, in close conjunction with employers. Business's interests are protected within the bureau by the Interstate Conference of Employment Security Agencies (ICESA), a government-funded, lobby group for BES. Although BES has field offices in every state and most large cities, organized labor had no desire to expand BES by giving it administrative responsibility for MDTA programs.

Organized labor's strongest ties in the Department of Labor are to the Bureau of Apprenticeship and Training (BAT), which oversees the on-the-job training programs in the skilled trades. In that the high salaries in the skilled trades (especially building and metal trades) depend on limited recruitment, organized labor did not want BAT to administer MDTA, because it would have necessitated a major expansion of their programs. A third agency, the Office of Manpower, Automation, and Training (OMAT) was newly created in the advent of MDTA, but it did not have any regional field offices, and its commitments were not well defined at that point. Organized labor lobbied for the creation of an independent agency for MDTA, but was not successful.

Administration of MDTA was eventually shared between BES (for casefinding) and another agency over which business had strong influence, the Bureau of Vocational Education, in the Department of Health, Education, and Welfare. BVE was another centralized bureau within a decentralized agency; all decisions regarding vocational education are also made at the state level, as part of the "education" responsibilities of each state. BVE implemented the training for the cases found by BES. Despite the continued dismay of organized labor at the administrative arrangement of MDTA, the most immediate cause for their interest in MDTA—high (white, male) unemployment—disappeared, so they turned their attention elsewhere. Yet, manpower training programs offered a solution to another, emerging crisis for the dominant class, the civil rights movement, the two major goals of which were "jobs and freedom."

The marches in Birmingham in the spring and the "March on Washington" in August of 1963 marked a turning point for the movement. By the end of the year "urban riots" began in a number of cities, and then expanded with fury in the several years to come. The Johnson

administration responded with several critical pieces of legislation in 1964, such as the Civil Rights Act and the Economic Opportunity Act. Job training played a prominent role in both.

The Conflicts of Interest

The administrative arrangements preferred by the dominant class when the working class had potential access was decentralization. The Bureau of Employment Security and the Bureau of Vocational Education both fit this model; it is predictable that each is one of the strongest bureaus in its parent agency. For this reason, each has also been the subject of conflict between business and labor. Business has always lobbied for various kind of labor programs to be administered by these bureaus (whenever they could not place them in their "own" agencies), while organized labor has always objected to them. Because the decentralization of BES is understood by organized labor to be advantageous to business, the "federalization" of the bureau has been a continual demand of organized labor since its inception. Nevertheless, the locus of decision-making at the state level also means that "big" business shares these bureaus with "small" business. At various points in the 1960's, big business withdrew its support for each agency—when they could better solve their own problems nationally—over the objections of small business. These situations clearly indicate that the interests of the class in the context of class struggle are more important than preserving any particular form of organization.

Industrial unions, however, seemed more concerned about BES and BVE than craft unions. The craft unions were happily lodged in the Bureau of Apprenticeship and Training and had made an uneasy peace with BES. During the 1960s, the interests of the industrial unions in gaining control over unemployment insurance (and thus over BES) led to a trade-off between BAT's control over on-the-job training and an opportunity for greater union control to BES. This strategy turned out to be ill-fated. BAT lost ground without improving labor's input into the unemployment insurance program.

The conflicts which existed between business and labor and within business and labor were complicated in the 1960s by conflicts between business and the poor and between labor and the poor. When the demands of the poor appeared more threatening to the dominant class than the demands of organized labor and when the skill shortages created by the Vietnam War were of more concern to big business than unemployment insurance, the dominant class appeared to support a centralized Department of Labor which they themselves controlled in order to solve these problems. The Department of Labor was drawn into a competition with the Office of Economic Opportunity (the agency of the poor). The conflict, however, was structured in a way which adversely affected the Bureau of Apprenticeship and Training, so the

dominant class solved two objectives by a proposed reorganization of the Department of Labor. It was possible for them to do so because there has always been an uneasy relationship between unions and minority workers, and hence between unions and the poor. It appears that the dominant class used organized labor's desire to gain control over the Bureau of Employment Security to encourage a conflict between the Department of Labor and OEO's Community Action Agencies, and they used minority group suspicion of craft unions to weaken BAT's control of on-the-job training programs. These various conflicts constitute the background against which proposals to reorganize the Department of Labor were made.

The Reorganizations

Conflict among the Bureau of Employment Security, the Bureau of Apprenticeship and Training, and the Office of Manpower, Automation, and Training developed immediately after the passage of the 1962 Manpower Act. The first attempt to reorganize the responsibilities among the bureaus occurred soon after the Birmingham riot in 1963. Secretary of Labor Wirtz appointed a Manpower Administrator, John C. Donovan, to coordinate the activities of the three bureaus, and Donovan hired an outside consulting agency. The recommendations of the consulting agency were satisfactory to neither the Bureau of Employment Security, nor to the Bureau of Apprenticeship and Training. They recommended the dissolution of the field offices of both BES and BAT and a reintegration of their functions into a new centralized agency called the Manpower Administration, the core of which was OMAT. The centralization proposed by this report would have placed the unemployment insurance program under the direct authority of the Secretary of Labor, and it would have placed the activities of the conservative craft unions under the closer scrutiny of the federal administrators. As the Director of Employment Security at the time remarked, "The proposed reorganization would disrupt [existing] relationships and require the development of an entirely new fabric . . ." (Memo from Robert C. Goodwin, Director, BES, to Secretary of Labor Wirtz, February 1, 1965). In other words, a centralization of authority within the Department of Labor would have decreased the power of those groups which had previously created decentralization purposely. In this situation, the conservative building trades department of the AFL-CIO joined with ICESA, the government-funded, business-controlled lobby to prevent any reorganization of BES or BAT. Donovan resigned and a former AFL-CIO research director, Stanley Ruttenberg, took his place—under the condition that he would not support any reorganization of the Department of Labor (see Ruttenberg, 1970: 76-78).

As the urban riots increased, the Office of Economic Opportunity (OEO), which President Johnson had created to solve the problems of

unrest, began to create problems of its own. The activities of OEO which the dominant class found most threatening were the organization of voter registration and other forms of political mobilization of the poor. As early as 1965, OEO was charged with "trying to wreck local government by setting the poor against city hall" and with being a "nightmare of bureaucratic bungling" (U. S. Code, Cong. and Admin. News, 1st Sess., 89th Cong., 1965: 3525-3526). The Hatch Act, which restricts political activities of public employees, was extended to OEO, but this did not end the social movement to which OEO was providing an organization base. Johnson had made OEO a "staff agency" in the White House, purportedly to protect it from Congressional interference, but the real intent was probably so he could better control it. When it was evident that even direct White House control was not enough to curtail OEO's political effects, other means had to be found. The proliferation of riots made it politically impossible to simply eliminate the War on Poverty which OEO administered; instead, the dominant class began taking steps to transfer OEO's programs into the more predictable and more easily controlled cabinet offices. In order to maintain the legitimacy of such an action, those agencies with liberal images, like the Department of Labor, were targeted to receive the programs. But, they had liberal images precisely because representatives of subordinate classes had more participation in them. This strategy, therefore, was a risk in a precarious political climate.

The President's administrative agency, the Bureau of the Budget, began working behind-the-scenes with the Labor Department to this end, and President Johnson himself began making statements favorable to an expanded Department of Labor. With the prospect of the Department of Labor's gaining more power in the federal government, organized labor (especially AFL-CIO) then renewed their efforts to gain control over "their" agency. They supported attempts to centralize control over the various bureaus at the federal level, reinforcing their continual demands to federalize the Bureau of Employment Security.

Two reorganization plans were on the agenda for the Department; the two would have had opposite effects. One was supported by Secretary of Labor Wirtz and Assistant Secretary Ruttenberg. It would have centralized all of the manpower training programs from OEO, HEW, and the Department of Labor (including the on-the-job training programs of BAT) into a reorganized Manpower Administration. This proposal was similar to Donovan's earlier, aborted reorganization plan. It was strongly supported by organized labor, even though the craft unions were not anxious to jeopardize their control over on-the-job training. The second proposal was articulated by a 1965 Task Force, headed by George Shultz, Dean of the School of Business at the University of Chicago and later to become President Nixon's Secretary of Labor. This Task Force proposal recommended separating the U. S.

Employment Service (the state employment agencies) from the Unemployment Insurance program in the Bureau of Employment Security and increasing the funding from the Department of Labor's general budget for the Employment Service. The Employment Service normally is funded by the Unemployment Insurance tax on employers. The effects of this proposal would have been to insulate unemployment insurance even further from the access of organized labor and to prevent business-provided funds from being tapped for the War on Poverty manpower programs.

Wirtz and Ruttenberg were encouraged behind-the-scenes by the Bureau of the Budget staff to pursue their own goals of reorganization in the spring of 1967. Ruttenberg held secret meetings in which he was assured of White House support for the proposal. Wirtz announced a "realignment" of the Department of Labor later in the year. The primary change in the Department was to expand the on-the-job training program and to remove the administration of the new positions from the Bureau of Apprenticeship and Training (consequently from the craft unions). Although the Interstate Conference on Employment Security Agencies and some unions opposed the change, their opposition was to no avail when the program was supported by President Johnson (and therefore also by big business).

By removing the Bureau of Apprenticeship and Training's control over on-the-job training, the programs could be used to channel unemployed blacks into "accelerated" (meaning shorter time and less training) apprenticeship programs with big business, when it was facing tremendous pressure from the urban riots (symbolized by the summer 1967 riot in Detroit) and from the shortage of skilled labor during the Vietnam War. The realignment also prepared the way for President Johnson to launch a $350 million on-the-job training program, sponsored by the newly formed National Alliance of Businessmen (NAB-JOBS). The NAB-JOBS program not only benefited big business, it did so at government expense, because the federal government paid the training costs for industry to hire the disadvantaged (see U. S. Code, Cong. and Admin. New., 90th Cong., 1st Sess., 1967: 2576; Ball, 1972: 175; and Perry, in Perry, et al., 1975: 187).

Just as importantly, however, this realignment was another step along the way to the Department of Labor's taking over the programs of OEO. Three "job creation" programs had been moved from OEO to the Department of Labor in 1966, and the placement of the NAB-JOBS program in Labor instead of OEO was significant. The Community Action Agencies in OEO fought Labor's claims to the War on Poverty jobs program, but their only support in the late 1960s was from "public opinion." It appears that the cooperation of organized labor in expanding on-the-job training outside of BAT's control was a means to demonstrate their commitment to minorities and to quell the suspicions

of the "poverty" people. In return, they thought they would win approval to centralize unemployment insurance at the federal level.

Wirtz and Ruttenberg interpreted their success in the 1967 realignment as a coup and began to make plans for a more extensive reorganization soon thereafter. They were especially encouraged by the preferential support the Department of Labor was getting—in contrast to OEO which was coming under increasingly hostile attacks—from the Bureau of the Budget and the White House staff (see Ball, 1972: 146). They began another series of secret meetings in 1968 with the same people who had planned the realignment. Their own intent was to implement a reorganization plan which was similar in content to the one which led to Donovan's resignation earlier. Assuming that the Interstate Conference of Employment Security Agencies was the primary obstacle to implementing the reorganization (because protecting BAT was not longer an issue after the realignment), Wirtz and Ruttenberg felt confident because they were assured of White House support. Much to their surprise, though, President Johnson rejected their plan to centralize the Department of Labor. In fact, Johnson threatened to fire Wirtz when he announced the reorganization over Johnson's objections, even though the 1968 Presidential elections were only two weeks away. A compromise was finally reached between Wirtz and Johnson that the reorganization order would remain in effect but not be implemented until after the election.

After being elected President, Richard Nixon appointed George Shultz, the former Task Force head, as Secretary of Labor. Shultz recommended implementing the Wirtz-Ruttenberg reorganization plan on an interim basis, but the reorganization carried out was actually his own earlier plan. The effects of the 1969 reorganization were to further decentralize the Department of Labor, which meant greater input from business and less from organized labor. In addition, Nixon moved the Job Corps, the last of the War on Poverty jobs programs, from OEO to the Department of Labor. Nixon gave his full support to the National Alliance of Businessmen JOBS program and to the Job Corps, which had both become "for-profit" service delivery programs; all other programs were cut back. Within six months, George Shultz left the Department of Labor to become head of the Office of Management and Budget (formerly the Bureau of the Budget).

After the Shultz reorganization, the Department of Labor was said to have "fresh appeal" to employers. The President of the National Association of Manufacturers said that it was "one of the most accessible agencies in this town" (Cooney and Silverman, 1970: 140), and a representative of the Chamber of Commerce said, ". . . the business community is pleased with the change of administrations in the Labor Department" (Cooney and Silverman, 1970: 140). Nixon then embarked on his revenue sharing campaign, in which the Manpower Revenue

Sharing Bill was to be the first implemented. Organizationally, this legislation meant complete decentralization of all federal programs of interest to subordinate classes, because the manpower bill was only the first of the revenue sharing bills. Nixon's own Director of OEO said, "I know of no way in which the Comprehensive Manpower Bill can be proposed by the President without it being viewed by large segments of the public as a conscious and systematic diminution of the role of OEO . . ." (letter from Donald Rumsfeld, Secretary of OEO to Robert Mayo, Director of the Bureau of the Budget, August 7, 1969). Despite opposition from organized labor and from "pro-poverty" legislators, the Comprehensive Employment and Training Act (CETA) was passed in 1973, with precisely the effects which organized labor and the poor feared. On the one hand, fewer minority and poor clients have been enrolled in the training programs than had been true during the War on Poverty days. On the other hand, fewer union members have been retrained. In effect, what was a "double-cross" of the Office of Economic Opportunity by organized labor, turned out to be a "double-double cross" of organized labor by the dominant class.

The Department of Labor has remained decentralized and relatively unimportant in the family of federal agencies. Only after the demands of organized labor, in the context of controversy within the dominant class over the use of economic policies, led to the first federal training programs did the organizational structure of the Department of Labor again become a central concern to the dominant class. The programs first were placed in business's agency (the Department of Commerce), and later in "business's bureau" (the Bureau of Employment Security). Within the Department of Labor, the administration of the programs were treated as a separate function from the Department's other responsibilities. That the Manpower Administration remained in a separate building, even after the Department of Labor was given a new building during the Nixon administration, is an unobtrusive indicator of the special interest the dominant class had in controlling the programs. The Department of Labor became a vehicle for confronting OEO when the demands of the poor posed a more immediate threat to the dominant class than the bargaining table demands of organized labor. At that point the dominant class supported some reorganization of the Department of Labor for their own purposes—which had the appearance of centralization—but at times their procedures for eliminating the influence of organized labor from the critical decision-making had the character of strong-arming. Never did they permit organized labor to gain more access to unemployment insurance.

Representatives of organized labor tried at various times to effect organizational changes in the Department of Labor, both to increase their influence in the agency and to increase the agency's power in the government. The intensity of organized labor's concern with unemploy-

ment insurance made it possible for the dominant class to use labor's own motivations against them. The charade of behind-the-scenes negotiations and end-run tactics were convincing. One political scientist concluded that the superior administrative skill of the Department of Labor was too much competition for a poorly managed agency like the Office of Economic Opportunity—just one year before the Department of Labor was itself "internally dismantled" (Ball, 1972). It was not the administrative skill of the Department of Labor, but the renewed interest of the dominant class in it that gave it the illusion of power in the 1960s.

V. *Conclusions*

The structure of the state apparatus, as has been suggested elsewhere (Andersen, et al., 1976), places constraints and mediates class struggle, but nevertheless is itself created out of a purposive process of class struggle. The structure of the state, moreover, must be administered in an on-going process in order for the dominant class to maintain its control over the means of administration. Various strategies are used by the dominant class to insure its control: the centralization of authority in those agencies which are central to its interests and insulated from the participation of subordinate classes and the decentralization of authority (or fragmentation) in those agencies where subordinate classes have the potential to gain effective access. The choice of strategies depends on the interpretation the dominant class makes of the strategies of subordinate classes (big and small labor, the poor, and even small business).

The strategies of resistance and attempts to gain control by subordinate classes necessitate some fluidity in the choices of strategy by the dominant class. The dominant class is not committed absolutely to any one form of organization, and the strategies may even be inconsistent because of the internal contradictions within each class. The dominant class concerns itself with the shaping of state structures, the control of recruitment of key personnel, the content and size of budgets, and the definitions of legal authority in various government agencies. By creating organizational structures where the input of subordinate classes will have limited effect, the dominant class circumscribes the effectiveness of whatever resistance or political movements emerge from subordinate classes. The state, as Poulantzas argues (1973), presents itself as the unity of power of the dominant class, while disorganizing the power of subordinate classes, but, as I have argued here, it does so because the dominant class has successfully expropriated the means of administration from subordinate classes. Both in the early formation of specific state agencies and in the on-going process of

administration, members of the dominant class must maintain an active involvement in the affairs of the state. Struggle over hierarchy, recruitment, budgets, etc.—the concrete issues of class struggle in the state—takes place within frameworks of already constituted relations of domination. These must be taken into account if there is to be a possibility of transforming state power.

Northwestern University
Department of Sociology and the
Center for Urban Affairs

ACRONYMS

AFL-CIO	American Federal of Labor and Congress of Industrial Organization
BAT	Bureau of Apprenticeship and Training
BES	Bureau of Employment Security (includes USES and UI)
BVE	Bureau of Vocational Education (in HEW)
CAA	Community Action Agencies (in OEO)
CETA	Comprehensive Employment and Training Act
HEW	Department of Health, Education, and Welfare
ICESA	Interstate Conference of Employment Security Agencies
MDTA	Manpower Development and Training Act
NAB-JOBS	National Alliance of Businessmen-Job Opportunities in the Business Sector
OEO	Office of Economic Opportunity
OMAT	Office of Manpower, Automation, and Training
UI	Unemployment Insurance
USES	United States Employment Service (also referred to as ES)

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Reviews

Review of Alan Wolfe, *The Limits of Legitimacy*. New York: Free Press, 1977.

*The Bay Area Kapitalistate Group**

This review essay emerges out of a long process of collective thought and discussion. It is, of course, a book review of *The Limits of Legitimacy* by Alan Wolfe, a member of our collective. But, more importantly, it is an attempt to assess how Alan Wolfe's work has advanced the analysis and critique of the modern capitalist state, how it has failed in certain areas and how it has brought new questions into focus.

The collective process by which the review was written began, in a sense, before *The Limits of Legitimacy* was ever written. Wolfe's book was influenced by the previous writings of members of our collective as well as by discussion with members of the *Kapitalistate* collective during the process of writing. By the time the book came out, new members had entered the Bay Area collective and some old members had left. This group read—or re-read—*The Limits of Legitimacy* and devoted a day to discussing the book critically with its author. Those present at this discussion then drafted brief statements of the conclusions which they had drawn from our day-long discussion. As it turned out, there were wide areas of agreement among these statements, and one of our members then undertook a first draft of the essay which follows. The first draft was again subjected to critical discussion and was revised several times in the light of criticisms. What emerged, then, was a collective result of an on-going collective process.

This whole effort embodies our underlying conviction that the aim to produce a revolutionary theory of the modern capitalist state is one important part of the social and political struggle against that state. In

* Members of the collective who participated in this project are: Anatole Anton, Jens Christiansen, David Gold, Les Guliasi, Jim Hawley, Clarence Lo, Ann Markusen, Pat Morgan, Brian Murphy, Chuck Noble, Jim O'Connor, Pat O'Donnell, Kay Trimberger, and Alan Wolfe.

this sense, then, the review represents our collective work as much as it concerns Alan Wolfe's individual work. It embodies an attempt to understand our work as part of the class struggle which, we have come increasingly to believe, is essential to the understanding of the modern capitalist state. This was the implicit task which our collective initiated in writing the following review. The weaknesses which are engendered by collective work are, we believe, well worth the cost. What follows, in any case, represents the considered judgment of our collective.

* * * *

There is widespread agreement among the left today that the following theoretical tasks are urgent.

(1) We need to work out a theory of the state, one that Marx never wrote. Marx initiated such a theory in 1843, of course, with his *Critique of Hegel's Philosophy of Right,* but he never returned to it in a systematic way, concentrating his efforts on the more economic aspects of the political economy of capitalism. Nonetheless, it should be clear from this work of 1843 (if not from Capital as well), that Marx conceived of political economy as a moral science and that Marx never abandoned the view of democracy which he set forth with Engels in the Communist Manifesto: ". . .the first step in the revolution of the working class is to raise the proletariat to the position of a ruling class, to establish democracy." The fact that Marx did not complete his work on the state, has had a profoundly deleterious influence on Marxism and on the left in general. The fact that the topical analyses of one particular form of bourgeois state in *The Eighteenth Brumaire* is the only mature example of the way in which Marx approached the state may well also have had a confusing influence on Marxism and the left.

(2) We need to develop along the lines above, the explanatory power of such a theory for the modern state as it presently confronts us—merged with the economy, bound up with a complex class structure. Such a development would allow us to grasp the state as a product of historical process, most notably class struggle. It would also allow us to grasp, in a non-instrumentalist way, the way in which liberal democratic theory has been incorporated into the very infrastructure of the state.

(3) We need to chart the relationship of Marxist political theory to existing (and rival) theoretical work in political science. Whether such works are 'rival' theories to Marx's in any meaningful sense is one question. Another question, raised by Alan Wolfe, is whether *both* traditions share a common tendency to view the state as having only instrumental importance, "defined by factors outside itself." The importance of this second question is suggested by Sheldon Wolin, quoted by Wolfe:

> To reject the state meant denying the central referent of the political, abandoning a whole range of notions and the practices to which they pointed—citizenship, obligation, general authority—without pausing to consider that the strategy of withdrawal might further enhance state power.

(4) We need to insist that such theoretical work help us understand the widely feared drift away from liberal democracy and toward openly authoritarian, anti-democratic political structures and theories. The direct links of the Carter administration to the Trilaterial Commission and the publicly expressed skepticism about the future suitability of liberal democracy for advanced industrial societies are symptomatic of this authoritarian tendency in ruling circles. That President Carter's National Security Adviser is one such individual with such publicly expressed views makes it impossible to dismiss these tendencies as inconsequential. On the other hand, the increasingly attenuated sense of democracy in liberal democratic states raises the problem of grasping the popular reaction to authoritarian tendencies.

(5) Finally, we need to comprehend the nature of class struggle as it actually occurs in our society (rather than according to various preconceived schemes). We must inquire about whether there are spontaneous tendencies for the society to polarize around the issue of democracy, tendencies for a popular re-definition of democracy as a requisite condition for class solidarity. For we need to develop strategic guidelines and insights to oppose this authoritarian drift and to develop, against it, a positive vision of socialism capable of inspiring masses of people, since it articulates their deepest political needs and addresses itself to the fundamental contradictions of our society.

Alan Wolfe's book, *The Limits of Legitimacy,* mounts a concerted assault on this cluster of problems in the tradition of Marx, Lukács and Gramsci. It does not succeed in addressing *every* important aspect of these problems, it does not succeed in completely *solving* all—or even any—of the problems it addresses. The book runs into methodological snares, fails to treat all of these problems in a unified and sustained manner and raises as many questions as it answers. But the writing of such a serious, ambitious and learned work on the modern state is itself a political act. The very attempt at comprehensiveness, like some previous Marxist studies which have appeared recently (e.g., Miliband, Poulantzas), announces that the left, after much spade work, will seek to overcome its stifling limitations in political theory, develop conceptual tools to analyze the political crises of our times, and address itself in a practical way to the spontaneously political character which class struggle assumes in our times. These works announce that the theoretical left is beginning to take seriously the idea that it has an historic role to play.

Wolfe's work is an advance on previous work in that it takes the notion of political crisis (and development through political crisis), as a central theme. This advance is made possible by the recognition of not only the contradictory character of "liberal democracy" but also the fact that this contradictory ideology is something more than an instrument

of class domination. It is part and parcel of the structure of the state, a structure which itself can only be understood as the temporary result of striving to reconcile popular demands for democracy with a prevailing system of class rule. Wolfe's arguments about the structure of liberal democratic *states* and the development of this structure through crisis are original. If the book achieved nothing else, these historically well-grounded insights would make it worthwhile. But it does achieve something else. Unlike Poulantzas and Miliband, it uses theory to address a very real and immediate crisis of our time.

At the least, these strengths should recommend the book to the general reader and make it suitable as well for university courses. And in this vein, it should be noted, the style of Wolfe's erudite book is not inaccessably technical. Indeed, it is almost popular, spiced with literary references and polemical asides. The book's value, in this regard, will be that it is simultaneously a sustained critique and unmasking of liberal democratic ideology, a survey of the contradictory history of liberal democracy, and a warning about the fragility of liberal democracy as a system of legitimation. It may serve to help revive and render plausible once more the old idea that social structure can best be studied and understood as a product of class struggle. Ultimately, however, more will be learned from an examination of the book's failures and weaknesses than from its strengths, for it has the merit of teaching us how to ask certain new questions and how to take account of important but previously neglected aspects of a Marxist political theory. As we shall show in the ensuing discussion, while Wolfe's book does no more than adumbrate a theory of the state, still it parts company with previous Marxist conceptions of the state (instrumental, structural) and indicates the lines along which an adequate theory of the state can be constructed. By trying to correct the first approximations in Wolfe's book, overcoming the methodological flaws, filling in the conspicuous omissions etc., it is our view that a profound and politically relevant understanding of post-World War II reality will become possible.

The central theme of *The Limits of Legitimacy* concerns a problem fundamental to liberal democracy—namely, that modern politics are organized according to the principles of liberalism and democracy, two contradictory ideologies. Wolfe defines "liberalism" as an ideology designed to create, protect, and promote the market system and all that goes along with it; and he defines "democracy" as a political ideal which combines the principle of social equality with political participation. Wolfe claims that

> . . .with the exception of civil liberty, liberalism and democracy work toward contrasting goals. This means that societies that proclaim themselves liberal democratic are in a sense announcing that they will be torn by conflict, replete with contradiction, under continuous pressure, and unable to face the future without substantial change. Yet they cannot help themselves. So long as a society remains in any degree capitalist, the state will be called upon to engage in the accumulation process to some degree. But at the same time, in order for capitalist decisions to be acceptable to the citizenry at large, democratic desires must in some way be taken into account.

In short, Wolfe, concurring with writers like Jurgen Habermas, Claus Offe, and James O'Connor that the capitalist state is caught between the twin imperatives of accumulation and legitimation, argues that:

> The symbolic political expression of this duality is liberal democracy, for liberalism become the ideological justification for accumulation while democracy upholds the importance of legitimation, of some kind of popular participation and some kind of equality of results. The predicament of liberal democracy is that liberalism denies the logic of democracy and democracy denies the logic of liberalism, but neither can exist without the other. Without a bourgeoisie there is no liberalism; without a working class there is no democracy. Liberal democracy is the perfect political system for late capitalism because it captures the central contradiction that structures it.

Wolfe's choice of placing political priorities over other ones seems wise, although, as we shall argue below, he pays a price for this choice in the coherence of his exposition. In particular, the choice seems to us to embody a useful critique of the new left from within the new left. In its concern for culture generally, for making personal life, social life, and the work place political, the new left may have fallen into the very trap of privatization (which we ourselves have inveighed against) by neglecting to focus on politicizing the political itself. Thus, Wolfe is quite explicit about the need to concentrate on the question of the legitimation of the state. He argues, in effect, that since the entire social and political order depends crucially on depoliticization, since the state has come to pervade all of social life, the various "anti-statist conceptions of politics" which abound are profoundly off the mark. Again we shall argue that he pays a price for this emphasis in having to rely on dubious conceptions of the political such as that of Hannah Arendt. Nevertheless merely raising these questions in a sharp way represents intellectual progress.

* * * *

The *first* part of Wolfe's book—in fact the bulk of the book—is a thorough and systematic study of the evolution of liberal democracy "as the history of politics in capitalist society." It would be impossible to describe the richness of detail and specific insights which sparkle through his exposition. Broadly speaking, however, his book is a study of contradictions and hence light years ahead of the standard historical accounts of the rise of western democracy and liberalism. Wolfe examines, from the standpoint of class struggle, how liberal democracy comes to be defined and successively re-defined in the light of the liberal requirements of a market society and the democratic pressure of the working class. Liberal democracy, of course, has long been recognized as a hybrid notion. C. B. Macpherson, for example, has written about the

process whereby ". . .the liberal state was democratized, and in the process, democracy was liberalized." But Wolfe's aim was to go beyond this by showing how precisely the dialectical process of reconciling these opposites *resulted* from class struggle and the contradictions of capitalism and how the process was, increasingly, incorporated into the structure of the state itself.

In his study of the evolution of liberal democracy, Wolfe distinguishes six different forms which the capitalist state has taken. Each form, which initially emerged at a different historical period, represented a "solution" to a set of contradictions confronting the pre-existing state order. The first state truly adapted to capitalist ends emerged in the nineteenth century; Wolfe calls this form of the state the Accumulative State. The Accumulative State itself represented a compromise between the new liberalism and the older absolutist conceptions of the state. The distinguishing feature of the state at this time was its subordination to the imperatives of accumulation. In this form of the state, accumulation itself served as the primary means of legitimation. But, as capitalism continued to evolve and a large, militant working class arose, the Accumulative State became increasingly obsolete. Therefore by the end of the nineteenth century, a new form of the state came into being. This second form, which Wolfe designates the Harmonious State, attempted to achieve legitmacy by developing visions of class harmony. The "solution" to class conflict embodied in the Harmonious State was only fleeting, however. Based on the recognition that internal class harmony was in fact impossible, yet another form of the capitalist state soon evolved. This third form, called the Expansionist State, attempted to diffuse internal class conflict by various forms of expansion (e.g., imperalism, trade, emigration, and ultimately war).

By the 1930s, the Expansionist State, too, have shown its limitations. It then became necessary for a new form of the capitalist state to evolve which could preserve legitimacy in increasingly mature capitalist societies. This new form, which incorporated the legitimation problem into itself, Wolfe calls the Franchise State. In this type of regime, the state "franchises" political power out to nominally private agencies while these private agencies, for their part, tend to take on the universalistic guise of the state. The line between what is private and public tends to fade. A market system develops within the state as well as outside of it. Through active struggle, portions of the working class as well as the capitalist class are able to gain "pieces" of the state; hence, one of the Franchise State's features is a new involvement in social welfare. Although many aspects of the Franchise State persist today (as aspects of other earlier state forms), the continuing process of capitalist development has brought about two subsequent changes in the state. For one thing, in responding to the problems of the economy, imperialism,

and war (hot and cold) and the attendant class and social crises, there has come about what Wolfe calls the Dual State, i.e., a state with a state. The visible state preserves liberal democratic forms and the invisible state meets the requirements of accumulation. This state is problematic, however; for it breeds a sort of elitist arrogance (e.g., Nixon) and it faces the constant threat of exposure. Finally, Wolfe discusses the emergence of a new form of Transnational State, which corresponds to the imperatives created by the internationalization of capital. This new form is also problematic for it is saddled with longstanding contradictions and, in any event, is parasitic on the nation state. Thus neither the Dual State nor the Transnational State represent genuine "solutions" to the problems confronting the political order in advance capitalist societies. In fact, Wolfe's historical survey permits him to draw a conclusion that bears directly on the problem of the current condition of liberal democracy: our present period, he argues, is one of political stagnation and exhaustion. All the "solutions" which operated in the past "continue to exist as legacies but no one dominates." Nor does any new "solution" appear on the horizon. This, then, completes Wolfe's historical diagnosis of the ills of liberal democracy. Each of the forms of the state or of political domination employed in the past have come to grief, in whole or in part, as a result of democratic pressure or resistance (whether passive or active) from the working class. Civilization now stands at the crossroads.

* * * *

Whereas the first part of Wolfe's book is a thorough and historical definition of the modern state, the second part is a *sketch* for an analysis of the main structural aspects of the contemporary state and for a fully democratic and socialist alternative to it. Whereas the method of the first part is to study the perceptions of their own situation by political and intellectual elites, with some polemical asides by the author against rival conceptualizations, the method of the second part is to critically survey relevant literature in Marxist theory, political science, and political theory. The sketch begins with some highly suggestive and interesting, if undeveloped, remarks about the relation between the political stagnation of the comtemporary state and some recently proposed models of crisis (i.e., the conception of disaccumulation, Mandel's conception of an economic crisis flowing from the increasing use of advanced technology, and Habermas' view of the legitimation crisis). Wolfe suggests that such notions might well provide an underpinning for a certain idea of political crisis, the exhaustion of alternatives, suggested by his previous historical analysis. "In late capitalism, the major political issues will not take place within the parameters of liberal democracy but over them," he insists. He goes on to say that the

effects of the exhaustion of alternatives cannot be predicted and depends "on calculations made by majority and minority classes as to when the precise moment to go beyond it will come."

In pursuing his analysis of the current crisis, Wolfe sketches a devastating portrait of what he calls the reification of the present state, a state characterized by cycles of increasing stagnation, a state possessing greater power and fewer options than ever, a state lacking any useful diagnosis of its situation in crucial areas of policy. He also makes some suggestive remarks, following Habermas, about how the growth of bureaucracy can be understood in terms of the relationship of legitimacy to the accumulation process and, therefore, how what O'Connor called the fiscal crisis of the state is only one aspect of a larger administrative crisis. All of this goes some way toward explaining the general sense of bankruptcy, evasiveness and emptiness in the political sphere, why great power to help is irrationally ascribed to an increasingly huge but helpless state. It also suggests a relationship between Wolfe's historical and structural analyses. The reified state is the state whose alternatives have first been limited and are now exhausted by the democratic class struggle which is an inherent aspect of liberal democracy. It might even by conjectured, although Wolfe does not take up this line of thought, that the granting of increasing power to seemingly independent parts of the state creates, through the competition of these parts, the increasing powerlessness of the whole.

Yet, whatever proximate explanation is given for the reification of the state, it still remains true that to understand the reification of the state would be to get within it, to grasp the real social relations that make it up, and to link the state of those relations to the disaccumulation process. Wolfe has some suggestive things to say on these matters too, but they are only the beginnings of an explanation at best. What he argues is that such reification requires a general depoliticalization of the populace. He calls this depoliticalization the emergence of an "alienated politics." He suggests, following an analogy with the labor process, a progressive de-skilling of the citizen. Though he assembles a lot of evidence for the existence of this state of affairs, Wolfe does not *fully* unpack this metaphor; suffice it to say that such an unpacking would require a deep and thorough analysis of the process by which political skills have been undermined.

At any rate, Wolfe's conception of reification can be treated as a sort of living critique of Max Weber's instrumental view of good political leadership. To understand this fully, Wolfe notes, would be to be able to generalize Marx's notions of alienation and exploitation, to move from the economy to the sphere of politics. Yet, whatever its deep nature, Wolfe argues, any successful strategy for opposing the authoritarian and (perhaps) corporatist drift symbolized by the views of the Trilateral Commission will have to be aimed at overcoming political alienation, at re-

politicizing the masses of people. This amounts to resolving the opposition between liberalism and democracy in favor of democracy, with the understanding that "The democratization of accumulation can be called socialism." The main strategic emphasis in reformist and defensive struggles then must be on re-politicizing the populace, of resurrecting "the democratic dream." Yet, typical of the confusing and incomplete nature of Wolfe's book is the fact that some of its central formulations are cryptic in the extreme. Thus, "accumulation" seems to refer to an aspect of the capitalist mode of production. We are thus left in suspension as to how to interpret the meaning of the "democratization of accumulation."

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The scope of Wolfe's book is so large and his approach so novel in many respects, that it is not easy to classify his theory of the state in the usual ways. If anything, his *theory* of the state seems more clearly defined by what he is against, than what he is for: "There is a need to develop a theory of the state that neither sublimates politics into nothingness nor places it on a pedestal beyond analytical reach." Obviously, Wolfe is clearly opposed to conceptions of the state which treat it as a mere instrument of ruling class intentions and the functional requirements of capital without taking account of its internal dynamic. More interestingly, Wolfe's chapters on the Franchise State can be read as a disguised polemic against the related thesis of corporate liberalism. He says, for example, "that the general principles (if they can be called that) embodied into the Franchise State were not the result of Manichean ruling class prophets who understood the way in which society was about to change and met the challenge head on. Instead the Franchise State was developed defensively and with almost no forethought." One is thus reminded of the considerable evidence that the most important capitalists opposed the reforms of The New Deal. Such reforms were achieved rather through the state. Yet, this very example also indicates that the Franchise State was the product of the political competition between individual capitals and fractions of capital, not capital as a whole. The theory of corporate liberalism, on the other hand, argues that capital as a whole, the capitalist class, has shaped political strategies and policies for class ends. Obviously, what is necessary to resolve the conflict between Wolfe and the coporate liberal theorists is a separate analysis of the agency of individual capitals and capital as a whole.

If Wolfe sets himself in opposition to instrumentalism, he is shameless about violating almost every canon of what is referred to as "the structuralism" of Poulantzas, Althusser, etc. Indeed, the very fact that Wolfe describes himself as working in the tradition of Lukács and Gramsci is enough to indicate broad philosophical disagreements with

these sort of structuralists. The book's center is, after all, essentially normative, being focused on the concept of democracy, which in turn is related to the overcoming of political alienation. Nonetheless, we feel that a critical exposition of his differences with this school of thought would have strengthened the book. For example, he argues that the conflict between liberalism (as representing the accumulation process) and democracy expresses the *one* central contradiction of capitalist society, a clear slap at the Althusserian principle of overdetermination. Yet, as we shall indicate in the ensuing discussion, *The Limits of Legitimacy* itself suffers from not considering sufficiently the deeply contradictory nature of both the accumulation and legitimation processes. Similarly, structuralists would be quick to maintain that Wolfe's typology of states is an example of an historicist ideology, since the principle of classification is essentially ideological and, represents what they would call an "expressive totality": a concrete, socially universalized embodiment of a particular resolution of the opposition between liberalism and democracy. All other issues aside, Wolfe's typology of capitalist states certainly *does* suffer from failing to distinguish between the ideological and the real. We shall develop this point below. Finally, a critical examination of Poulantzas' efforts to re-interpret the concept of legitimacy as it is used in ordinary social science might also have added a dimension to Wolfe's book. Poulantzas says, for example:

> . . .legitimacy covers the specifically political impact of the dominant ideology. . . . This definition is important when we compare it to the meaning modern political science gives to this notion. According to it legitimacy. . .generally indicates the way in which political structures are *accepted* by agents of the system. . . . [Functionalism develops this idea]. . . . The legitimacy of political structures thus signifies their integration into the functionality of the system governed by its social ends, aims and values; it indicates their acceptance by the actors, integrated by means of this acceptance, into a social ensemble. In the case where the political structures do not coincide with the normative models of a society, they are conceived as being dysfunctional, i.e. as constituting a badly integrated ensemble which specifies their illegitimacy.

Now, one does not have to accept the structuralist strictures on "the ideology of the subject" and begin to refer to agents merely as "bearers of social relationships" in order to recognize that an ideology can be dominant even when social groups *use* it to justify their oppsition, their non-consent, to society. Had Wolfe attended to this issue, he would at least have addressed a question that we shall also take up later, viz.: What are the essential differences between the socialist and the liberal conception of democracy. He would, in other words, be forced to propound, against Poulantzas, his own *normative* conception of socialist democracy in terms of active consent. This would be Wolfe's justification for being less concerned with challenging—in the manner of Althusser and Poulantzas—the ideological presuppositions of the social development and theories which he considers. His project rather assists them in

re-interpreting, reading their contradictory nature and looking for normative elements immanent in developing conception of democracy.

Yet, in the end, the book *does* have certain structuralist affinities, even if these affinities are not in the Althusserian mold. Wolfe is at pains to show, for example, that capitalist states, whether in the U.S. or Western Europe, tend to live parallel lives. This point is so true that the book can even be criticized for generalizing too quickly from the American experience to those of all developed capitalist states. Wolfe's conception is clear that, although class struggle determines the development and form which particular capitalist states assume, it does so in the same way in different places. Further, he is concerned with the way in which the structure of liberal democratic ideology comes to be embodied in virtually any capitalist state. He says, for example, that:

> Increases in bureaucracy stem from the tension between liberal and democratic conceptions of the state, which are channeled into public agencies that attempt to resolve it on an ad hoc basis. . . . The public administration of late capitalist become weaker the stronger it appears to be, a contradiction ultimately caused by the gap between its political requirements and its administrative ideology.

Similarly, Wolfe mentions the selective mechanisms of the state and the increasing importance of "non-decisions" in class rule. It would be tempting to say, therefore, that Wolfe's implicit theory of the state is a kind of historical structuralism, where political structures are treated as temporary products of the on-going process of class struggle and the requirements of legitimation. On this interpretation, Wolfe would be seen as attempting a historicization of the structural ideas of Claus Offe. But this formulation is only partial, for the book is currently concerned with the ability of capitalist states to form and re-form a kind of hegemonic consensus around liberal democracy. Yet, it does not claim the absolute primacy of this hegemonic consensus, nor does it centrally analyze the relationship between consensus and power in this situation.

We are thus led to the conclusion that *The Limits of Legitimacy* is a *sketch* of the important features of the modern capitalist state which could help us theoretically understand our own situation. This impression is heightened by the fact that the book does not sufficiently develop the connection between later state forms in their consensual aspect, and the accumulation/disaccumulation processes. Indeed, the term "disaccumulation" is used very broadly to describe "Various structural restraints on the capacity of capitalist societies to find ever increasing sources for the expansion of surplus value." The bare *possibility* of integrating and organizing into a unified whole the recent work of James O'Connor (which stresses the increasing resistance of labor to being used for the purposes of capital), the work of Ernest Mandel in his book *Late Capitalism* (which stresses the role of the increasing technologization of capitalism in the decrease in necessary labor), and the work of Habermas on the legitimacy crisis is programmatically *suggested* by

Wolfe, but that is all. What is lacking, as Wolfe himself grants, is a detailed account of how a theory of politics of the modern state can be created which adequately integrate a theory of capitalist disaccumulation. This would be, finally, a theory capable of explaining the primacy of the question of legitimation in late capitalism.

Yet the thrust of Wolfe's argument *is* for a kind of merger of theories of the economic process, the state, and the legitimation process. For the modern state, he notes, socializes the cost of an important part of capitalist technology, among other things, and is, therefore, involved in the process of accumulation. Similarly, following Habermas, he claims that the economic relations of production are politicized and, of course, they are politicized according to prevailing attenuated interpretations of liberal democracy. But to suggest a merger of the economy, state and legitimacy is not to be precise about the specific roles played by these aspects of society. As we said, Wolfe does *not* develop a theory of the state in this sense; at best, he gives us some interesting hints and some sharp insights. He is preoccupied primarily with the changing hegemonic role of the state. This is a strength of his work in contrast to others, but it also opens him up to the Perry Anderson critique of the tradition of Western Marxism with which Wolfe identifies. Western Marxism has been overly concerned with questions of philosophy and consciousness to the exclusion of political economy. Further, Western Marxism has developed theory in a context which made it unsuited and unrelated to practice. Wolfe has gone part of the way toward correcting this fault in emphasizing the relation between *political* ideology and class struggle, but only *part* of the way. For example, Wolfe's perspective hardly takes account of the fact that modern class structures and relations are international, owing to the international division of labor, the internationalization of production etc. Thus, to fully relate class structure to state structure today one must recognize how, for example, the internationalization of production involves the growth of administrative, financial and other sorts of labor (with all of its political implications), in imperialist countries. Similarly, the U.S. state is shaped by international class struggle as well as internal class struggle. Wolfe, of course, is sensitive to these facts, but the perspective which he develops does nothing to explain their over-all significance.

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One thing *The Limits of Legitimacy* teaches us is the need for Marxist theory to probe more deeply into at least four inadequately explored areas. Only by exploring these areas can we hope to construct a theory which does justice to *both* the accumulation and the legitimation process and which at the same time is addressed in a practical way to real

political possibilities. The four areas are the following.

1) The basis of the legitimacy/accumulation framework of analysis.
2) The use of typologies in Marxist analysis.
3) The concept of explanation and values implicit in Marxist analysis.
4) The relationship between class struggle and the definition of political crisis.

We shall take up each of these topics in turn.

1) *The Legitimacy/Accumulation Framework*

While the function of the concept of *legitimacy* is clear in Wolfe's work (i.e., to show how different form of hegemonic class rule is a temporary result of class struggle and, ultimately, unstable), the meaning of the concept is less than clear. Because of the fascination and importance of the dialectic between legitimacy and accumulation, for *Kapitalistate* authors, there has been a tendency to treat legitimation as simply the opposite of accumulation. Everything which is not accumulation tends to get called "legitimation," making it a sort of grab-bag category and undermining its analytical usefulness. Furthermore, there is a tendency to see "legitimation" as the process of popular ideological acceptance *of* the economy, without discussing the ways in which economic activity itself embodies or informs our sense of what is legitimate. What is needed, in the interest of clarity, is a sorting out of some of the different points relevant to the use of the concept of "legitimation."

a) There is, in the first place, a *moral* use of the concept as when "legitimate authority" is spoken of in political philosphy. The contrast, in this case, is betwen legitimate and de facto authority. Less generally, there is a class of political philosophers, beginning with Plato, that have maintained the view that any good or just state must also seem good or just to its citizens. Plato called this the virtue of temperance in the state. Since he had so low an opinion of the rational capacity of most human beings, Plato did not hold that the citizen, to whom the state *seems* just, must have a rational relation to justice in the state or must participate in the state's rationality. Rousseau and Kant did, however, maintain that legitimacy in the sense of "temperance" must involve participatory rationality. Hegel fudged the issue of participatory rationality by arguing that, from the philosophic standpoint of the whole, an individual's rational alienation from society can be seen as one-sided and overcome. This is, of course, an aspect of the mystification which Marx attacked in Hegel; for, indeed, Marx's main point was that this rational alienation must be overcome in *fact* and not just in theory. This view is prominent in Marx's early *Critique of Hegel's Philosophy of Right,* but it is also clear in *Capital,* e.g. in the section on the Fetishism of Commodities. Moreover, unlike the Lockean tradition, the sort of consent (and therefore, consensus) which was required for a just society was not a

tacit, passive consent but an active, participatory one. This is part and parcel of the Marxist idea of socialism.

b) The sociological concept of 'legitimation' can be understood by contrast to the philosophic concept of legitimacy. The study of legitimation is most often a study of how an unjust social order (if only because participatory rationality is absent), can gain *acceptance* from its members. To be sure, Max Weber, who introduced this concept, thought of it as value-neutral, but it was still developed against the background of German philosophy, particularly, Hegel. Now concepts such as mystification, reification, fetishism have been introduced into a study of the legitimation process to explain the acceptance of social and political arrangements through improper analogies of these arrangements to natural relations. Yet, this is only one aspect of legitimation.

c) Habermas in using the term legitimation, has quite self-consciously sought to bring out the concept's philosophical ancestry. He does this in opposition to Weberism positivism. The role of critical theory, for Habermas, is to overcome the chains of legitimation, so to speak, through self-reflection. This is rendered possible, in time, by a social process of "communication." For Marx, it would seem, revolutionary political activity is necessary to overthrow property forms and hence acquire the pre-conditions for self-reflexism, since the forces and relations of production are seen as a unity. It is not clear what Habermas thinks about the necessity for revolution as, 'practical critique' in the light of his Kantian divorce of technical relations from relations of interaction, symbols, and so forth. The importance of making this point in the context of this review is that Wolfe's apparent reliance on Habermas may partially explain why, as we shall discuss below, liberalism does double duty for him. It refers to both the property forms central to the accumulation process, and to a political ideology. Wolfe *implies,* then, that the legitimating impact of "liberalism" occurs in *both* the legitimation *and* accumulation processes. The theoretical implication is significant: that the two processes must be dialectically related and that the ruling ideologies of the economy and political system must be seen as *necessarily* related. And, indeed, unless we adopt such an outlook, we are bound to miss the general self-legitimating aspects of the process of accumulation. What else, for example, is the fetishism of commodites or the appearance of the wage relation as an equal exchange than a self-legitimating aspect of the economy? And is not economic growth and the overall ability of an economy to "deliver the goods" further self-legitimating features of the accumulation process in contemporary capitalism?

d) The legitimation process itself is a far more complex affair than Wolfe's treatment brings out. Wolfe does not adequately show how the ideological presuppositions latent in existing institutions, e.g. the law, representative democracy etc., come to conflict with the theoretical *re-*

definitions of liberalism and democracy he analyses. This conflict emerges as attempts are made to institutionalize the re-definition. A famous example of this process, which Wolfe mentions, but does not discuss in detail, is Schumpeter's re-definition of democracy. The existence of such actual contradictions within the legitimation process can be important.

e) To complicate matters further, it would be a mistake to identify the state and, hence, politics exclusively with the process of political legitimation. Indeed, Wolfe's own brilliant discussion of the reified state and diarchy strongly suggests that certain aspects of the state are removed from the legitimation process altogether. This may be a result of the legitimation process itself, but it may, as in the case of the state's limited options, be more centrally a result of power relations, military capacity, etc.

f) What emerges from our whole discussion so far, then, is a fascinating and complex set of questions. How do we understand the structure of the state itself in relation to the accumulation/disaccumulation process? How, at the same time, do we understand the structure of the state in relation to its internal and external relations of power? And how, by these means, do we understand the apparent *primacy* and contradictory nature of the legitimation process in the structure of the reified state as well as in the disaccumulation process? These questions can all be re-formulated in terms of the concept of crisis. We might ask, for example, whether there is a theory of state restructuring based on the theory of capital restructuring during and after economic crisis? What are the aspects of *class* composition and recomposition that are part and parcel of the accumulation process through crisis that are left out of the political process? And, finally, related to the last question, given the apparently purely symbolic character of democracy, why does it and will it make a difference if democracy were to be dispensed with? We had noted the existence of these questions, of course, prior to discussing the problems in the legitimacy/accumulation framework. What we are now suggesting is that Wolfe would require considerable development of this legitimacy/accumulation framework in order even to ask these questions properly.

2) *The Use of Typologies in Marxist Analysis*

Wolfe's categories for the different forms of the liberal democratic state are instructive, provocative, and full of implications for future research. But, his typologies, it must also be acknowledged, are frustratingly unsystematic. It is never entirely clear what sorts of things are being classified. He talks, for the most part, of the six "solutions" to the problem of creating a liberal democratic state. This creates the impression that it is ideologies and not actual states that are being

classified. The impression is heightened by the fact that, on Wolfe's own account, the Harmoinious State was never, in fact, much more than an ideology. But the impression that it is ideologies that are being classified is contradicted by the fact that the Accumulative State, the Franchise State, and the Dual State are clearly kinds of states and not just ideologies. Indeed, the ideological dimension of the Accumulative State (viz, classical liberalism) is given short shrift since we are told that accumulation itself was the principle of legitimation. This seems to throw events (like the Glorious Revolution), documents (like the U.S. Constitution), and books (like Montesquieu's *Spirit of the Laws*) into the grinding gears of the accumulation process alone. Finally, in calling accumulation a self-legitimating ideology, Wolfe seems to suggest that it is modes of class-domination—as in the Franchise and Dual State—which are being classified and not simply state forms.

Just as the objects of classification are unclear, so are the principles of classification. It would seem, for example, that the Expansionist State is to a great extent simply a spatially extended variety of the Accumulative State. Furthermore, though the impression is usually given that these state forms and/or ideologies are sequential, there are references in the book which suggest that these forms sometimes overlap each other, co-exist, or mutually depend on one another in "symbiotic" relationships or "unities of opposites." Moreover, elements from the past are sometimes revived and incorporated into later forms.

One possible source of this confusion is Wolfe's decision, in the first part of the book, to focus on elites' perception of the nature of their situation and of ideologies for changing it. Class struggle is registered from on high in the perceptions of elites, and this data is then used to classify forms of the state developed to respond to that struggle. This approach yields the rich set of categories which Wolfe proposes. But it also fails to put in proper perspective some of the persistent, underlying features of the capitalist state; it subordinates actual struggles and structural changes in the state apparatus to ideological understandings of them; and sometimes it leads to a blurring of the distinction between ideology and genuine practice. (At other times, it should be added, it permits Wolfe to make exceedingly inciteful remarks about the relations of ideology to practice.)

Yet another difficulty posed by Wolfe's method of classification is that it does not provide any clear understanding of the "motor" of historical development. It sometimes seems that Wolfe is being literally idealist and treating not class struggle, but the internal clash of ideas as the motor of political development. At other times it seems that Wolfe is involved in a kind of reverse teleological reasoning where, unlike Hegel, dissolution and not syntheses are the telos of historical development. His discussion of the way in which the development of the executive in the New Deal prepares the way for Diarchy can be interpreted in this way.

A final problem with Wolfe's analysis, closely related to the preceding points, is that he does not treat the *mechanisms* through which class struggle is intertwined with both the legitimation and accumulation processes. Frequently in history, democratic demands are merely implicit in other sorts of demands (as in the struggles of industrial unions for recognition) or are not fully articulated for whatever reasons as *social* and political demands (as in the struggle for female suffrage). To understand the real struggle for democracy, then, would require discussion of the actual history of popular movements. Wolfe's perspective cries out for such study but does not actually produce such study.

The dilemmas posed by Wolfe's typologies raise a broad set of questions for those engaged in Marxist analysis. Schemas such as the one Wolfe proposes provide many powerful insights. Yet they are no substitute for a fully developed Marxist theory. If they can help build such a theory, as we believe Wolfe's categories can, they definitely merit careful consideration. But at the same time they seem to suffer from some deep-seated problems. It is not clear, for example, how such typologies can be reconciled with a truly dialectical method. It is also possible that they may pose a real danger; for some may make the mistake of assuming classifications are a substitute for more rigorous analysis. But, in the end, if the problems and pitfalls of categorization can be overcome, the initial steps being taken by Wolfe and others may enable us to develop better theory.

3) *The Concept of Explanation and Values Implicit in Marxist Analysis*

Wolfe's reliance on somewhat idealized, categories of analysis create at least two special problems for him. First, his categories, each of explanatory power make it hard for him to analyze the contemporary political crisis and, second, they make it difficult for him to adopt a firm normative stand rooted in political practice. What is needed, in order to meet these requirements, is to start from the *real* character of political relationships and to show the "inversions" through which these relationships reveal themselves in social reality. The state, then, would be more than a concrete embodiment of liberal democracy. It would also be a system whereby the powers of society as a whole are taken over and placed in the service of a particular class. Wolfe is, of course, aware of these points and tries to sketch a solution to them in the second part of his book. His solutions are highly suggestive and may well represent a profound point of departure for subsequent analysis in this field; nevertheless, they are inadequate as they stand.

In his analysis of the contemporary political crisis, what Wolfe does is to try to extend the meaning of Marx's concept of alienation from the economic to the political sphere. He argues:

> Like a worker who sees the product of his labor transformed into a commodity alienated from himself, the late capitalist citizen finds that the source of his alienation lies in his

own productive activity, in this case the production of community rather than commodities. Expropriation is no longer unique to the economy.

The weakness here is in Wolfe's presuppositions. He only wants to use the notion of political alienation to explain *modern politics,* whereas what is wanted is a full explanation of politics itself under capitalism. True, he claims that a special characteristic of modern politics is its increasingly de-politicized character, but earlier in the book he pointed out that a de-politicized conception of politics was inherent in liberalism from the start. Moreover, the opposition between politics and economics is artificial. Marx spoke of the *political* alienation, in effect, which occurred in the economy. What else is alienation from the process of one's labor and from one's fellow man than a loss of power to make over one part of the community according to the needs of the producers? One could speculate, further, that syndicalism is the naturally limited political response that accompanies this naturally limited form of political alienation. In any case, the whole concept of political alienation—a brilliant idea—would require much further development and elaboration before it became explanatory.

Wolfe's conception of alienation is flawed normatively as well as an explanatory device. He seems inclined to postulate a kind of natural political community which we are alienated from. The situation, as he sees it, is that:

If, following the Greeks, one conceives of politics as the common quest of the just and happy society, then in late capitalism politics of this sort is replaced by a form of alienated politics. . . .

Far from being natural, however, this form of community has rarely, if ever, existed on the face of the earth. One can only conjecture that Wolfe is here overly influenced by the work of Hannah Arendt, who he cites in the book frequently as a source of a useful normative conception of politics. But Hannah Arendt, as her critics have urged, has a romanticized view of the Greek polis in her works. Furthermore, she argues for a kind of *metaphysical* naturalness to man as a political animal. Interestingly, she also argues that there is, as it were, a naturally private apolitical side to man's nature as well, thus, reifying certain liberal categories, while attacking others. Finally, her conception of politics, overly influenced by Karl Jaspers, exaggerates the degree of free choice implicit in the political sphere. What is needed, then, is to think through a distinctively Marxist conception of politics rather than relying on a metaphysical substitute.

In doing this, one would have to come to terms with the problems of creating a Marxist definition of democracy. Thus, whereas liberal democracy offers reasons for placing *formal* limits on the areas of majoritarian decisions and whereas liberal democracy tends to treat social choices as aggregations of individual choices, a Marxist conception of democracy would have to find a basis for individual

liberties in the very conception of democracy itself—e.g., as a requisite condition for class solidarity—and would have to treat the decision-making process in its fused as well as its serialized aspect to borrow language from Sartre. Democracy would then be seen as the political embodiment of participatory rationality and would, of necessity, concern an individual relationship to the range of alternatives facing the social whole. It would among other things, struggle to minimize non-decisions. Yet, against Habermas' Kantianism and Arendt's "political existensialism," this conception of Marxist democracy would have to be understood as an historical outgrowth of the process of class struggle in late capitalism. Once agian, Wolfe has helped us to define some *questions* of profound importance, even if he has not provided the answers: What are the specific characteristics of the socialist conception of democracy? What is the Marxist definition of the political?

4) *Class Struggle and the Definition of Political Crisis*

Interspersed through *The Limits of Democracy* are a series of incisive and important remarks about the political *culture* of late capitalism. There are devastating anti-Weberian remarks about the effects of an instrumental politics divorced from important ends. There are remarks about the political/de-political "schizophrenia" induced into the requirements of citizenship and participation in late capitalism and stemming from the contradictory requirements of liberalism and democracy. There are similar remarks about the ways in which the process of political socialization, by de-politicizing, reproduces such a political "schizophrenia." And there are remarks about the intimate connections between the very development of "mass culture" and the advent of imperialism. These remarks—and others like them—amount to an account of a culture of powerlessness. They help us appreciate the value of democratizing reforms, of struggles against political alienation as struggles against the process of legitimation and accumulation in late capitalism. But these points would need to be concentrated and developed further in order for us to grasp the sense of powerlessness, noted long ago by C. Wright Mills, which is all pervasive in our society. Nonetheless, what emerges from them is a glimpse into the *political* meaning of the apparently apolitical struggles to form a democratic culture and to base a struggle for socialism on such a democratic culture. Thus, just as the misery of the working class, "whether their wages be high or low," was a point of departure for Marx's theory of capitalism, so too is the "powerlessness" of the working class a point of departure for Wolfe's theorizing. But this remains implcit—and probably must remain implicit—until a method is constructed by which this sense of powerlessness can be systematically explained as resulting from real political relations and by which an *immanent* critique of these relations

can be given. A study of powerlessness must also base itself on the popular struggles against powerlessness. Indeed, if workers and citizens were hopelessly powerless, how could Wolfe say that class struggles over power are embodied in state structures, policies, etc.? All we would have in that case is the uncontested reign of capital. Again, Wolfe has taken us part of the way towards a solution to this problem, but only part of the way.

Finally, in the first part of the book there is virtually no reference to popular struggles and resistance in Wolfe's book. True, Wolfe emphasizes demands for democracy as resulting from class struggle, but he does not study the political forms that these struggles take. His very problematic is one of studying the background to a present crisis as perceived by the ruling class and not as perceived by the masses of people. This omission is serious, for a number of different reasons. First, it raises the question of whether popular resistance to sham liberal democracy is merely to assert a rival true, authentic liberal democracy or something more democratic or less liberal. This whole issue has been woefully confused by discussions of working class authoritarianism, as Wolfe notes, but then it must be thoroughly re-worked. Second, the development of a culture of resistance is part of the disaccumulation tendencies described by O'Connor and Mandel but, ultimately these are political as well as economic struggles, economistic forms of struggle notwithstanding. Third, any account of crisis must involve reference to the will and ability of the working class to resist and to carry forward their struggles. If there is an exhaustion of alternatives, the question must be faced of the possibility of opening up new alternatives. Marx and Engels noted long ago that, frequently in history, class struggle can result in "the common ruin of the contending classes." Indeed, Wolfe's book can be understood as contributing to the process of defining new alternatives but, paradoxically, it does not provide the historical resources to study concretely the very process of struggle from which it itself emanates. Indeed, there is something mildly disingenuous about a book such as this that does not explicitly work out its relation to Lenin and the Leninists. It is not enough merely to reject the instrumentalist theory of the state. The theory of revolutionary change must be considered as well. And if Lenin's theory were to be rejected—as no doubt Wolfe would reject it—that seasoned revolutionary should at least be "mined" for his insights. All of this said, Wolfe's book helps to make us aware of the implications of a socialist transformation in the sphere of the state, politics and legitimation, and, once again, its very limitations allow us to ask important old questions in a new way. What is the form of class struggle in our period? How is the form a response to the contradictions of liberal democracy? Thus intellectual and political progress has been served.

Review of C. B. Macpherson, *The Life and Times of Liberal Democracy*. Oxford: Oxford University Press, 1977.

*George E. Panichas**

Ideologies emerge given the existence of a specific set of social and economic relations, and their political significance consists largely in their effectiveness as rationalizing devices. A well-established ideology provides the sanction for the firmly entrenched socioeconomic conditions which nutured it, and one measure of the power and success of an ideology (though surely no measure of the truth of its tenets) is the extent and degree to which its claims are uncritically held. Should unfavorable analyses and debilitating criticisms of the indispensible tenets of an ideology gain political currency, however, there is reason to believe that its socioeconomic underpinnings are already altered—its *raison d'être* seriously imperiled. Thus there is an important sense in which a chronology of the ascent and eventual diminution of an ideology is also a chronology of the ascent and decline of an historical epoch. And, insofar as C.B. Macpherson's *The Life and Times of Liberal Democracy* constitutes such a chronology, it should be of interest to those concerned with the multidimensioned character of socioeconomic change.

Macpherson begins his brief book with a sustained argument to show that liberal democracy, as best understood, is *not* to be reduced, either to a description of the political relationships which may or may not occur in one developed industrial society or another, or to a set of abstract moral principles regarding human rights, privileges, and the possibilities of self-development. Rather, democracy has been the developing ideology of modern bourgeois society. Now what has distinguished liberal democracy from its various "precursors," according to Macpherson, is the continued theoretical attempt to impose classical democratic ideals (from Plato to Jefferson and Rousseau) onto a quite specific structure of economic and class relations—that is, capitalist society. In its place as the paradigm ideology of bourgeois society, liberal democracy is plagued with the problem of reconciling the morally desirable principles which give classic democratic ideals their appeal, with the realities of bourgeois life which establish considerable (if not insurmountable) obstacles to the implementation of these ideals. Thus if success were to come to the bourgeois ideologists in the execution of this

*George Panichas teaches Philosophy at Solano College, Suisun City California.

reconciliation, it would take the form either of a denial of these apparent incompatibilities, or of a search for new (or modified) moral principles; to endorse alternative (i.e., non-bourgeois) economic arrangements would, given the bourgeois myopia of these thinkers, fall outside the range of theoretical possibilities.

It is in tracing these intellectual travails and uncovering their flaws that Macpherson's efforts are most effective. This is due, in no small measure, to the fruitful exploitation of a coherent conceptual starting point, and a useful methodological procedure. The former of these analytic instruments is Macpherson's understanding of liberal democracy—an understanding which categorically disallows any separation of democratic ideals from economic realities. The temptation to treat liberal democracy as if it could be reduced to a set of logical considerations of its evaluative elements (a temptation to which many contemporary political philosophers have succumbed) is thus avoided. The latter of the instruments—Macpherson's method—consists in the construction of various "models" of liberal democracy which theoretically isolate the various stages in the development of liberal thinking as affected by considerations of new facts concerning capitalist economic conditions (especially facts concerning the changing character and political significance of the working class), and variations in (or the abandoning of) basic moral prinicples.

This technique of isolating and examining various stages of the development of liberal democracy is coupled with what is, and has been (Cf. Macpherson's *The Political Theory of Possessive Individualism,* Oxford, 1962.) Macpherson's most powerful philosophical weapon; namely, the exposure of controversial market assumptions (either tacit or overt) which permeate almost all aspects of liberal democratic ideology. The use of models and of this philosophical weapon allow an excellent, if brief, critical analysis of Bentham's and James Mill's attempts to relegate democracy to near inconsequential status as a guarantor of protection to those best positioned to exploit their fellows via the methods of the capitalist market. A parallel, and equally powerful strategy is mounted to distinguish and criticize the views of John Stuart Mill, showing that, while there were considerable differences between his normative convictions and those of his forbears, his commitment to democracy remained, at best, a commitment to democracy for an intellectual, ruling-class-affiliated élite.

Initial objections to Macpherson's analyses and arguments can be made on two fronts. It will no doubt be charged that Macpherson's arguments to show that the various moral principles espoused by liberal democrats are in fact incompatible with any set of full market arrangements are either superficial, in their own right, or neglectful of more recent and sophisticated attempts (for example, Rawls' *A Theory of Justice,* 1971, or Nozick's *Anarchy, State and Utopia,* 1974.) to

reconcile the dictates of capitalist arrangement with acceptable moral principles. It may be argued that Macpherson's rather rough shod treatment of various empirical matters is woefully inadequate, for example: the nature and effects of party systems on the possibility of genuine individual participation, the degree and extent to which individual votes (and voter choices) are to be construed as dependent or independent data. But in response, the book is clearly designed to be provocative, to be controversial—especially to those who have not (even at this late date) seriously considered the obvious inadequacies of what passes for accepted wisdom in political theory. Nonetheless, for those who have reached conclusions like Macpherson's, especially those who have reached them in virtue of like considerations, it is Macpherson's last chapter that will be of interest.

By far the most sketchy and hypothetical, Macpherson's final discussion is, in some ways, the most provocative of the entire essay. For it is here that Macpherson deals with the possibility of liberating liberal democracy from its historical role as bourgeois ideology, and considering apyramidal form of participatory democracy (coupled with the replacement of capitalism) as a model of democracy which would be compatible with a moral commitment to human self-development. It is here also that Macpherson is too quick about a great deal, especially, in my opinion, with respect to the possible effects of a capitalist breakdown on working class consciousness and working class activism. Nonetheless, it is in their empirical tone (a carefully guarded optimism) and intellectual direction (towards a humanistic, democratic socialism) that Macpherson's considerations are most crucial. For if liberal democracy is ever to be anything more than a ideology, the ideals presupposed by Macpherson's "participatory model" will have to become more than insightful and intelligent blueprints; they must be both woven into a new scheme of economic relations and designed into a full theory of democratic socialism.

Review of *State and Capital: A Marxist Debate*. Edited by John Holloway and Sol Picciotto. London: Edward Arnold, 1978.[1]

*Margaret A. Fay**

1. *The German "State Derivation" Debate*

The "Marxist Debate" referred to in the title of this book is the "state derivation" (*Staatsableitung*) debate, which has been occupying Marxist social and political scientists in West Germany since 1970. An article by Müller and Neusüss triggered off the whole debate,[2] is an outright attack on revisionism, which they define as "the form in which the class enemy entrenches itself within the workers' movement itself, in which the ideology of the ruling class is propagated as the ruling ideology of the working class" (Chapter 2, p. 34)—in all its guises, the newest of which is "the theory of the welfare interventionist state as developed by the Frankfurt School (Habermas, Offe *et al.*)" (p. 35). Heavy stuff for some of us in *Kapitalistate* who have regarded Offe's work as one of the most promising developments towards a Marxist theory of the state!

Most people in England and America who have been working on the problem of developing a Marxist theory of the state are certainly familiar with, if not influenced by, the research of Habermas and Offe. However, very few of the contributions to the German "state derivation" debate have been translated into English, and consequently few of us have any acquaintance or understanding of its critique of the Frankfurt School research, or of its alternative proposals for a Marxist theory of the state. We in *Kapitalistate* probably had the most opportunity to hear about this debate, since *Kapitalistate* was the brainchild of discussions between American and German scholars working on the problem of the capitalist state. Judging by my own experience, however, we understand little of what we heard and tended to dismiss the issues raised by the "state-derivers" as too hopelessly abstract and too quaintly obscure to be of any relevance to our work.[3] The notion that the form and functions of the bourgeois state could be "derived" from the structure of the commodity seemed to require such a leap of imagination that it was scarcely worth pursuing. Although Marx himself regarded the first

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All criticisms, comments, suggestions, etc. welcome: please send to me at Gautingerstr, 17C, UNTERBRUNN, 8035 Gauting, West Germany.

chapter of Capital I, which analyzes the commodity structure, as the distilled essence of his own theoretical contribution to the understanding of capitalist society,[4] we still ridiculed the idea that there could be any direct connexion between two things so remotely apart as the exchangeable product of labour and the administrative apparatus of the capitalist class.

However, after reading the introduction to *State and Capital*, I discovered that the British editors, John Holloway and Sol Picciotto, clearly and concisely make the logic behind the "state derivers'" perspective accessible to the English reader. I thus found this approach much more plausible and deserving of more serious consideration than indulgent amusement or ridicule. Certainly Marx never intended *Capital* to be read as a purely economic analysis, but rather as a total analysis of capitalist society, an idea that I, a non-economist, have always taken-for-granted. What follows, according to the "state derivation" perspective, is that all the conceptual tools necessary for analysing the institutions integral to capitalist society, including the bourgeois state, can be found ready-to-hand in the three volumes of *Capital*. Thus in order to develop a Marxist theory of the state, all we have to do is to "derive" the appropriate concepts for dealing with the "political instance" (to use a familiar term from Poulantzas) from the basic categories of *Capital*. But (and this is the important "but" which, in the editors' view, separates the German "state derivation" debate from all other attempts to develop a Marxist theory of the state, Poulantzas included) we must avoid introducing any "underived" concepts which—by the very fact that they are underived—make the assumption that either the political sphere or the economic sphere is in any way self-contained and could get along nicely without the other.

In short, the "new departure in the Marxist theory of the state", which the editors claim for the German "state derivation" debate (p. 2), is the insistence on a single, ultimate, basic category, the "capital relation" (pp. 1-31), whose contradictory essence necessarily gives rise to the separation of the economic and political spheres, neither of which can be adequately understood if we regard one or other (or both) as independent and resting on its own laws of operation. We must seek an explanation of both the bourgeois state and the capitalist economy in their common source, and what we know about this common source must act as a constant check on whatever we want to say about the nature or development of either of its offspring. (This "common source" still remains, one of the hottest controversies of the whole debate.) In the words of the editors' summary:

> The starting point of the whole German "state derivation" debate is the critique of those theorists (Offe and Habermas) who divorce the study of politics from the analysis of capital accumulation. Instead of simply reiterating the connection between capital and the state, however, the contributions to the debate have accepted the separation of the economic and

political and have tried to establish, logically and historically, the foundation of that separation in the nature of capitalist production. In other words, the aim has been to derive the state (or the separation of economics and politics) from the category of capital (pp. 14-15).

This introductory section of my review has put in a nutshell what the German "state derivation" debate is all about. The following sections will elaborate both the strengths and the weakness of this debate, as it is represented in the editors' introductory chapter and the seven original German contributions of *State and Capital* (five of which have never before appeared in English).

Section 2 of this review summarizes the critical implications of the "state derivation" approach for Marxist theories of the state which have developed recently in Britain and America. Section 3 discusses one of the most important themes in the debate, namely the choice of the correct starting-point, and questions whether the debate represents such a coherent new departure as the Holloway and Picciotto would have us believe. For what becomes clear from the seven contributions included in *State and Capital* is that the term chosen by the editors to identify the debate's point of departure, "capital relation", covers (in the eyes of the contributors' themselves) a host of mutually exclusive alternatives.

In Section 4 I try to justify the level of abstraction at which the debate has been conducted, and at the same time, question whether the preoccupation of the "state derivers" with the most appropriate abstract starting point may not have defeated the self-proclaimed purpose of all the contributors, namely to develop an adequate conceptual framework for the *historical* or *empirical* analysis of the bourgeois state. Section 5 is devoted to the last chapter of the book, the contribution of Claudia von Braunmühl on the analysis of the bourgeois state in the context of the world market. This is the contribution that I found most exciting and the one which I think will also interest American readers the most, given the recent excitement over the Wallerstein's work, *The Modern World System,* 1974 and Samir Amin (whose major works are now appearing in English), along with Andre Gunder Frank's work on Latin America.[5] My conclusion (section 6) recapitulates the issues raised in this review by way of a brief explanation of my own exposure to this debate, an exposure that was rendered untypical by a historical accident: the fact that I joined the bay Area Chapter of *Kapitalistate* in 1973 and a year later was set to work on a paper (published in the last issue of *Kapitalistate* as "The Origins of the American Nation State") which had been submitted by a student of Joachim Hirsch, Margit Mayer. Hirsch, whose contribution to *State and Capital* is by far the longest of the eight chapters, filling a quarter of the whole book, is regarded by Holloway and Picciotto as the debate's most significant representative, so that willy-nilly my work with Margit exposed me to

the central issues of the debate, even though at the time I had no idea what "state derivation" was. Furthermore, and this I have only just realised after reading the last chapter of *State and Capital* (by Claudia von Braunmühl, herself a former student of Hirsch and a close colleague of Margit), Margit's dissertation was precisely the type of historical case-study that illustrates the innovtive potential of the "world market" approach (capital as a world system) and its methodological implications for the study of the capitalist state.

Before launching into my more detailed examination of *State and Capital,* I should add a word or warning to the reader. Although the conscientious work of the editors—selecting, translating, annotating, and commenting on the seven contributions—is on the whole impeccable, there is one area in which their conscientious efforts appear to have gone astray. This is the extensive and detailed index at the end of the book. I tried to use this index to rediscover specific passages for the purposes of illustrating this review, but soon gave up because the contents of the first few pages that I looked up did not tally with the entries indexed. This is obviously a problem of last-minute communications between the editors and the publishers and one that can easily be corrected in a second reprint. Nevertheless, for readers who hope, by using the index, to maximise the value of the book for their own particular research interests, without putting in the time to read all 207 pages, be warned: You may or may not be lucky!

2. *The Significance of the German "State Derivation" Debate for Current Marxist Theories of the State*

Given that recent Anglo-American work on the Marxist theory of the state is not an entirely indigenous product, but owes much to the work of Habermas and Offe, it is not surprising that the "state derivation" debate which so decisively rejects the Frankfurt school perspective has critical implications for the Marxist theories of the state developed during the 1970's in USA and Britain. On the whole, however, the German debate does not explicitly address itself to these Anglo-American theories. As will become immediately obvious to anyone who reads *State and Capital,* the "state derivers" raise their most frequent criticisms against their fellow "state derivers". The editors are therefore to be congratulated for making these implicit criticisms explicit in their very clear and concise introduction which includes a survey of almost every position in the Anglo-American spectrum of Marxist theories of the state.[6]

The editors divide these Anglo-American theories into two camps: the "politicist" and "economic determinism" (pp. 3-4). Members and friends of *Kapitalistate* are identified in both camps and come in for some hard knocks. The position paper, drawn up by David Gold, Clarence Lo, and

Erik Olin Wright, which came out of a series of discussions among members of the Bay Area *Kapitalistate* collective, "Recent Developments in Marxist Theories of the State",[7] is regarded as a chief offender in the "politicist" camp. This paper was an attempt to take stock of the alternative theories of the state that had arisen from the debate between Poulantzas and Miliband, and to put forward Offe's work as a possible reconciliation of the points at issue. Holloway and Picciotto are severely critical of this attempt and contrast its "constricting framework" with the liberating insights of the German "state derivation" debate.

> The discussion in Britain of the Marxist theory of the state has tended to become stuck in the rather infertile rut of the Miliband-Poulantzas debate. This debate has given rise to an illusory polarity between the approaches of these two authors, between what has sometimes been called the 'instrumentalist' and the 'structuralist' approach (cf. Gold, Lo and Wright 1975; Poulantzas 1976a), a false polarity which has done much to delimit and impoverish discussion. The "state derivation" debate presented in this book falls outside this constricting framework and makes it clear that it is quite wrong to regard Miliband and Poulantzas as representing polar alternatives in the Marxist analysis of the state, that, for all their real differences, that which Poulantzas and Miliband have in common is at least as significant as that which separates them. In contrast to the German debate. . . both Miliband and Poulantzas focus on the political as an autonomous object of study, arguing, at least implicitly, that a recognition of the specificity of the political is a necessary pre-condition for the elaboration of scientific concepts. (p. 3)

I found this last sentence the best introduction for appreciating the "new departure" offered by the "state derivation" debate that I tried to summarize in my first section.[8] This debate refuses to take the political as an "autonomous and specific object of science" and rejects the invention of new concepts such as "hegemony", "power bloc", etc. to describe the allegedly fundamental and unique functions of the political. Instead it starts with the assertion that the separation between the political and the economic is a fiction of bourgeois science and that the whole purpose of Marx's critique of political economy was to develop categories that would transcend this mystifying insulation of the one from the other and give us a real handle on the hidden forces of the capitalist system.

This explains Müller & Neusüss' attack on Habermas, who presupposes the unproblematic existence of a "political" sphere to which the "economic" crisis can (at least temporarily) be displaced. But this does not mean that the position of the "state derivers" is one of "economic determinism", i.e. a return to the simple-minded assumption that everything that occurs in the political sphere (the "superstructure") is merely a reflection of what is already happening in the economic sphere (the "base"). The explanation of political crises offered by this view of capitalism is the opposite of Habermas' (namely that a crisis erupting in the political sphere is merely a reflection of an ongoing crisis in the economic sphere and can do nothing to "solve" or "displace" the economic crisis), but according to the "state derivers" it is equally fallacious.[9]

The third section of the editors' introduction entitled *"Marxist Economics"*

and the State (pp. 10-15, quotation marks inserted by the editors) is devoted to pointing out this and other fallacies perpetrated by the British camp of "economic determinism". Ian Gough, who spent last year as visiting professor in the Berkeley Department of Economics and worked with the Bay Area *Kapitalistate* collective, is included in this camp, though not as its prime offender. Nevertheless, the alleged shortcoming of Ian's work, "State Expenditure in Advanced Capitalism" (1975),[10] is a good illustration of the novelty of the "state derivation" approach. This shortcoming is Ian's implicit assumption that "the limits of state action arise not from the logic of capital but from class struggle" (p. 11). What this assumption overlooks is that the class struggle (even if it directed solely against the state) and the logic of capital cannot be regarded as mutually exclusive, for there is nothing about capital itself that confines it to the sphere of the economy. Gough's British critics have failed to correct his fallacy:

> Correctly they criticize Gough for not starting from the category of capital. . . .however. . . they appear to see capital simply as an economic category. . . .Capital and the economic are thus posited *a priori* as being separate from the political, so that it is not clear how the unity (and interrelation) of the separate spheres is to be analysed. (pp. 13-14)

It is precisely this equation "capital=the economic sphere" that is decisively rejected by the "state derivers"; and with this rejection the categories "base" and "superstructure" (as they have been traditionally used) become meaningless:

> The economic should not be seen as the base which determines the political superstructure, but rather the economic and the political are both forms of social relations, forms assumed by the basic relation of class conflict in capitalist society, the capital relation; forms whose separate existence springs, both logically and historically, from the nature of that relation. (p. 14)

In summary, all the theories of the state currently being developed by Marxists in the English-speaking world fall short of the standards set by the German "state derivation" debate, for these theories, explicitly or implicitly, introduce the assumption that either the economy or the state (or both) are governed by laws of their own. This assumption renders such theories "unMarxist" for they fail to go back far enough to make use of Marx's unique and decisive insight into the workings of capitalist society: namely the ultimate unity of the capitalist system, a unity which must be rediscovered in the separation of the different spheres of social life from one another and used to explain not only the workings of these separate spheres, but also how and why they have come to separate. To quote the editors' introduction once again:

> the task is not to develop 'political concepts' to complement the set of 'economic concepts', but to develop the concepts of *Capital* in the critique not only of the economic but also of the political form of social relations. (p. 4)

Those who have never explicitly recognized this task are in no position to undertake it. And this, according to Holloway and Picciotto, is the reason why the English-speaking world has so far failed to develop

a Marxist theory of the state. To what extent the German "state derivers", who have explicitly addressed this task, have been successful in their undertaking, and in particular their own declared goal of developing an adequate conceptual apparatus to guide empirical and historical research, remains to be seen. But this much I will concede: they have identified a problem that puts them further along the road than those who are unaware of this problem, and, depite the level of abstraction which has characterised the debate among themselves, they have offered us a concrete tool for critically reviewing our own work.

3. *The Heterogeneity of the Seven Contributions to State and Capital*

The seven contributions included in *State and Capital* vary greatly in length, from a three-page snippet from the work of Alvater (probably the single most frequently-cited representative of the "state derivation" debate), which forms chapter 3 (pp. 40-2), to the 50-page excerpt from a recent book by Joachim Hirsch, which forms chapter 5 (pp. 57-107).[12] Not all positions in the debate are represented: the argument developed by Flatow and Huisken, for example, who clearly take a very different position from that outlined by the editors in their introduction as illustrating the "coherence" of the debate, is, in the words of the editors, "here represented only by Reichelt's criticism of it" (p. 23), which forms chapter 4 "Some Comments on Sybille von Flatow and Freerk Huisken's Essay 'On the Problems of the Derivation of the Bourgeois State'" (pp. 43-56). (On the first two pages of this chapter the editors insert their own summary comments on Flatow and Huisden's position.) The impression one gets from this extreme diversity in the length of the seven contributions included, together with the glimpse of those that have been excluded, is that the criterion of selection was very much one of the editors' own personal research interests, rather than an "objective" attempt to represent the full range and relative strengths of the different positions of the debate as it has been conducted in the German press. This may well be one of the strengths of the book, for in following their own interests, the editors have probably also followed our interests, given that their major concern was to use the German "state derivation" debate to illustrate the shortcomings of British theories of the state. But it may also inject an artificial coherence into the debate, a coherence which really blongs to the editors' selective interpretation and not to the debate itself.

The editors' introduction to *State and Capital* makes crystal clear the agreed-upon criterion for rejecting the starting-points of "non-derivationist" theories of the state. But the seven contributions make it equally clear that there is no agreed-upon criterion for deciding precisely what the correct starting point is. It appears that the concept chosen by the editors themselves to characterize that starting point, the "capital relation", includes a host of possible alternatives. Alvater, for

example, starts from the contradictory mode of capital's existence. Capital exists on the one hand as "total social capital", or to use Marx's phrase "capital in general"; on the other hand, it is made up of individual capitals competing against one another, and the mere existence of these mutually antagonistic individual capitals is inadequate to reproduce the necessary conditions for the social totality, capital-in-general. Hirsch's 50-page chapter, in contrast, derives a comprehensive conceptual framework from the starting point of the "law of value", which means focussing not on the relationship between capital and capital (as in Alvater's approach) but on the relationship between capital and labour, not on the problem of competition but on the problem of exploitation. The last contribution "On the Analysis of the Bourgeois Nation State within the World Market Context. An Attempt to Develop a Methodological and Theoretical Approach" by Claudia von Braunmühl (pp. 160-177), herself a student of Hirsch, finds its starting-point, as the title suggests, in the universality of capital as the world market.

The contributors are quite self conscious about their lack of unanimity, often introducing their own contributions in terms of where they differ from other contributors to the debate. In this sense, Holloway and Picciotto are correct to characterize the debate as "intense and coherent", for though the theories developed and the positions adopted by the state-derivers on this crucial issue of the correct starting-point are not at all homogeneous, the points of difference and similarity are consistently made explicit. As a result, readers who get through all seven contributions in the present volume will also find themselves exposed to the interconnexions between the different positions adopted in the debate, including those such as Flatow and Huisken, whose own work is not represented in this volume.

Despite these well-mapped interconnexions, I came away with the uneasy feeling that some of the work of the "state derivers", in particular the omitted essay by Flatow & Huisden, may bear less relationship to fellow "state derivers" than to the work of Offe and Habermas, whom, according to the editors, they are united in rejecting. According to Flatow & Huisden, "the whole of bourgeois society. . .falls apart into the surface processes of exchange on the one hand and, on the other, the processes "in the depths" which constantly produce. . .unfreedom and inequality" (cited by the editors on p. 43): the state is to be discovered in the "surface processes". This is how Holloway and Picciotto summarize Flatow & Huisken's contribution:

> The distinctive feature of Flatow and Huisden's essay is their emphasis on the *surface* of bourgeois society as the basis for the derivation of the state form. . . .It is from the surface of society, the realm of 'freedom, equality, property and Bentham' (cf. *Capital* vol. 1, p. 172) that the state must be derived. (p. 43)

And according to Reichelt's critical comments, Flatow & Huisken offer us

> a construction in which a constitutive function for the genesis of the bourgeois state form is attributed to ideology, or more precisely, to surface consciousness (p. 45)

Thus it appears that Flatow & Huisken, who, as state derivers, are presumably committed to "constructing a materialist theory of the bourgeois state and its development" (p. 2) and opposed to the Frankfurt School's preoccupation with legitimation as the unique function of the state, end up with an explanation of the state that sounds suspiciously "idealist" (the state is explained as a function of "false consciousness") and suspiciously like a replay of Habermas!

Despite their insistence on the coherence of the debate and its roots in a "materialist" reading of Marx's *Capital,* the editors concede in their introduction that there is still no agreement on

> the problem of just what the starting-point for the derivation of the state form from society should be, and particularly whether the derivation should be based on an analysis of the surface or of the essence of capitalist society (p. 19)

This is the problem posed by Flatow & Huisken's essay, and it seems to me that what is needed to justify the claim that the "state derivation" approach succeeds in transcending the traditional base-superstructure dichotomy is precisely a full airing of this problem.[13] In other words, to what extent does the split amongst the "state derivers" over taking the "essence" or the "surface" of capitalist social relations as their point of departure reveal that the ultimate starting-point, which they want to get back to, may be much less self-evident in Marx's own writings than the editors' introduction suggests. The heterogeneity of the starting-points, that have so far been proposed and defended by the "state derivers" themselves, may make it a little premature to characterize the debate as a whole as representing a coherent and new point of departure in the development of a Marxist theory of the state. Rather the seven contributions included in *State and Class* suggest that at this stage of the debate, it still only offers *many* new and exciting approaches towards a Marxist theory of the state.

4. *The Level of the Abstraction at which the "State Derivation" Debate has been Conducted*

One reason why the Anglo-American world has always found it hard to get excited about the state-derivation debate is the high level of abstraction at which the debate has been conducted. This is acknowledged by Holloway and Picciotto and borne out by the contributions (the most concrete of which I found to be chapter 5 by Hirsch and chapter 8 by von Braunmühl). In defence of this abstraction, Holloway and Piciotto emphasize (pp. 15-16) that the debate itself was a response to some very real and concrete practical political problems that confronted the German state and German society during the tumultuous sixties, problems which could not be explained by the existing level of

theorizing about the state. This may be a defence, but it is scarcely a justification for the debate's level of abstraction. Nor do I find it satisfactory simply to quote Marx on the correctness of the method of moving from the abstract to the concrete as though this is either so self-evident or axiomatic that it requires no further explanation, reflection, or justification.

In Chapter 6, however, "On the Current Marxist Discussion on the Analysis of Form and Function of the Bourgeois State" by Blanke, Jürgens, and Kastendiek, I did find a convincing justification for ignoring the full and rich detail of what we can daily see to be the state's practical activities and apparatuses, and instead relying on our powers of abstract thinking to uncover the hidden foundation that structures both the separation of the state and the economy and their interconnexions. Blanke *et al.* warn against the dangers of any analysis "placing itself on the standpoint of the finished phenomena" (p. 114, a quotation from Capital II, p. 220) and define the goal of the "state derivation" debate as "the *theoretical* reconstruction of the *empirically* existing bourgeois state" (p. 114, emphasis theirs). In other words, in order to grasp the essential role of the bourgeois state, we have to perform a conceptual experiment in which we think away everything except the defining characteristics of the capitalist mode of production and see if these characteristics in and of themselves reveal the necessity of something which can be identified as the form and the functions of the bourgeois state. This method of "deriving" the state from the barest essentials of the capitalist mode of production (essentials, which cannot be observed empirically, because they nowhere exist in this isolated simplicity, and which must therefore be reconstructed in our minds) should allow us to see clearly how and why the bourgeois state is necessarily part and parcel of that mode of production. Furthermore, by understanding that necessity, we can also get a clearer picture of the limits of the bourgeois state: we can see not only what it must do, but also what it can't do, and thereby develop a criterion for assessing policy statements by governments, experts, and opposition parties about what havoc or success state intervention in the economy and other spheres of society is achieving or is capable of achieving.[14]

Hence I would argue that the "state derivers'" reliance on abstract concepts and logical derivaions is not in and of itself a failing. Rather the failure lies in the amount of debate that has been devoted to the issue of precisely which concept is the valid point of departure. These abstract concepts are not treated by the debaters themselves as merely different formulations of one and the same thing (i.e. the essential and defining characteristic of the capitalist mode of production) but as mutually exclusive alternatives. Blanke *et al.*, for example, review and reject the following concepts which other "state derivers" have taken as their starting point: "simple commodity circulation" (p. 120), "the category of

crisis: the contradiction between needs and value production" (p. 120), and "the category of *class struggle*" (p. 121, emphasis theirs). All of these, it is argued, are ultimately deriveable from "the social relations of commodity production which must be made the point of departure for the analysis of the state" (p. 121). At this level of abstraction, do we really come away any the wiser? I personally find little difficulty in seeing the rejected alternatives as synonymous not only with one another but also with the concept that Blanke *et al.* end up with.

There is a sharp contrast between the "state derivers'" disagreement over their point of departure, which, because of the very method of derivation, necessarily requires the most abstract level of analysis (i.e. the one most removed from concrete empirical reality), and their unanimity over their point of destination: namely to develop a conceptual apparatus adequate to carry out urgently-needed empirical research into concrete historical situations. Yet *State and Capital* does not include a single attempt at a historical case-study. This perhaps is scarcely surprising since the general impression one gets from reading the seven contributions is that the german "state derivation" debate has so far defeated its own objectives by getting stuck at the most preliminary stage: haggling over the appropriate point of departure. And since, given the "state derivers'" methodological procedures, the preliminary stage is necessarily the one most removed from concrete reality, it is easy to see why the debate has acquired its reputation for extremely abstract theorizing and for its lack of relevance to empirical research.

Hence the balance-sheet of the whole debate, drawn up by Heide Gerstenberger, whose article "Class Conflict, Competition and State Functions", first published in 1975, is the latest contribution to be included in *State and Capital* (chapter 7), leads to a questioning of the procedures themselves. Gerstenberger baldly announces (5 years after the debate got going):

> It seems time to point out that the development of the historical-materialist theory of the state has still not got very far. Furthermore, the theoretical approaches that have been tried do not offer any firm basis for future work. . . . .The theoretical bases for a concrete *analysis* of the bourgeois state have not yet been established and it seems doubtful whether they can in fact be built by continuing along the lines developed so far. (p. 148, emphasis hers)

After surveying and pointing out the fallacies which the various approaches have fallen into, Gerstenberger arrives at the following iconoclastic conclusion:

> The logical analysis of the conditions of capitalist development certain [sic] provides no basis for understanding how state activity, which on close inspection is amazingly unsystematic, always establishes, as if by a trick of reason, exactly that which can be regarded as functional at the time for the concrete conditions of capital accumulation. For this reason it is questionable whether the commonly assumed *degree* of dependence of the capitalist accumulation process on *certain definite* state measures would stand up to fundamental analysis. (p. 159, emphasis hers)

Thus, according to Gerstenberger, the goal of the "state-derivers", namely to develop an accurate and adequate theoretical framework for the analysis of the state in capitalist society is being defeated by their very procedures. For these procedures have *de facto* generated a preoccupation with a very abstract level of analysis, despite all the ritual pleas (which can be found in the concluding remarks of at least four of the other six contributions) that Marxist studies should be addressed to the understanding of concrete historical situations.[15]

In conclusion, then, I suspect that many Anglo-American readers, even if they are convinced by the justification (presented at the beginning of this secion) of the powers of abstract conceptualization to develop new insights into the role of the bourgeois state in the capitalist mode of production, will not find the German "state derivation" debate such a useful or innovative approach. For it is hard to see, at the level of abstraction that the debate has so far been conducted, just what is so specifically new. Claudia von Braunmühl's contribution, the last chapter of the book and the topic of my next section, offers us a concrete glimpse of the innovative potential of the "state derivation" debate and at the same time reveals the limits imposed by the object of study, the bourgeois state, on the method that has so far characterised the debate, the conceptual experiment of locial derivation.

5. *The "State Derivation" Debate at its Best: Claudia von Braunmühl "On the Analysis of the Bourgeois Nation State within the World Market Context: An Attempt to Develop a Methodological and Theoretical Approach"*

The last chapter of *State and Capital,* a very compact and tightly structured 18-page contribution (pp. 160-177) is (as the title modestly describes it) "an attempt to develop a methodological and theoretical approach", based on the assertion that capital is in its essence a world and not a national system. This attempt results in a conceptual apparatus that is easy for Americans to grasp and indicates a wealth of research projects still to be carried out for developing an adequate understanding of the bourgeois state in the capitalist mode of production. Since I fear that readers of *State and Capital* may be put off by the level of abstraction that characterises the other contributions and lay aside the book before they reach this last chapter, I shall devote this section to a discussion of von Braunmühl's contribution, which I believe is the best illustration of the innovative potential of the "state derivation" debate and at the same time implicitly moves beyond that debate.

There are several things about von Braunmühl's approach that makes it appealing to the American reader. One is that she does not dwell on the issues raised by other "state derivers" nor on the abstract controversies that have so far characterised the debate. Though she is

clearly well versed in these issues, she wisely confines her remarks to footnotes, referring her readers to other sources. Nor does she waste time polemicizing against the shortcomings of other theorists of the state, be they "state derivers" or not. Instead she gets on with the job of developing a theoretical framework adequate to guide future empirical research and historical case-studies on the role of the bourgeois state in the capitalist mode of production.

But the greatest appeal of von Braunmühl's contribution lies in her choice of starting-point. She introduces this by building on concepts that are rich with connotations of concrete historical reality, both past and present: these include "the development of underdevelopment", a term invented by Andre Gunder Frank and used by him to explore the history of Latin America; and "the extreme disparities exhibited in relationships between the metropolitan areas and the peripheral regions" (p. 161), relationships which have been empirically and historically explored not only by Frank, but also by Samir Amin, whose primary focus, within his "capital as a world system" perspective is the relationship of Africa to her colonial and neo-colonial exploiters.[16]

These ideas however, and the recognition of the interdependence and initimate links between the development of the metropolitan areas and the underdevelopment of the peripheral regions, do not yet, in von Braunmühl's view (writing in 1974), add up to a "theory", but constitute only an "insight":

> This insight, however, must be raised to the level of theory. It must be formulated there as a question regarding the international determinants of state interventionism. (p. 161)

The point that von Braunmühl is getting at is that any theory of the bourgeois state that implicitly presupposes an unproblematic congruity between the boundaries of the economic sphere and those of the political sphere cannot uncover the full extent to which the capitalist mode of production shapes the forms and functions of the nation state. Such theories presuppose "national economic development and the activities of national state apparatuses as being to a large extent internally determined" (p. 161). If, however, as von Braunmühl convincingly argues (an argument that will be familiar to readers of Frank, Amin, and Wallerstein) that the operation of the forces and relations of the capitalist mode of production has always occurred at the international level and has never been isolated and confined within the boundaries of a single nation, then

> The appropriate analytical level is . . . that of the world market, and the task before us is to explain its differentiation as national capitals and its organization as nation states. (p. 164)

Now it would appear at first sight that Marx's *Capital,* in which Marx himself unambiguously stated that "England is used as the chief illustration in the development of my ideas",[17] would be an unlikely choice to guide von Braunmühl in this task. But she presents a convincing

argument, showing a competent grasp of the full range of Marx's writings (pp. 162-4), that the categories developed in *Capital* do indeed offer an adequate theoretical framework, even though Marx "relates them in moments of empirical concretization to the national framework" (p. 165).

Having justified her starting-point in the same way as other "state derivers", namely that only Marx's analysis of the capitalist mode of production, which does not take for granted the separation of state and economy, can provide an adequate conceptualization of the form and functions of the bourgeois state, von Braunmühl poses the following challenge to the "state derivation" debate:

> If the movement of capital and with it of the law of value are to receive conceptual analysis at the world market level, then the derivation and determination of the form of the *bourgeois state* must be introduced on this dimension, and perhaps can only be accomplished at this level. (p. 165)

The present state of the debate is such that it provides no ready point of contact for including this level of capitalism "in the context of rigourous derivation" nor however can it provide "a reasoned argument" for excluding it (pp. 166-7). But once this level of analysis is introduced into the debate then we can no longer rely strictly on the method of conceptual derivation for it is no longer

> just a question of the derivation of the state in general, but of the derivation of the specific political organization of the world market in many states, or, in other words, of explaining the particularization of capital in national capitals each with their own political organs and their own features. (p. 166)

Given von Braunmühl's perspective that the world market presents "an all-encompassing effective international context of competition" (p. 167) through which the logic of capital and the law of value operate, then we can no longer assume (as for example Hirsch does) that the nation provides an adequate arena for understanding the operation of the law of value. Furthermore, since it is clear that the world today still includes pre-capitalist or non-capitalist social relations, we cannot construct a conceptual apparatus for guiding empirical research, if we take as an unproblematic premise the assumption "that bourgeois society has been constituted and capital relations fully established" (p. 63). This quotation comes from Hirsch's contribution and is stated there as the basic assumption underlying his analysis, an assumption which preempts him from exploring the historical origins of the bourgeois state. Von Braunmühl's perspective makes this omission a fundamental flaw in attempting to understand the bourgeois state, and the elaboration of her own perspective is devoted to sketching in the historical origins and subsequent development of particular nation-states.

Thus von Braunmühl's contribution, like the preceding one by Heidi Gerstenberger, calls into question the whole methodology of the "state derivation" debate, but (at least in my eyes) in a more effective way. For von Braunmühl does not invite us to dwell at the abstract level,

discussing what is wrong with the starting-points adopted by other "state derivers", but straightway offers us an alternative starting point, one that fits into the rules of the debate, but whose deriveable consequences immediately reveal the limits of the derivation method. For if we take as our starting point capital's inherent tendency towards universalization, on the grounds that this (as much as any other) is the unique and defining characteristic of the capitalist mode of production that distinguishes it from all other historical modes of production, then the most abstract level of our conceptual experiment, the level with which the method of "derivation" must begin, is the international system. At this level, all we can do is derive the necessity of the particularization of capital-in-general into many national economies, configurations whose boundaries are defined by the nation-state. But what we cannot do at this abstract level is to say anything about the specific forms and functions of these nation states. We can only do this by moving to a less abstract level of analysis, a level where historical data is a crucial ingredient, and it is only at this more concrete level of "historical analysis informed and accompanied by systematic reflection" that we can "achieve the conceptual clarification" (p. 167) necessary for revealing and understanding the forms and functions of the bourgeois state in the capitalist mode of production. Thus I see von Braunmühl's starting point not merely as one among many alternatives offered by the state derivation debate, to be accepted by some and rejected by others (on the grounds that it is not after all the most essential element of the "capital relation" and can therefore not qualify as the starting point). Rather the exciting new development in von Braunmühl's derivation is not so much the new starting point that it introduces, as the new (at least to the debate) methodology and its justification in terms of that debate. For what she shows is that the very object under study in the debate, the bourgeois state, cannot be conceptualized without contaminating pure abstraction with historical data. Pure abstraction can reveal the totality, capital as a world system, and the necessity for that totality to be constituted of parts (nations). However anything more that we want to know about those parts, both about their economic conditions and their political boundaries and structures, requires that we immerse ourselves in the concrete data of history, without abandoning our concern for deriving the appropriate theoretical categories from our basic starting point, capital-in-general, and its historical manifestation as the world market.[18]

What this suggests is that the rut in which the "state derivation" debate appears to have got stuck is not so much its level of abstraction as its illusion of abstraction. The purely abstract level that the "state derivers" want to start out with cannot explain the assumption that most of them want to make at this level of abstraction: namely the assumption that the bourgeois state is coextensive with the capitalist economy and that the two can be regarded (unproblematically) as different aspects of one and the same unit, the capitalist mode of production. The problem with this assumption becomes clear from von Braunmühl's insistence on the world-wide dimensions of the process of capital accumulation, in contrast to the limited territorial boundaries which restrict the nation-state to the status of "a partial centre of accumulation" (p. 174).

Moreover, von Braunmühl's analysis of the necessary preconditions for capital accumulation to become a historical possibility makes it clear that, although the precapitalist relations of authority were eroded once the capitalist mode of production became established, nevertheless without those precapitalist forces of domination, primitive accumulation could never have got off the ground and capitalism could never have developed:

> *Thus there are preexistent structures of authority whose economic bases are transformed with the establishment of the capitalist mode of production.* (p. 174, emphasis hers)

Since these preexistent structures of authority predate the rise of the capitalist mode of production, it is clear that they cannot be derived from this mode of production. At the same time since these preexistent structures of authority provide the historical material context and basis for the evolution of the bourgeois state, which takes over the precapitalist boundaries and evolves, within these boundaries, as a partial centre of capital accumulation, it is equally clear that the bourgeois state itself cannot rest solely on a derivation from the capitalist mode of production.

The very fact that the world continues to be divided into many nation states, despite the inexorability with which capital is realizing its inherent tendency towards universality, creating "a world after its own image",[19] is evidence that the world capitalist economy cannot survive without the exercise of political force, and that the form and functions of this non-economic domination cannot be derived from the nature of the capitalist economy:

> The economic relation of force in the capitalist relations of production has always required, for its continued profitable domination as for its establishment, the exercise of political force, localized in the apparatus of the bourgeois state, to intervene and to protect it. That this state force is not a *single* central one, congruent in its domain with the development and extension of the capitalist mode of production; that it appears as a plurality, and imposes on the world market the principle of organization into national states—this is essentially due to the *domination which characterizes* relations within all previous societies and to the specific form this domination takes under capitalism. (p. 173, emphasis hers)

In summary, von Braunmühl's argument is that if we take as the defining characteristic of the capitalist mode of production capital's essentially universal character, then our appropriate starting point and guiding principle is the level of the world market. At this level we have to raise the question: how and why is capital-in-general to-day differentiated into national capitals and organized into nation states? To answer this question, we have to trace the *historical* development of the

world market, which reveals that without the preexisting *political* structures of precapitalist socio-economic formations, the process of capital accumulation could not have got started. We can also see, with the shift from primitive accumulation based on non-capitalist modes of production to capital accumulation proper based on the capitalist mode of production, these preexisting political units find a new basis in their *economic* role as accumulating units in competition with other capital-accumulating units on the world market.[20] Thus if we examine the development of capital accumulation in the context of the world market, we can see how the economic instance and the political instance both have an equally fundamental function to serve, firstly in the establishment of the capitalist mode of production and later in its prepetuation. We can also see that, with the changing phases of capital accumulation and the changing phases of capitalist development, these two instances also change. It was the prior establishment and persistence of pre-capitalist political structures that made primitive accumulation and the birth of the capitalist mode of production possible. Once established, the capitalist mode of production creates new conditions for reproducing itself (and also new obstacles to its reproduction) that necessarily erode the former conditions on which it had developed. Now, as we enter the era of multinational corporations, we are confronted with a new form of the "growing non-coincidence between accumulation processes and state frontiers" (p. 176), and in this situation we find the national bourgeoisies increasingly relying on the political instance to defend themselves against the crises erupting in the world economy, as the result of the "actualization of the international complex of accumulation" (p. 176).

Thus von Braunmühl's approach gives us a clear illustraion of one of the major shortcomings of current "non-derivation" theories of the capitalist state, namely that they have tended to assume a static relationship between the state and the economy. As soon as we focus on the world market as the appropriate object for studying the capitalist mode of production, then we can clearly distinguish the different configurations of the political and the economic that have accompanied and promoted the different stages of the progress of capital accumulation. It is no longer possible to rest content with a theory that is restricted to identifying only one of those configurations. What we need is a theoretical framework that allows us to grasp the "historical continuum internal to capitalism. . .with reference to the laws unfolding in the process of accumulation of capital—in a specific concrete historical form" (p. 176).

Yet, although von Braunmühl's compact conceptual analysis of the historical stages of the establishment and development of the capitalist mode of production succeeds in clarifying the shifts in the forms and functions of both the economic and the political and in their mutual

interdependence, it also reveals the shifting forms of her starting-point, the world market. As von Braunmühl herself concludes, "it is necessary to reach a more precise understanding of the extremely blurred concept of the world market" (p. 176). This is doubtless a criticism that she anticipates from fellow "state derivers": that her starting point (and her whole conceptual apparatus based on that starting-point) is invalid because it is imprecise and ambiguous.[21] Nevertheless, her application of this starting-point, despite its lack of conceptual clarity, to a systematic and concise analysis of the historical emergence of the nation states of Europe, has opened up a whole new field for the Marxist study of the state. Whatever the problems with the conceptual apparatus that has so far been developed to explore this field, there is no doubt that it is a field well worth exploring.

6. *Conclusion*

Whatever one's assessment of the individual contributions to *State and Capital,* there can be little doubt that the importance of the "state derivation" debate as a whole is its insistence on treating the sphere of the economy and the sphere of political activity as two aspects and derivations of one and the same thing (even though there is no clear argument on precisely what this abstract "thing" is). For what this means is that the relationship between the state and the economy is far more intricate, far more systematic, and far more dynamic than anyone has yet explored. It is no longer sufficient to reveal a connexion between the economy and the state; such a revelation can only remain at the stage of a partial analysis. What is demanded by the "state derivers" is a full unfolding of the complete map of interconnexions whereby the economy and the state mutually determine one another and—what is more—a complete series of such mappings of these mutual determinations, corresponding to the sequential stages of capitalist development, beginning with the stage of primitive accumulation, whose map will clearly not be the same as that for monopoly capitalism. Thus *State and Capital* offers us a theoretical perspective that reveals how limited and partial past and current analyses of the bourgeois state have been and how much more work remains to be done. Whether or not this work will be advanced mainly through abstract theorizing or mainly through concrete historical analyses receives ambiguous answers in *State and Capital.* For all the contributions in this book are primarily concerned with developing the correct conceptual categories, but almost all of them conclude with an urgent plea for empirical study and historical analysis, and the last two contributions go so far as to suggest that without such historical analysis, it is impossible to derive the correct conceptual categories.

Hence I shall conclude with a short account of my own paradoxical involvement in the German "state derivation" debate which is intended to help *Kapitalistate* readers arrive at their own answer to this question and to appreciate the strengths of the "state derivation" debate. At a conscious level, my exposure to this debate was as limited and lacking in understanding as anyone else's. At an unconscious level, however, I was intensively involved in this debate for over two years (1975-1977), when I collaborated with Margit Mayer in preparing an English version of her historical study of the origins of the American nation-state, based on the "world market" perspective elaborated by Claudia von Braunmühl.[22]

Our first year of collaboration was mainly devoted to organizing the historical data that Margit had researched and collected into a unified theoretical perspective. This collaboration was carried out entirely by transatlantic mail, with my sitting on the one side of the Atlantic operating with the conceptual tools I had inherited from Offe and developed through discussions with Jim O'Connor and other members of Kapitalistate, and Margit on the other side, fully involved with the "state derivation" debate and with their attempts to develop new conceptual tools to replace the flawed assumptions of the Frankfurt School (Offe and Habermas). What is remarkable is how successful that collaboration was—and I can only attribute it to the fact that despite our respective and (according to Holloway and Picciotto) opposing theoretical approaches, we both accepted the historical data as the decisive criterion for the validity or invalidity of every step in the theory.

When I took a trip to Frankfurt in Easter 1976 to collaborate with Margit on what we at that time believed would be the final draft, I arrived in time to have dinner with Margit, Joachim Hirsch, John Holloway and Sol Picciotto, all of whom had just been attending a session of Hirsch's seminar on the theory and analysis of the bourgeois state. There and then for the first time, I was consciously exposed to the fact (even though I still could not comprehend that fact) that there was something radically wrong with my reliance on Offe's categories. Despite Margit's patient explanations of the "state-derivation" perspective, I still wasn't able to take it in, and we ended up continuing our collaboration as before (though admittedly the optimistically anticipated completion of our work did not come for another year).

Hence I invite *KS* readers, who share the belief that the accuracy of any empirical analysis of the state depends on the precise definitions of the conceptual tools and the logical consistency of the theoretical perspective informing the analysis, to read (or reread) Margit's and my article, the joint product of two apparently contradictory perspectives. If any readers can detect and reveal irreconcileable inconsistencies and self-contradictions (of which Margit and I are at present unaware), then they have every right to maintain their conviction and should immediately go out and buy *State and Capital*. This book will not only make explicit

the theoretical discrepancies lying at the roots of any inconsistencies in our case-study of the historical origins of the American nation-state, but it will also provide a thorough training in the rigors of logically consistent derivation and a good illustration of the standards demanded by abstract conceptualization. If, on the other hand, there are no such detectable inconsistencies, it would appear that the point made by the last two contributions to *State and Capital* (Heide Gerstenberger's and Claudia von Braunmühl's) has been proved:

> The most suitable way to achieve. . .conceptual clarification. . .would seem to be through historical analysis informed and accompanied by systematic reflection. (p. 167)

In this case, the "state derivation" debate is ready for supersession, in both senses of that word. On the one hand, the preoccupation with the rigourously logical derivation of the bourgeois state from "capital" at its most abstract level will have to be dropped and the historical conditions on which capital actually developed introduced as non-deriveable data that set limits to, and determine, the derivation. On the other hand, the range of issues and their problematic interconnexions, that have so far been raised and mapped out by the rigourous attempts at a purely abstract derivation, must be retained as a constant check and guide for identifying the limits of our historically oriented research and the still unresearched areas beyond those limits.

FOOTNOTES

1. Also available at a reduced price (2.50) through the C.S.E. (= Conference for Socialist Economists) Bookclub. By subscribing to *Capital and Class*, the quarterly journal of the C.S.E. ($5 per year to low income subscribers, $10 full overseas subscription), you automatically become a member of C.S.E. Since I regard *Capital and Class* as the best forum of Marxist research and discussion (both empirical and theoretical) in Britain today, I would strongly urge *Kapitalistate* readers to take the steps necessary to qualify for the reduced price of the book. John Holloway teaches in the Department of Politics at Edinburgh University (Scotland) and Sol Picciotto teaches law at Warwick University (England).

2. This is an abridged version of the original German article, "The 'Welfare State Illusion' and the Contradiction Between Wage Labor and Capital". A full English translation was published in 1975 in *Telos* 25, together with replies from Offe and Habermas.

3. I first became interested in Marxist political economy, when taking a course from Claus Offe who spent 1972-3 as visiting professor at the University of California, Berkeley. During that year, he also worked closely with the Bay Area *Kapitalistate* collective.

4. Karl Marx, *Capital* Vol. I (New York: International Publishers, 1967):

> Every beginning is difficult, holds in all sciences. To understand the first chapter, especially the section that contains the analysis of commodities, will, therefore, present the greatest difficulty. (p. 7)

5. Immanuel Wallerstein, *The Modern World System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York: Academic Press, 1974); Samir Amin, *Accumulation on a World Scale* 2 vols. (New York: Monthly Review Press, 1974); *Unequal Development* (New York: Monthly Review Press, 1977); *Imperialism and Unequal Development* (New York: Monthly Review Press, 1977); and, Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America* (New York: Monthly Review Press, 1967), in which Frank coined the phrase "the development of underdevelopment", and *Latin America: Underdevelopment and Revolution* (New York: Monthly Review Press, 1969). Frank has since applied his theoretical perspective to a historical study of *World Accumulation: 1492-1789* (New York: Monthly Review Press, 1978).

6. The raison d'etre of *State and Capital* is precisely to show the relevance of the German "state derivation" debate to current Marxist discussion of the state in Britain (and in America, I would add). The editors state in their introductory chapter:

> In this book we present some of the major contributions to the German "state derivation" discussion; but we present them not simply as an interesting phenomenon, not simply as a "German school" to be ranged beside other 'schools', but as a fundamental critique of those theories often considered in Britain to represent the Marxist theory of the state.
>
> One of the aims of this introduction is to make that criticism more explicit. . . . (p. 2)

7. Published in two parts in *Monthly Review* (1975), vol. 27, nos. 5 & 6.

8. The editors, themselves, suggest a passage from Pashukanis' essay "The General Theory of Law and Marxism", first published in Russian in 1923 and

since translated into English (in *Soviet Legal Philosophy by V. I. Lenin et al.*, trans. by Hugh W. Babb, No. 5 in the Harvard University Press series on Twentieth Century Legal Philosophy, 1951, reprinted in 1968 by the Johnson Reprint Corporation), as "perhaps the clearest formulation of the question tackled by the German debate, the question of the form of the capitalist state" (p. 19). The context in which this question arises is Pashukanis' dissatisfaction with "Engels's characterization of the state in *The Origins of the Family, Private Property and the State,* which relates the state simply to class conflict" (p. 19):

> Behind all these controversies one fundamental problem lies concealed: why does the dominance of a class not continue to be that which it is—that is to say, the subordination in fact of one part of the population to another part? Why does it take on the form of official state domination? Or, which is the same thing, why is not the mechanism of state constraint created as the private mechanism of the dominant class? Why is it dissociated from the dominant class—taking the form of an impersonal mechanism of public authority isolated from society? (1951, p. 185)

Though I myself did not find this passage immediately clarifying, it is re-quoted in at least two of the other chapters of this book (by Hirsch on p. 58 and by Blanke, Jürgens and Kastendiek on p. 121).

9. The editors explain the "state derivers'" position as follows:

> what is required is not an economic but a materialist theory of the state. The economic should not be seen as the base which determines the political superstructure, but rather the economic and the political are both forms of social relations, forms assumed by the basic relation of class conflict in capitalist society, the capital relation; forms whose separate existence springs both logically and historically, from the nature of that relation. (p. 14)

10. In *New Left Review,* 92, pp. 53-92.

11. This oversight is not peculiar to Gough, but pretty well universal among British Marxists, according to Holloway and Picciotto, cf.

> in Marxist discussion of the state in Britain, there has been an underlying tendency to counterpose the "logic of capital" to "class struggle" as alternative starting-points for an analysis of the state. . .to counterpose these two approaches is to create a false polarity. (p. 89)

12. Alvater: "Some Problems of State Interventionism: the 'Particularization' of the State in Bougeois Society"; Hirsh: "The State Apparatus and Social Reproduction: Elements of a Theory of the Bourgeois State."

13. See also Hirsch's footnote 27 on page 189, which argues that Flatow & Huisken fail to establish "the mediation between the 'appearances on the surface' and the contradictions of the capitalist process of reproduction."

14. The way I have formulated this justification of the "conceptual experiment" owes much to Johannes Hangstenberg of the Free University, Berlin and Max-Planck-Institut, whose work on unequal exchange and on the fallacies underlying recent rejections of the labour theory of value will hopefully soon be available in English.

15. For example, the last sentence of Altvater's 3-page snippet: "While all these functions may be called general characteristics of the bourgeois state, they nevertheless develop on the *historical* basis of the accumulation of capital" (p. 42, emphasis his); Reichelt's concluding critique of Flatow & Huisken's concept, that it "disastrously impedes an adequate understanding of historical

processes" (p. 56); Hirsch's concluding paragraph: "Hence, it will be vital for the theory of the state not to derive the state apparatus always only on a general level as an abstract form, but to come to grips with it as the concrete social organizational nexus which it represents in practice. . .In other words: *the class character of the state must be worked out in historical concreteness*" (p. 107, emphasis his); and Blanke *et al.*'s final words: "so those forms of appearance cannot be understood without analysis of the historical, material substance of the political process and without the specific form determination of social reproduction" (p. 147).

16. See, for example, his *Neo-Colonialism in West Africa* (Harmondsworth, Middlesex, England: Penguin, 1973); *The Magreb in the Modern World* (Harmondsworth: Penguin, 1970); *The Arab Nation* (London: Zed, 1978); and *Essays on the Underdevelopment of Africa* (London: Zed, forthcoming).

17. *Capital I, op. cit.,* p. 8.

18. Von Braunmühl argues her point thus ("economic form determination is the 'state derivers" formula for avoiding the word 'economy'"!):

> The concreteness of the particular nation state and its economic form determination is to be explained in terms of the particular historic circumstances and preconditions under which the various total national capitals develop. Of these factors a *dominant role* must be assigned to position within the world market. But this concreteness, in spite of being in essence contingent to capital, nevertheless had a decisive effect historically upon the actual formation of the accumulation process within specific bounds. (p. 167, emphasis hers)

19. Karl Marx & Friedrich Engels, *The Communist Manifesto* (New York: Appleton-Century-Crofts, 1955), p. 14.

20. If von Braunmühl had examined the socio-economic reproduction-contexts of the Third World, it is doubtful if she would have maintained her generalized assertion that the precapitalist territorial unit is a "predominantly politically determined sphere of authority" (p. 174): see Amin, *Unequal Exchange, op. cit.,* chapter 1.

21. Von Braunmühl shifts the blame for this blurring from herself back to Marx, by citing one passage where he envisaged the world market "as the fully developed domain of capital movement" in contradiction to his use of this concept" to describe the location of those international trading relationships which in a centuries-long process helped to accelerate the destruction of feudal relations (cf. *Capital* vol. 3, pp. 238-9)". However, since it is von Braunmühl, and not Marx, who has explicitly raised the concept of the world market to the level of the primary category it is easier to excuse Marx for failing to use this concept unambiguously than to excuse von Braunmühl for perpetuating this failing.

22. Margit Mayer and Margaret A. Fay, "The Formation of the American Nation-State", pp. 39-90 in *Kapitalistate* 6 (1977).

Review of Göran Therborn, *What Does the Ruling Class Do When It Rules? State Apparatuses and State Power under Feudalism, Capitalism and Socialism.* London: New Left Books, 1978. 290 pp.*

Herbert Kitschelt

I. *Introduction*

According to Perry Anderson's well known *Considerations on Western Marxism* the underlying developmental patterns of Marxist thinking have been "long waves" in which a first period of social science was replaced by philosophy in the first half of the 20th century and which once again now is shifting back to a scientific analysis of bourgeois society. This new direction of theoretical development is the starting point for Göran Therborn's investigation into the structure and dynamics of politics. The dominance of philosophy in Marxism is now coming to an end, and with the changing political landscape in Western Europe as indicated by the end of the cold war, the revival of class struggle and Eurocommunism, the problem of politics and the socialist transformation of the state have come to the fore as major issues of research.

Therborn's own work shows a similar shift with regard to the major theoretical problems he is occupied with. Whereas his earlier work is more concerned with a general discussion of the sociological tradition and a philosophical critique of Critical Theory from a structuralist point of view, he plunges into the "concrete" analysis of class societies in his recent studies. Like several other recent contributions to the Marxist theory of the state (cf. Poulantzas, *State, Power, Socialism;* Miliband, *Marxism and Politics;* Wolfe, *The Limits of Legitimacy;* Wright, *Class, Crisis and the State;* etc.) Therborn's new book is devoted to the development of a theory of politics, a task considered to be of paramount importance to Marxists in recent years. Thus, Therborn's book aims at contributing to this concern by criticizing and changing the predominant paradigm of state theory in which *the* state is regarded as a holistic entity, neglecting its differentiated internal structures and processes (e.g., a simplified understanding of the state as an "executive committee of the ruling class").

* This essay benefited from the extensive editorial assistance of Les Guliasi and the helpful comments of members of the San Francisco Bay Area and Santa Cruz *Kapitalistate* collectives.

Therborn's book is divided into three separate essays which deal in a logical order with the central aspects of a political and scientific problematic which, while recognizing how closely intertwined political practice and scientific investigation really are, nevertheless regards them as theoretically distinct from each other in terms of their production processes and practical aims (in Therborn's quite dichotomous terms: truth in science and social change in politics). In his first two essays, Therborn tries to develop a theory of state apparatuses and state power. The third and shortest essay addresses the political implications of his theoretical proposals. It mainly consists in a brief review of the history of European communist and socialist parties after the second world war and a discussion of the present alternative strategic choices that are open to the political parties of the Left. Being concerned with political strategy, Therborn considers the problem of Eurocommunism, the dictatorship of the proletariat and the transition to socialism as the main political question to be dealt with, and holds to an assumption which regards scientific analysis as an indispensable precondition for a well-founded, rational political practice. As a collection of three related but nevertheless autonomous and self-contained essays, it is difficult to summarize the general idea of Therborn's book in a brief statement. In addition, the book is densely written and therefore hard to read. This stems largely from Therborn's particular style of theory building which is mainly taxonomic. (I shall return to the shortcomings of this style of theory building below.) Consequently this review will not provide a comprehensive summary of Therborn's analysis; instead it will aim at raising for discussion the most provocative and problematic issues addressed in Therborn's book.

The thrust of Therborn's study lies in a theoretical analysis of politics. His main program consists in changing the "problematic" of Marxist approaches to politics by shifting to the center of analysis issues such as the internal structures of states in different modes or production, the variety of forms in which state power is organized, and the consequences of these institutional shapes for socialist strategies. Therborn's argument is that it is not general reasoning about the nature of the state, but only a close examination of the specific political institutional systems, their relations to each other, and their role within the social formation which can lead to a correct theoretical explanation of class politics as well as a successful strategy to overcome class society. In the last instance, the book copes with an elaboration of the question: what does it mean to "smash" the class-based capitalist state?

This review will proceed as follows: First, I will discuss the methodological approach used in Therborn's investigation (section II). Next, I will present and comment on the essays of the book (sections III-V). My own criticisms of Therborn's argument will then be restated in a more coherent form in the last section of this review (section VI). I intend to

show that Therborn's book suffers from three major and interrelated weaknesses: First, his theory of politics is *integrationist,* that is, he does not analyze the internal contradictions of political institutions in class societies, and therefore neglects a theory of political crisis. Second, this difficulty can be regarded as a result of static theoretical categories, an inability to deal with the *process* of policy making and the real struggle between opposing actors in the political field. Finally, as a consequence, it is difficult to grasp in his framework how, why and when class struggle in politics is able to transform a class based political system. The final section of this paper also contains some tentative suggestions about how to overcome some of these shortcomings without sacrificing the more fruitful insights which Therborn's book provides.

II. *Methodological Considerations*

Before delving more deeply into Therborn's approach, a short reflection on his method should indicate the appropriate level for evaluating and criticizing his book. Therborn's technique of theory building is comparative and typologistic. His first step consists in decomposing the complex theoretical object "class politics" into several simpler analytical aspects and dimensions. The second step of his theory construction allows then for a thorough comparison of different types of state organizations, modes of the exertion of state power and the representation and mediation of class power through the state. Beginning with the analytic distinction between different modes of production and class relations (p. 42ff.) Therborn introduces and separates four abstract concepts of states and state apparatuses which correspond to these different modes of production: feudal, capitalist, monopoly capitalist and socialist states. This distinction serves as a framework for Therborn's theoretical approach in the first essay on state apparatuses. In his second essay on state power this comparative approach is partly replaced by a focus on late capitalism.

To a certain extent the typological order of states and their characteristics corresponding to different modes of production form abstract "ideal types" reflecting and emphasizing specific properties of empirical reality.[1] Therborn's concepts are relatively static and do not theoretically incorporate the dynamics of social and political developments. The static character of his concepts might at least have led Therborn to distinguish different "stages" of capitalist development in his analysis of capitalist state apparatuses (e.g., competitive and monopoly capitalism). Comparable specifications could have then been introduced for feudal states and, as Therborn shows repeatedly, also for Socialist and communist states.[2] In short, Therborn's approach neglects an analysis of the emergence of new state structures and institutions as

well as the processes of class struggle that lead to their establishment.[3] Although helpful in sharpening central analytical concepts, Therborn's approach misses the dynamic and contingent characteristics as well as the self-transforming capabilities of the political and social systems of class societies.

The aim to develop broad typological categories necessarily entails a second related problem: such an approach is not able to discuss the empirical content of its various categories in depth. Thus many of Therborn's illustrations remain highly tenuous. The author, however, is conscious of this difficulty and therefore always stresses his preoccupation with methodological problems. Hence, to do justice to Therborn's own claims one can only focus on the methodological choice of his categories, the underlying general paradigm he utilizes and the shortcomings of Therborn's theoretical framework which exclude the analysis of certain kinds of problems relevant for a materialist theory of politics.

The main thread running through Therborn's book can be found in its accurate observation that the Marxist theory of politics has up to now neither analyzed the structure and apparatuses of the state nor developed a thorough concept of power which captures the ways it operates through the state as a mediating complex of institutions reproducing a specific social formation. He therefore rejects a holistic approach to *the* state, so dominating in Marxist political theory, as well as (and more questionable) the functional problematic of the role of the state in the reproduction of capital. Instead, Therborn considers the state to be a specific mode of relations between antagonistic classes; the state, he argues, wields power only because it is an expression of these class relations. Insofar as the state is a complete set of separate apparatuses, each with its own "technologies" to process the class struggle, it constitutes an additional component of class relations besides the economic mode of production and cannot be simply reduced to the latter (cf. p. 170). From this relational definition of the state Therborn proceeds to distinguish between state power and state apparatuses. He writes,

> The aim is to show that different types of class relations and of class power generate corresponding forms of state organization, and to elucidate the way in which the class character of the state apparatus is determined and revealed. (p. 35)

Consequently, Therborn's first essay analyses the structure of state organizations, the second essay is occupied with the forms and the various contents of the political institutions wielding state power as mediated class power, the third essay with the political implications which follow from Therborn's theoretical analysis—topics I shall address in the next three sections of this review.

III. *Modes of Production and State Apparatuses*

According to Therborn, the "subjectivist" approach of organizational sociology, which conceives of the organization as a goal-oriented system maintaining itself in its environment, is not satisfactory for an analysis of state apparatuses. He prefers instead a "social process approach" which sees the organization as a conversion mechanism between inputs and outputs. Theoretical elaboration, according to Therborn, has to focus on the tasks of the organization, its processing of personnel, the material resources required by and transformed in the organization and the organizational technology. The last concept especially is considered the central element of his theory of state apparatuses. "Technology," defined as the way things get done, comprises specific forms of social domination and the execution of "tasks." Therborn clearly diverges from any apparently non-social, neutral definition of technology and thus overcomes the dominating paradigm in mainstream organizational sociology. For Therborn,

> Organizational technology may be summarized as a combination of two variables. It involves, first, a directive dynamic: a *mode of orientation* and a basis of leadership; and secondly, a *mode of activation* of the members of the organization, whereby their contribution to its orientation is ensured" (p. 62). italics in the original

The organization of the state apparatuses is thus the material expression and political petrification of the class relations in a mode of production. Therborn develops for each of his basic modes of production, i.e. feudalism, capitalism, monopoly capitalism socialism and here also communism (cf. pp. 64-65), which are related to specific political forms, a concept of its main social technology. To summarize briefly, the motivational technology which characterizes feudalism is a "hierarchy of rights and privileges," for capitalism it is the market and "factory despotism" on the economic level, bureaucracy and parliamentary politics on the political level. In addition, we find in late capitalism technocratic and plebiscitarian political techniques. For socialism the main social technology is "collective appropriation and individual subordination to managers and bureaucracy" by cadre techniques of leadership, and with communism it is "collective appropriation and management." Building upon these fundamental determinants of state apparatuses Therborn then deals with the different dimensions and characteristics of political organizations (task, personnel, energy) on different levels of their organizational processes (input, transformation, output). It is impossible in this review to deal with the complex tables Therborn's taxonomical work furnishes, but I refer the reader to Therborn's own summarization on pages 64-65 and 118-119 of his book. Before proceeding, however, I wish to point out his basic idea and a couple of

problems with Therborn's analytical perspective regarding the issue of state apparatuses.

Therborn begins his discussion of state apparatuses by distinguishing between feudal and capitalist state apparatuses. He draws upon Weber's analysis of bureaucratic domination, characterized by the fusion of public and private relationships, i.e., the private character of the state and the public character of "private" relationships (hierarchy based on deference, hierarchical and privatized handling of tasks, etc.) and "rationalized" capitalist forms of domination wherein public and private spheres of life have become differentiated. The state today, according to Therborn, is an impersonal hierarchical set of apparatuses which guarantee the boundary conditions of a capitalist mode of production by the application of laws and the monopoly of force. Then in his account of the monopoly capitalist form of state apparatuses Therborn stresses the increase of political regulation of society by the state and, to a certain extent, overestimates the "active" power of the state. His presentation of the late capitalist state shares some of the expectations technocratic views express with regard to the "problem solving" capacity of state apparatuses instead of depicting a more accurate picture of the reproduction problems we observe as a result of late capitalist state technologies. Such an overwhelmingly harmonious image of the state's capacities holds even more true for Therborn's characterization of socialist state apparatuses and raises suspicion about the empirical claims of his theory. According to Therborn, late capitalist state apparatuses display "technical flexibility" and "fan spirit" as effects of their technology, and socialist states "commitment, solidarity, mobilization" (p. 119).[4]

Therborn's claims reveal the underlying conceptual problem of his theory. His approach draws a series of corresponding relationships between the structure of a mode of production and its appropriate state apparatuses. Not only does his theory under-emphasize political contradictions and the dynamic processes of power struggles in politics, but it neglects an analysis of the emergence of new state structures and institutions as well as the process of class struggle that lead to their establishment.[5]

In spite of these weaknesses, however, Therborn's theory succeeds in shedding some fresh light on the meaning of "smashing" the existing state apparatuses in a socialist transformation and in founding a "dictatorship of the proletariat." A sophisticated Marxist theory of political apparatuses, such as Therborn's, reveals the class basis of organizational technologies and thus debunks any kind of neutral or instrumental view of organizations. In Therborn's words,

> To smash the state apparatus means to smash the class character of its technology or organization, as well as the manifestations of the latter in the mode of regulating tasks, personnel and material resources" (p. 123).

IV. *Class Power and State Power*

The second of Therborn's essays critically reviews the debate on the concept of power and scrutinizes the forms by which class power expresses itself as state power. With regard to the first topic, Therborn argues that a Marxist theory of power poses the question of power *to do what* (p. 133) instead of only identifying power wielders and power relationships. This approach is no longer concerned merely with the *structures* of power but with its *object:* the process of reproducing a specific social formation (class relations mediated through the state) and the patterning of fragmented decision making processes in this context.

With this concept of power in mind Therborn proceeds to supply a definition of the class character of state power. He maintains that state power is the intervention of specific institutions in society which aim at reproducing the existing social formation and its political and ideological framework. With this definition Therborn intends to avoid a concept of state power in terms of class interests. Instead of attributing subjective interests to the different actors, he concentrates on the observable relations and structures of state activities:

> Class character is defined by reference to observable relations and structures, the class nature of which is derived from the basic definitions, axioms and propositions of historical materialism (p. 146).

The state apparatuses and their "tenacious materiality" (p. 150), he claims, shape the exercise of state power. Therborn develops a formal scheme of the range of state activities and their effects on the relations of production and on the class character of the state apparatus itself. Unfortunately, his discriminating dimensions (whether a policy furthers, allows, goes against or breaks the class character of a social formation and its state) lack empirical content and lead only to a highly abstract set of definitions distinguishing different forms of class power (single class or alliance of classes). Also the heuristic value of his definitions is difficult to ascertain, especially with regard to the most important questions: under what conditions and with what contents and decision making processes do the state apparatuses reproduce or fail to reproduce certain class relations. The result of Therborn's discussion leaves the impression that he replaces difficult matters of substance with definitions. For example, the ruling class(es) are *defined* in terms of whether their reproduction (short and/or long range) is guaranteed by the state, but such a definition excludes the question of how certain classes and class factions manage to form and maintain hegemony. Therborn thus neglects an *explanation* of the reproduction of class relations by the state.

This is also the hidden problem in the next section of his essay where Therborn turns to the tasks and mechanisms by which the capitalist

state reproduces class relations. We find a descriptive and analytical summary of state activities and strategies of implementation, but no *explanation* of the *process* of reproduction. Therborn's discussion remains on the level of "comparative statics." While it can aid one in observing certain correlations between social and political structures, it does not offer a causal explanation of their mutual relations.

After having summarized forms of economic and ideological state activities and strategic devices to carry them out, the author devotes a short subsection to the problem of the "loss of state power." This is one of the few passages where Therborn presents some hints toward a theory of political crisis. His discussion of crisis points first at the contradiction between relations of domination (maintenance of class relations) and the execution of "tasks" by the state. He correctly points out that the execution of tasks might require means that contradict the maintenance of the very class relations which the execution of tasks is intended to reproduce. Second, Therborn notes the contradiction between enhancing the level of education of the state personnel ("qualification") and the ideological and coercive domination/hegemony of the state ("subjection"). Yet Therborn's discussion remains inconclusive and lacks an elaboration of his hypotheses, although his description of state activities and implementation mechanisms could well serve as an entry point into such an elaboration.

The last two sections of Therborn's essay again return to a completely taxonomic method attempting to distinguish different institutional forms of mediation and representation of class interests by the capitalist state. He writes,

> To reproduce the state power of a given class (fraction or alliance) is to reproduce its representation in state leadership and the mediation of its supremacy over other classes (p. 169).

The most fruitful aspect of Therborn's enumeration of types of representation and mediation is again methodological rather than theoretical, since his discussion of twelve different institutional devices excludes any in-depth empirical analysis. Therborn succeeds to demonstrate the variety of institutional mechanisms open to a bourgeois society to cope with challenging forces. This part of his work stands in contrast to his more dogmatic, deductive account of state apparatuses in his first essay which I have already criticized. But also here, Therborn's propositions do not gain explanatory power. Taxonomy seems to be a necessary step of theory building but remains weak as long as it cannot be integrated into a differentiated systematic and historical framework leading to empirical analysis.

V. *Politics and State Power*

The preliminary elaboration of Therborn's theoretical program also furnishes only weak, but important, political conclusions which the author substantiates in his final essay. It is here that Therborn deals with the problem of the present political struggles between bourgeois states and socialist movements as he draws a picture of the political strategies adopted by the communist parties during the last thirty years. His interpretation of the historical context and the quite affirmative assessment of the communist parties' policies provokes a whole set of questions which unfortunately cannot be dealt with here. Nevertheless, providing a review of the working class movement, the author discusses four different strategies of taking power (i.e., the classical strategy of the Second International, the Bolshevik strategy of the early Comintern, the Popular Front Strategy and the Fourth or Eurocommunist strategy). Therborn addresses here the forms and implications of "Eurocommunist" strategies ("the Fourth Strategy"), and his most interesting feat lies in linking his theoretical approach with an argument relevant for political practice. Therborn criticizes Eurocommunist strategies because they tend to de-emphasize or underestimate the class character of the non-repressive state apparatuses (p. 268).[6] Moreover, his criticism applies to future problems of a socialist political practice. As Therborn outlined in his essay on state power concerning different forms of bourgeois representation and mediation of class power, "[a]ny scientific theory of socialism must elaborate a similar analysis of existing and possible forms of socialism and their modes of operation" (p. 277).

VI. *Conclusion: Toward a Theory of Policy Formation*

This short overview should enable us to question some of the basic hypotheses and assumptions contained in Therborn's book. This critique accepts what may be regarded as the major theoretical (and political) contribution of Therborn's work: shifting the problematic of political theory from a holistic notion of *the* state to an analysis of the complex interrelations between state apparatuses and their environment as the expression and mediation of class relations. Nevertheless, a constructive critique goes one step further by arguing that Therborn's heavily structuralist approach suffers from the limitation of a general taxonomy and a reliance on relatively static concepts. As a consequence, Therborn fails to include a *genetic* dimension of state structures (i.e., a reconstruction of their origins and historical developments) and to

explain the emergence of political structures as well as of concrete policies. Therborn's static method is also responsible for a preoccupation with an *integrationist perspective* characterized chiefly by a failure to deal with political contradictions, strains and crises. A perspective concerning political decision-making processes as political struggles between classes and class fractions involved in "political arenas" and also a theory of political contradictions related to this process is missing in Therborn's book. I suggest, in contrast to Therborn, that as an underlying dimension to introduce *process* and *contradiction* into the analysis we need an elaborated concept of *"functions"* of the political apparatuses in a capitalist mode of production as a starting point for a materialist theory of politics. I shall sketch briefly how to relate these three concepts to one another. Each step of my argument will include a comparison with Therborn's theory.

(1) A concept of political functions[7] attempts to determine the content of what it means to reproduce the crucial parameters of a late capitalist mode of production. Such a theory is primarily a structural account of the imperatives this mode of production exerts upon the political institutions as "tasks" of integration. "Functions" of political apparatuses delineate certain constraints on the strategies and options of struggling actors dealing with specific political issues. Nevertheless, the actually implemented policies (the perceived tasks and results of conflictual decision-making processes) may diverge from the functional imperatives necessary for the reproduction of class relations.

A theory of political functions in a capitalist society thus opens several fruitful topics for analysis. First, it describes and explains the objective constraints on decision-making processes in political fields and helps to clarify the *content* of state policies *if* they reproduce the given class relations. Second, a theory of political functions disaggregates a materialist theory of politics even beyond Therborn's proposals because it searches for systematically differing organizational forms and processes between different state apparatuses and different tasks environments. Finally, such a theory can proceed to the concrete analysis of different types of political struggles in different policy fields. The real outcome of political decision-making (operationally defined "tasks" and their implementation) may contradict with the structurally established functions of reproducing given class relations. Such a theory thus takes class struggle and change into consideration.

Therborn deals only with a rudimentary and not carefully developed concept of political functions. His main discussion of "tasks" concerns the separation of foreign and domestic policy, a distinction which is highly tenuous because it cannot analytically differentiate political issues in a capitalist world system where a separation of domestic and foreign policies becomes increasingly meaningless. Another implicitly functional concept in Therborn's theory is his distinction between

capitalism and monopoly capitalism, a conceptualization which serves as a basis for differentiating types of state apparatuses and thus assumes a functional change in the state's tasks in late capitalist societies. Also this approach, although not without value, is not elaborate and subtle enough to explain different shapes of state apparatuses and political struggles around different task structures. Because Therborn does not acknowledge this, his characterization of state apparatuses in late capitalism shows the weakness already mentioned, namely that he holds to an overwhelmingly harmonious image of the state's steering capacities instead of portraying a more accurate picture of the reproduction problems and crises confronted by late capitalism.

Since Therborn's method also consists in drawing upon and reformulating bourgeois concepts of political and organizational sociology in order to use their valuable elements for a materialist theory of politics, it might be helpful at this point to mention another theory which, while close to mainstream thinking, offers some insights which can solve some of the problems Therborn's framework cannot solve. An alternative to Therborn's theory of state apparatuses, one which includes notions of functions, processes and contradictions, can be found in Theodore Lowi's theory of political arenas.[8] Lowi's perspective maintains that state apparatuses are molded by functional and power variables connected with a history of decision-making processes in particular policy fields. Thus, he contends that types of power structures (class as well as state) differ according to the functional content in different "arenas" and the capacities of the conflicting political actors (e.g., to sanction policies which run adverse to their interests).

(2) A theory of political arenas may also succeed in introducing a process perspective in the interpretation of political struggles without neglecting to consider the structural framework and the functional constraints which limit the range of alternatives open to political actors. Because Therborn's theory lacks an analysis of differentiated political functions and structures, he is unable to develop a theory of political processes. This leads to the curious phenomenon that class struggle and contradictions almost do not appear in Therborn's book. His omission of the concept of "interests" reveals a theoretical perspective which regards actors as merely fitting into structurally defined positions and executing objectively defined tasks. Therborn's theory avoids any incorporation of an action theoretical framework, therefore failing to deal with the intentions of actors and to provide a historical, narrative reconstruction of political struggles. As a consequence, Therborn cannot explain the emergence of new political structures and functions. His preoccupation with an objectively defined reproduction of given class relationships remains valid only under the condition that political actors always conform with structural imperatives and always perceive the objective demands of maintaining the system. Of course, this

assumption would render any kind of action framework redundant for theoretical explanation.

If we ignore these harsh criticisms, it becomes difficult to see how Therborn manages to explain political "conversion" processes (to stick to his input/output terminology), especially because he develops no theory to explain how and why state personnel execute policies that reproduce the dominant power structure if they in fact do. On the level of political processes it is indispensable to take into account "interests" and perceptions of actors which cannot simply be explained by the structural location of the actors nor by an implicit behavioralism confining itself to the "observable" reproduction of the class structure. Explanations of the divergence between the "objective" integrative imperatives of a given social formation and its "subjective" representation by the ideologies and actions of political position-holders is a crucial task for a Marxist theory of the state. This divergence (as a crisis generating mechanism) is also important to explain if we find that structural determinants create a systematic contradiction between the dominant class relations in an arena, its petrification in political apparatuses and the perception of these power relations by the actors on the one hand and the "functions" of reproducing the social formation on the other. This problem leads to my final point.

(3) Therborn pays too little attention to a theory of political crisis, although he makes allusions to include such a perspective. And because he lacks a concrete analysis of the contradictions between power structures and the reproductive functions in political arenas, Therborn's perspective does not go beyond the mere recognition of tensions, i.e., between domination (of capital) versus execution (of tasks) in the state and qualification (of competent personnel) versus subjection (of exploited personnel) in the state apparatuses. As far as I can see, a theory of political arenas could prove promising for a precise empirical and theoretical account of political contradictions and thus fill a gap in Therborn's general framework. A theory of political arenas is capable of explaining the contradiction between power structures and decision-making processes while at the same time accounting for the integrative imperatives of the existing social formation as well as the emergence of contradictions within the state apparatuses themselves. Such a perspective is aware of the contradictory nature of state policy and recognizes that state apparatuses often prove to be incapable of "organizing" tasks favorable to the reproduction of the social formation. Instead, Therborn mainly stresses the tendency of the political system to integrate and reproduce society smoothly and is not so much concerned with the articulations of political crisis that display the class character of the state apparatuses and the social formation within the realm of politics.

I have confined myself to these problems because they are the most critical issues raised by Therborn's book. Two additional ones might be mentioned. First, as in most Marxist and non-Marxist political theory, the terms "politics," "political" and the "polity" are used as undefined primitive terms. Therborn abstains from a discussion of these key concepts, although some clarification would be especially helpful. Presumably he believes that the polities of different modes of production are not quite comparable with one another. In challenge to this approach the question might be raised whether it is even theoretically sound to speak of feudal "state apparatuses" and of socialist "state apparatuses" or perhaps whether capitalism includes a specific concept of the political that is neither shared by feudalism (as a "pre-political" society) nor by socialism (as a society that abolishes the distinction between political and social spheres). Therborn's comparative approach is therefore subject to the criticism that it overlooks qualitative differences between the units it studies.

A second problem stems from the fact that political theory in Therborn's book, as in other contributions to this field, is still mostly a theory of the nation-state. International relations form a separate dimension as it is expressed in Therborn's distinction between domestic and foreign policy. In contrast, a political theory is needed which might be stimulated by the hypothesis that the field of politics and the control of state power in late capitalism diverge more and more from each other. A new aspect for a theory of political contradictions might be furnished by considering that the steering capacity of the nation-state as the focal political unit within an international economic and political power structure is declining progressively because these states are enmeshed in networks they cannot control nor guarantee their reproduction any longer.

In spite of all the qualifications and criticism expressed in this review, Therborn's book is an important contribution to a materialist theory of politics. The criticism presented here thus tries more to build upon Therborn's paradigmatic assumptions than to undermine his effort. The shift from holistic or instrumentalist theories of the state to a sophisticated analysis of state apparatuses and state power is an indispensable step in the further development of a materialist theory of politics, a step which now has to be elaborated by a more differentiated analysis of functional imperatives, power structures and struggles about various "issues" in politics.

University of California-Santa Cruz

FOOTNOTES

1. My evaluation contrasts with Therborn's self-perception of his theoretical work (cf., p. 35). I will return to the question of whether Therborn's approach has explanatory power or whether it consists mainly in taxonomic and definitional accomplishments.

2. It should be noted that Therborn expresses an uneasiness about taking present-day socialist states as an adequate empirical representation for a socialist polity (cf. p. 36 and p. 65).

3. This problem already reveals the strength and weaknesses of a comparative and typologistic approach and is methodologically similar to functionalist techniques, e.g., Gabriel A. Almond and G. Bingham, Jr., *Comparative Politics: A Developmental Approach* (Boston: Little Brown) 1966.

4. This is not to argue that Therborn completely neglects an analysis of contradictions in the political apparatuses of these societies (cf. pp. 124ff. and 146ff.). Nevertheless, this problem remains central to his theory.

5. To a certain extent Therborn's theory resembles the abstract and ahistorical "derivation" school of the Marxist theory of the state which emerged at the beginning of this decade in Germany most predominantly. Basically, this perspective argues that it is possible to derive an explanation of the emergence of political structures (e.g., parliamentarism), from the core relations of a capitalist mode of production. For a systematic presentation of the "derivationist" perspective of the Marxist theory of the state see John Holloway and Sol Picciotto (eds.) *State and Capital: A Marxist Debate,* London, 1978. This book introduces to the English reader some of the most exemplary essays representing the derivationist perspective. Also, see Margaret A. Fay's excellent review of *State and Capital* in this issue of *Kapitalistate*.

6. Unfortunately the author does not provide much detail here, although he raises a highly significant problem which could be, but is not, elaborated in his theoretical approach.

7. It may be helpful to note that a theory of political "functions," as I am using the term, is not to be confused with a "functionalist" theory of politics. The former aims at specifying the *content* of state policies which are likely to reproduce the capitalist mode of production in a certain stage of its development. In contrast to this, Therborn lacks a theory of what must be done by a capitalist state in order for it to *reproduce* capitalist class relations. He thus fails to meet his own claim that a theory of power should answer the question "power to do what?" Only a theory explaining the content of politics in the reproduction of certain class relations could substantiate Therborn's own concept of power.

8. See especially Lowi's "American Business, Public Policy, Case Studies and Political Theory" in *World Politics* 16 (1964): 677-715; and "Four Systems of Policy, Politics and Choice" in *Public Administration Review* 32 (1972): 298-310.

Review of Erik Olin Wright's *Class, Crisis and State.*

*Edward S. Greenberg and Thomas F. Mayer**

Erik Olin Wright's *Class, Crisis and State* (New Left Books, 1978) represents a bold attempt to speak to some of the most perplexing theoretical and political problems facing contemporary Marxism, and if it all too often falls short of the ambitious project it sets for itself, it nevertheless succeeds in clarifying the terrain of debate and the nature of the issues yet to be resolved. While the chapters often seem disparate and unconnected in character, they are all, to one degree or another, directed toward a consideration of the prospects for the transition to socialism in the advanced captialist world, and the theoretical tools necessary to an understanding of that process. At its best, Wright's book represents a fascinating interaction between descriptions of the historical process and reflections on the ways in which we learn about the historical process. A dialectic, if you will, between historical action and thought about historical action.

As one might expect, given the broad purview and ambition of this work, Wright surveys in a continuously insightful manner most of the questions deemed central by Marxists to an understanding of historical transfomations: what contradictions of advanced capitalism, whether in class relations, in the accumulation process, or in the state, might create the possibility for socialism? How might one best conceptualize and describe classes within advanced capitalist societies, and come to understand the factors which would lead some to function as agents of socialist transformation? What is the role of the state in these societies, and how does it relate to the dynamics of the class struggle? Should one conceptualize the modern capitalist state as a direct instrument of the ruling class, or as a relatively autonomous actor in the class struggle, or as some complex combination of both? Given an understanding of the contradictions of such a state, how ought Marxists relate to it in terms of practical activity? By raising such questions, Wright attempts to advance beyond the recent debate between "instrumental" and "structural" theories of the capitalist state, and to tie such theoretical understandings to practical political action.

* Edward S. Greenberg and Thomas F. Bayer are both members of the Institute of Behavioral Science, University of Colorado at Boulder, and members of the Boulder *Kapitalistate* Group.

What is most unique in Wright's analysis, however, is his continuous attention to issues of method in the broadest sense; his attention to the question of how we know what we know, and how we might go about clarifying that which is still opaque. Most centrally, Wright is concerned with developing a dialectical materialist conception of causation that is at once different from and superior to conventional "positivist" understandings. Wright reaches for a method which at one and the same time accomplishes both a scientific analysis and a critical appraisal of an existing social formation.

In *Class, Crisis and the State* Wright intends to demonstrate how one might combine the best elements of social science methodology with the deeper theoretical insights of Marxism in a manner which does no substantial harm to either, and which synthesizes a new field of "theoretically-structured empirical investigation within Marxism." The volume attempts to explicate the connections between the surface level of Marxist categories and the inner logic of the theory itself, linking these complex relations with concrete research agendas (p. 11). In the course of his discussion , Wright criticizes not only the banality of positivist social science, but also much recent research by Marxist scholars which all too often falls into one of two polar extremes: either excessive abstraction and *de facto* mystification, or pure description unconnected to systematic theory. Wright correctly indicates the direction which future Marxist scholarship must take, even if he himself is only partially successful in traveling that road.

For all of its virtues *Class, Crisis and the State* is not devoid of problems or positions with which the present reviewers must disagree. We have two general criticisms of the volume. First and most evident is Wright's failure to forge the separate elements of his work into an integrated totality cemented by the methodological precepts of the initial chapter. Despite a veneer of integration, the book remains a disparate collection of self-contained essays, each showing only minimal linkages to the methodological concepts Wright initially sets forth. The attentive and sympathetic reader is ultimately disappointed by this lack of relationship between the promising research model set forth in the opening chapter and the remainder of the volume.

Whatever unity the book achieves derives from Wright's deft exploration of the inner logic of Marxist theory; exploration, that is, of the complex interaction of structure, contradictions, and surface manifestations; exploration of the causal relationships between structure and appearance using contradiction as the critical linkage. As indicated in the title, the three main chapters deal respectively with class, capitalist crisis, and the state. Each chapter examines the central contradictions permeating its subject, tracing these contradictions backward to their structural origins, and forward to their empirical manifestations. We thus read illuminating chapters on *contradictory* positions in the class

sturcture, *contradictions* in the accumulation process considered historically, *contradictions* within the capitalist state, using bureaucracy as the focal point, and finally, a juxtaposition and synthesis of all of these *contradictions* in considering the possibilities for the struggle for socialism.

While Wright clarifies our understanding of class structure, the accumulation process and the state, each taken individually. In the last analysis he breaks no new methodological ground. Sensitivity to the dialectical interrelationships between structure, contradiction, and appearance has always infused the best Marxist scholarship. Perhaps Wright outlines these interrelationships more explicitly than most, but whether our capacity to do better empirical work is enhanced as a result remains most uncertain.

In addition to the imperfect integration of the separate chapters into a single coherent analysis, we believe that Wright's work is generally characterized by a tendency towards overly schematic formulations which not only cramp the subject matter by not allowing enough conceptual space for anamolies and contradictory realities, but consistently emphasize structure over process, thereby slighting the dynamic character of historical reality. Strangely enough, given Wright's concern for the issue, this leads to a model of structural causation uncomfortably similar to the linear structural equations of academic social science.

The lack of integration and the emphasis of structure over process constitute the main analytical problems of this ambitious work, and both cause specific problems of understanding at various points in Wright's book. In what follows we shall (a) demonstrate how these general analytic problems find specific expression; (b) point out additional problems of interpretation and analysis; and (c) consider how the Marxist theoretical and political project might be advanced by this brilliant yet flawed work.

The imperfect integration of *Class, Crisis and the State* imposes a similarly disjointed form upon our review essay. We subject the successive chapters to a process of friendly but unsparing criticism, hoping thereby to advance our collective project of building a revolutionary science which accurately comprehends advanced capitalist social formations and contributes to their practical tranformation.

I. Methodology

The first chapter of *Class, Crisis and the State.* entitled "Methodological Introduction," attempts to clear the ground upon which may be rendered the proposed synthesis between modern social scientific empirical technique and the inner logic of Marxist social theory. The outcome of such a synthesis would be the formulation of empirical

research agendas illuminating the contradiction mediated relationships between deep structure and manifest appearances. As his starting point in this endeavor, Wright adopts the notion of *structural causality* pioneered by the French structuralist Marxists. To make this global concept serviceable for empirical research, he decomposes it into more readily comprehensible elements. Such a decomposition is possible because Wright interprets structural causation as a complex mix of narrower and more elementary causations. Analyzing social processes through multiple specific causations linked together in carefully specified causal models is, in Wright's view, a necessary precursor to theoretically meaningful empirical research.

Wright calls these particular causations *modes of determination*. He proceeds to describe six basic types, which, joined together in definite patterns, form what Althusser and his colleagues call "structured totalitites." "*Structural limitation* establishes limits within which some other structure or process can vary. . . ." (p. 16). As an example of this mode, Wright points out how the structure of classical feudalism allowed only a limited range of possibilities for the state, with representative democracy characterized by universal sufferage falling outside of that range. *Selection* is the mode of determination in which concrete outcomes are selected from within the range of possibilities originally defined by *structural limitation*. Wright often sees the state as the principal social mechanism by which particular forms of class struggle are selected from the range of real possibilities. *Reproduction* (or conversely, non-reproduction) is a mode of determination in which structures are maintained in their essential form and protected from a transformation that might occur but for the influence of the reproductive system. *Limits of functional compatibility* is the mode of determination in which the state, in contrast with the reproduction mode, may act in ways that are non-functional for the reproduction of structures. It is a mode particularly suited to considering the effects of the state on economic structures, and to discovering deep contradictions between economic and political structures. *Transformation* is the mode of determination by which "class struggle directly effects the processes of structural limitation, selection, and reproduction"; it represents how class struggle is simultaneously defined by other structures and in turn reshapes or tranforms them. Finally, the mode of determination labelled *mediation* depicts a relationship in which some structure or process stands between other structures, thereby shaping the causal impacts between them. Wright interprets class struggle as a particularly important mediation in almost all other relationships.

Considering all of these modes together, Wright creates an admittedly simple yet suggestive overall *model of determination* in which economic structure, state structure, state policies, and class struggle are linked together in an interactive manner. As with any scientific model,

his purpose is to clarify the relationships between his theoretical elements, and to prepare the ground for serious empirical investigations.

While Wright alerts us to issues not normally addressed explicitly, his discussion of modes of determination remains problematic and incomplete. Take the definition of specific modes, as a case in point. Very often the distinctions drawn between modes lack sharp clarity. The boundaries between structural limitation and selection, to take the most obvious case, remain rather fuzzy, the former seeming but a more general case of the latter.

Or take the distinction between structural limitation and reproduction. As Wright sees matters, the difference between these two modes exists because structural limitation does not presume, "that the determined structure would necessarily change in the absence of the specific structural limitation process, whereas in the case of reproduction such changes would normally occur" (p. 19). Such a formulation raises more problems than it solves. The distinction between structural limitation and reproduction would seem to hinge upon a prior distinction between structures which transform themselves and structures which do not. Would not an explanation of the evolution of self-transforming as opposed to non self-transforming structures require wholly different modes of determination than Wright presents? In any case the major problem would seem to be understanding the origins of the distinction between self-transforming and non self-transforming structures. What starts as a simple differentiation between two modes of determination, ultimately requires a fullblown theory of structural transfomation in order to make much sense, or to be of practical service in real historical investigations.

It is not clear, moreover, why some modes assume a general form appropriate to a wide variety of processes, while others seem limited to specific institution or process. Selection, for example, seems relevant to class struggle, economic structure, and the state whereas transformation—in the use given it by Wright—appears applicable to class struggle alone. If certain modes are always associated with specific institutions can we consider them general modes of determination? Treatment of general modes side-by-side with modes of apparently limited applicability casts doubt upon the entire decomposition of structural causation proposed by Wright.

These issues lead directly to questions about the combined model of determination constructed by Wright (p. 27). It is not evident how this model carries out Wright's general program of connecting deep structure with surface manifestation through the medium of contradiction. Even more troublesome, the model interprets modes of determination as causal links between defined structures (i.e. economic structure, state structure, state policies, and class struggle) in a static, ahistoric

fashion. This strikes us as an abandonment of dialectical method; to be sure, and abandonment which occurs at a high level of abstraction, but nevertheless an abandonment. We do not challenge the value of models such as Wright is proposing, but we believe they must be historically located and conceived as being imbedded in a process of tranformation. One cannot escape the tranformational postulate of dialectical methodology merely by escalating the level of abstraction.

As it presently stands, the differences between Wright's interpretation of structural causation and recent positivist notions of causality as elaborated by various structural equation models are considerably less than the author of *Class, Crisis and the State* seems to imagine. Certainly the model Wright proposes includes more interactive and reciprocal elements than one generally finds, but this hardly constitutes a fundamental difference. We suspect almost any serious effort to make Wright's model operational as a practical research tool would eventuate in a formulation not very different from the structural equation models which have inundated social science literature in recent years. Perhaps Wright is undisturbed by this prospect; but somehow we think not.

Actually we question whether Wright, when doing real research makes even implicit use of his own model. His model rarely does justice to the subtlety and theoretical sophistication of his own substantive discussions.

Despite these problems and others which must remain unmentioned, the methodological themes of *Class, Crisis, and the State* remain daring in concept and provocative in execution. Wright's discussion must be seen as a beginning, an effort to burst through the conspiracy of silence surrounding the unsatisfactory condition of Marxist ideas on causation. He is only partially successful in advancing a research agenda firmly rooted in the logic of Marxist theory, but he provides valuable terminological innovations and clarifies important relationships between Marxist theoretical categories. Most significantly he correctly identifies the main dilemma facing Marxist social research, and has the guts to insists Marxists can learn something from bourgeois empirical methodology.

II. Class

The second chapter on "The Class Structure of Advanced Capitalism," most of which appeared earlier in *The New Left Review*, displays the same blend of brilliant insight yet ultimate disappointment characteristic of the entire book. This essay remains only loosely connected with the methodological themes set forth in the opening chapter, thus failing to advance the overarching project set forth therein. Nevertheless, "The Class Structure of Advanced Capitalism" stands in its own right as an important contribution to Marxist class analysis.

Wright boldly tackles the central theoretical/political question facing Euro-American Marxists: What is the working class in advanced capitalist societies? He recognizes that class divisions under advanced capitalism seem more opaque than in the past, and that significant subpopulations seem "mixed" in their class charactersitics. Wright ingeniously traces confusion about such "mixed" groups, not to the usual villains of fuzzy conceptualization or loose definition, but to their *objectively contradictory* location within advanced capitalist class structure.

By carefully specifying several theoretically convincing standards for locating population groupings within the class structure, Wright avoids the narrow formalism of Poulantzas (which implies a working class comprising a tiny minority in advanced capitalist societies), as well as the slackness of conceptualizations which include virtually all wage and salary earners as working class, an approach producing some unlikely class-mates (such as corporation managers and assembly-line workers). His analysis of class is based on three major steps. First he distinguishes between analysis of class at the level of mode of production and at the level of social formation, suggesting that in advanced capitalist societies, due to a continuing mix of simple commodity and capitalist modes of production, three classes exist at the social formation level. Next he proposes three criteria by which population groupings may be assigned to the theoretically defined classes: control over the physical means of production, control over the labor process, and control over investments and general resource allocations. Finally, in a conclusion drawn from the first two steps, Wright specifies the meaning of objectivity contradictory within the class structure. By these steps Wright circumvents many arid debates on class definition, produces an intriguing alternative approach to class analysis in advanced capitalist societies, and by so doing permanently shifts the grounds of future analysis.

These are impressive accomplishments. Nevertheless, we would like to suggest several ways in which Wright's formulation might be improved. At the most fundamental level, what is most problematic is the way in which Wright interprets the concept of contradictory location. A pure or unambiguous class location is defined at the mode of production level of analysis and has a relatively *consistent* set of interests associated with it. Although Wright never says so explicitly, a contradictory class location seems to denote a structurally defined position associated with *contradictory interests*. A person in a contradictory class location is thus torn between opposing class formations.

The problem arises because Wright somewhat artificially translates this idea into the hierarchies of control mentioned above (e.g. control over the physical means of production, over the labor process, and over investment and resource allocation). He derives the three pure class locations (i.e. bourgeoisie, petty bourgeoisie, and proletariat) from these

hierarchies of control, and then apparently assumes that class locations which exhibit different patterns on these control hierarchies will have interests apart from the pure class location. This is not a plausible assumption. In effect it substitutes a structural schematism for an analysis of how the process of capitalist accumulation impinges upon the interests associated with class locations. One cannot assume, for instance, that top managers have contradictory interests merely because their position in the hierarchy of control over investments differs from that of the bourgeoisie and petty bourgeoisie, or that their position in the hierarchy of control over the physical means of production differs from that of the proletariat, or that their position in the hierarchy of control over the labor power of others differs from the positions of both the proletariat and petty bourgeoisie. It is perfectly possible that despite all of this, the interests of top managers are perfectly congruent with, say, those of the bourgeoisie. One would need to establish that in the process of capitalist development the differences between top managers and bourgeoisie can create a palpable conflict of interest.

The difficulties with Wright's particular interpretation of contradictory location become especially evident in his treatment of the petty bourgeoise. On the basis of his three control hierarchies it would seem that the petty bourgeoisie constitutes a contradictory class location because it has some positions in common with the proletariat and some with the bourgeoisie. To simply suggest that the petty bourgeoisie emerges from a different mode of production is not a convincing argument since all class locations are interrelated at the level of the social formation. If Wright's three hierarchies of control do not suffice to identify a contradictory location in the case of the petty bourgeoisie, why should they definitively establish contradictory interests in any other instance.

Clearly Wright does not intend contradictory location to mean only location intermediate between pure classes. However, his structural schematism which assimilates alternative patterns in hierarchies of control with contradictory interests leads in practice toward the erosion of the distinction between contradictory and intermediate, and thus towards a narrowly geometric image of class structure. Wright's structural schematism abstracts from all considerations of process and historical motion. It implies that contracitory locations can be defined in terms of structural relations without considering the processes through which these structural relations are developing. This encourages the conceptual dominance of structure over process, and the very forms of static class analysis which the concept of contradiction was intended to explode.

The static nature of Wright's model might be partially rectified by some consideration of social mobility. The extent to which incumbents

of a class can become conscious of interests associated with that location would probably depend upon the nature of personnel exchange between that and other class locations. In view of the very considerable rates of mobility between the bourgeoisie and the top managerial group we wonder how significant the contradictory class location of the latter could possibly be. Or, to choose a quite different example, consider two pure proletarians holding diametrically opposed social and political perspectives. Might not social mobility help us explain these differences? The experience of *becoming* proletarian may excercise a greater influence on political consciousness than the fact of being proletarian. These examples illustrate both the explanatory possibilities of social mobility, and the pitfalls of a model which avoids consideration of process.

Another serious problem relates to the role of ideology and politics in assigning class position to various population groupings. Wright levels a very telling critique against the curious position taken by Poulantzas on the issue, according to which superstructural elements become the dominant elements in such assignments. Instead Wright proposes that ideology and politics become important precisely to the extent, and only to the extent that groups find themselves in objectively contradictory positions. While such a hypothesis begs for serious research, the logically adverse relationship proves troublesome. If it is the case that politics and ideology become important the more contradictory the position, is it also true that politics and ideology are minimally important in the activities of the "pure" classes? If struggle largely determines the class direction in which contradictory elements move, does this suggest that struggle is not of central importance in defining the position of "pure" classes, that there exists no problem of objective interests in them? Surely, Wright would not support such a position, but we believe it is a possible interpretation of his assertion.

This ambiguity about the role of ideology and politics becomes particularly problematic in Wright's discussion about class positions and the likely behavior of population groupings that do not fit into any of the categories defined in either pure or contradictory class terms, namely, housewives, welfare recipients, students, and the like. By and large, that discussion strikes us as exceedingly vague and non-materialist, rarely undertaking structural and relational analyses, and relying heavily upon political/ideological processes, especially some guess-work about what might be the fundamental interests of these groupings. Here Wright becomes subject to much of his own critique of Poulantzas.

We find Wright's discussion of working class interests unsatisfactory. It is not sufficient to axiomatically stipulate a fundamental interest in socialism on the part of the working class, or to assert dogmatically that the working class would want socialism if it possessed a developed

scientific understanding of society. Such statements assume what needs to be proved. Here we encounter once again the basic shortcoming of Wright's approach to class analysis: failure to derive class interests from the structure of productive relationships. Earlier we saw how this failure damaged Wright's interpretation of contradictory class locations. The frequency with which Wright locates groups in the class structure solely on the basis of their presumed interests vis-á-vis socialism is distressing, and amounts to a speculative idealist form of theorizing couched in the language of historical materialism.

III. Crisis

The essay which most nearly fulfills the promise of linking the inner logic of Marxist theory to empirical research agendas made in the opening chapter is "Historical Transformations in Capitalist Crisis Tendencies." In this provocative essay, Wright admirably demonstrates what a truly Marxist analysis might look like, skillfully handling empirical material without losing his ability to proceed within an analytic context characterized by the creative use of notions of totality, contradiction, and transformation. While considering crisis tendencies in capitalism, Wright deftly links economic structure, constraints upon accumulation, class struggle, and state policy within an ever shifting historical framework.

Marxists have proposed four general explanations of capitalist crises: falling rate of profit, underconsumption, profit squeeze, and state expenditure. These theories have usually been conceived as alternatives to one another, each possessing a cluster of devotees eager to establish the veracity of their chosen theory and to refute its competitors. Wright suggests and alternative way of conceiving Marxist theories of crisis. Accordingly, each of these should be seen, not as a totally general theory of capitalist crisis, but as relevant to a specific historical phase of capitalist development. Thus the four theories of crises supplement rather than contradict each other.

Wright interprets the internal logic of the accumulation process as the key to the development of capitalism. The unfolding of the internal logic of accumulation in combination with the responses of the capitalist class generates a sequence of historically specific contradictions within the capitalist mode of production. Particular Marxist theories of crisis pertain to particular contradictions in the process of accumulation. Moreover, the historical sequence of contradictions is governed by a special logic of its own. When confronted by a crisis of accumulation the capitalist class in general and the capitalist in particular, strike about for a means to deal with the cirsis. If successful, such activities push the capitalist system into a new phase of development characterized by new contradictions. In fact the new contradictions often derive from the methods used to solve the old ones.

For example, Wright interprets the central contradiction of 19th century competitive capitalism as a tendency towards a falling rate of profit. The response to this was an increasing concentration of capital which eventually led to the development of monopoly capitalism. Here the chief contradiction no longer appeared as a falling rate of profit, but as a tendency of surplus to rise more rapidly than effective demand. This in turn stimulated Keynesian forms of state intervention which ushered in a new phase of capitalist development, the outstanding contradiction of which emanates from the rising reproduction costs generated by the expanded function of the state.

It is approximately correct to say that Wright applies falling rate of profit theories to the "machinofacture" phase of capitalist development, underconsumption theories to early monopoly capitalism, profit squeeze theories to advanced monopoly capitalism, and fiscal crisis theories to the presently emerging phase of state directed monopoly capitalism.

Wright undertakes a penetrating critique of each crisis theory demonstrating that the internal logic of every one is seriously flawed. Typical of the conclusion at which he arrives is the following: "the question remains . . . whether the empirical case made by the defenders of the profit squeeze is credible" (p. 151). Similarly harsh judgments are rendered upon each of the other crisis theories. This raises the obvious question of why any of the crisis theories—given their internally flawed character—is ever valid, even when restricted to a particular historical phase of capitalist development. In other words, the vigor and cogency of Wright's critiques of crisis theory appears to contradict his strategy of reconciliation through rendering them historically specific. For this strategy to work the critique would need to be differently formulated. It would need to vindicate a theory under certain determinate historical assumptions while invalidating it under others. Wright's critiques, however, appear general.

Also as a consequence of Wright's discussion, we question the existence of four distinct Marxist theories of crisis. A strong case could be made to the effect that only two separate theories of crisis exist. Upon close inspection, it seems reasonable to regard the falling rate of profit theory and the profit squeeze theory as variations on a common theme. To be sure differences remain, but these seem less significant than the commonalties, and we think both versions would be obtainable as deductions from a sufficiently general theory of class and profit dynamics under alternate initial and boundary assumptions. The fundamental unity of the underconsumptionist and state expenditure theories is even more obvious. The state expenditure theory is in no way an independent alternative to the underconsumptionist formulation. On the contrary, the former is a logical outgrowth of the latter. Or, to put the shoe on a different foot, the underconsumptionist argument formu-

lates the preconditions for the state expenditure interpretation of capitalist crisis.

Wright's failure to explore the interrelationships between various crisis theories is not fortuitous. It emerges directly from his eagerness to establish a neat correspondence between crisis theories and phases of capitalist development. Unfortunately his interest in schematic tidiness sometimes interferes with the substantive quality of his analysis. It discourages him from examining the mix of capitalist forms present at every stage and the associated possibility that different types exist simultaneously (a possibility which Wright recognizes in his analysis of imperialism). The recognition of multiple coexisting contradictions leads naturally to consideration of the interactions between contradictions, and possibly towards a deeper and more comprehensive crisis theory. This is the path from which Wright is diverted by his concern with tidy parallelism.

We certainly regard the impulse towards making crisis theories historically specific as constructive. But there are many forms of historicising other than embedding theories in a linear sequence of historical stages. One might interpret alternate crisis theories as expressions of different sectors of the working class, different aspects of class struggle, different social formations, different political commitments, or many other such differences. Wright has not explored any of these possibilities, nor has he seriously researched the historical origins of the various Marxist crisis theories.

Certain problems of special interest arise also from the view of the state expressed in Wright's discussion of the state expenditure theory of crisis. While that discussion provides considerable illumination, it also stresses the autonomy of the state to the point of reification. The consequences of exaggerating state autonomy express themselves in two ways: in terms of class analysis and in relation to the contradictions of the accumulation process.

Wright generally treats the state as a real autonomous actor in the historical process separate from social classes except in the most tenuous ways. This view strikes us as essentially Hegelian in that it locates social "will" mainly in the state. Marx, of course, transformed the Hegelian view by locating social "will" in classes and by treating the state as derivative. There has been much debate among Marxists in recent years over "instrumental" and "structuralist" approaches to an understanding of the state, with the latter acting as an important corrective to the oversimplifications of the former. In our view, however, Wright carries the "structuralist" position much too far, detaches it from some of the important truths of the "instrumentalist" approach, and leaves the state virtually independent of class structure. The classical Marxist view of a profound relationship between class forces and state policy constitutes a giant step forward in scientific political analysis. The task is to liberate this insight from its instrumentalist

integument, not to burn it in hopes of immolating the instrumentalist position in the funeral pyre. Besides, detaching state policy from class forces creates far more problems than it solves. A systematic theorist is then compelled to build—virtually from scratch—a complete new theory of the state which could explain things like the foundation of state power, the cause of transformations in state structure, the connections between state and civil society, etc.

Consider how the postulation of a fully autonomous state bears upon analysis of crisis. The state, as portrayed by Wright in his exposition of state expenditures crisis theory, becomes an autonomous force in the very generation of certain accumulation crises. Wright locates the source of crises at the level of superstructural appearances (state policy) rather than at the level of class antagonisms and relationships in the process of production and reproduction. To be sure, the modern state is waist deep in the production process, but the task of a Marxist analysis is to demonstrate what this form of state activity means in terms of class and productive relations, and not to rest content with the outer forms.

The most disturbing problem raised by Wright's essay on capitalist crises relates to the concept of crisis itself. If in the past capitalist social formations have dealt with crises by entering a new phase of capitalist development, is it sensible to conceptualize these processes as crises as distinct from mere growth pains? A genuine capitalist crisis, it would seem, implies the possibility—not the necessity—of eliminating the capitalist mode of production. If the processes Wright discusses are indeed crises in this sense, what prevented the overthrow of capitalism from occurring? If no such possibility existed, exactly what does Wright mean by a crisis?

Examining this same problem from a somewhat different perspective, on the basis of Wright's account, capitalism has been an essentially self-correcting system in the past. That is, it has been able to generate processes and public policies through which it has overcome crisis tendencies. How can we conclude that it will not be self stabilizing in the future? Does not an analysis which demonstrates the historically dated character of capitalist crisis theories raise the possibility that capitalism might outgrow its tumultuous childhood reaching a maturity characterized by a neo-classical type equilibrium?

By histroicising crisis theories, Wright leaves us without a firm theoretical basis for expecting future capitalist crises. We can offer no scientifically valid arguments as to why capitalism must be a crisis ridden system. We cannot discount the possibility that a future state of capitalist development will be crisis free. Whatever its virtues, the histroicising analysis used by Wright thoroughly eliminates any general theory of capitalist crisis.

Wright does address some of these issues in a footnote (p. 167). His answer boils down to the assertion that, since every form of capitalism has antagonistic class relations, capitalism in all its developmental

phases will be more or less crisis ridden. To argue that class antagonisms necessarily imply the existence of crises dangerous to the capitalist mode of production is to affirm an ideological faith, and to depart from the bounds of scientific rationality. On rational grounds, there is nothing to choose between such an assertion and propositions put forward by structural-functionalist sociologists, neo-classical economists, or pluralist political scientists affirming the exact opposite. At the very minimum, one must explain why class antagonism necessarily generate crises. We can easily imagine a sophisticated form of managerial capitalism in which the state channels class struggle into orderly forms consistent with general system stability. In any case it hardly seems proper to deal with the central theoretical problem raised by this essay only in a footnote.

IV. Bureaucracy

The chapter entitled "Bureaucracy and the State" strikes us as the least orginal essay in *Class, Crisis and the State*. Here Wright compares the position taken by Lenin on the state, bureaucracy, and politics in *The State and Revolution* with the position taken by Max Weber in *Parliament and Government in a Reconstructed Germany*. Both of the essays being compared were written during the summer or 1917. Wright extracts a series of propositions from each work, sets these propositions in juxtaposition to one another, and undertakes a critical analysis of both Weber and Lenin guided by the overriding question of how a socialist revolution might avoid bureaucratic deformation.

Weber, addressing the plight of World War I Germany, wants to show that a strong working parliment—not mass democracy—constitutes the most hopeful means of controlling bureaucracy and creating a responsible and competent political process in Germany. Weber argues that bureaucracy is made inevitable by modern technology and the scale of the modern state. Policies designed to eliminate bureaucracy are futile; the proper strategy is to find political methods by which to guide and control it. Although the principles of mass democracy are stongly anti-bureaucratic, Weber argues that states of this form will actually be less likely to control the power of bureaucracy than other states, because the specific institutions of mass democracy will be paralyzed by internal conflicts and unwieldy procedures of conflict resolution and compromise. As a consequence, mass democracies prove even more helpless in the face of bureaucratic encroachments than other forms of government. The best hope, according to Weber, lies with a working representational body which, through a competitive process, trains and selects leaders capable of supervising and controlling bureaucracy.

Lenin, writing in the eight month interval between the February and October Revolutions, addresses the question of how the state can be

compelled to serve the working class interests. Bureaucracy, Lenin contends, is a political not a technological imperative. It results from the domination of the bourgeoisie and the overriding need of this class to stabilize capitalism. In fact, he suggests, bureaucratic organization is only compatible with capitalist forms of domination. Under capitalism, real state power lies in the bureaucracy, and representative institutions, no matter what their specific form, are doomed to be ineffectual rhetorical bodies. Working class rule requires smashing both parliament and bureaucracy and replacing them with Soviet-type assemblies which enable every worker to participate in the work of government. It goes without saying that under bourgeois rule representational institutions could not possibly control the growth of bureaucracy.

Wright contrasts Weber and Lenin in the following way:

> Weber is generally concerned with the problem of the *formal rationality* of political structures and in particular with the factors that contribute to political effectiveness and responsibility; Lenin . . . is much more concerned with questions of *substantive rationality*, with the relationship of state structures to the class ends that they serve (p. 205). . . . Weber's concept of the state centers on the ways in which *elites* control a particular kind of organization; Lenin's conception of the state centers on the ways in which *classes* rule through a particular kind of structure (p. 210). . . . Weber has an elaborate theory of organizational contradictions, but an underdeveloped theory of social contradictions; Lenin has a relatively developed theory of social contractions, but a limited theory of organizational contradictions (p. 213). (author's italics)

Wright's summary of the views of Lenin and Weber on state and bureaucracy are certainly concise, and, to our knowledge, accurate. His commentary is often perceptive although it does not shed decisively new light on these frequently discussed themes. A few of the positions he takes merit special consideration.

Wright faults Lenin for failure to develop a "theory of the internal dynamics and processes of organization." As a result, criticisms properly directed at capitalism are confounded with criticisms that ought to be directed toward bureaucratic structures themselves. Lenin does rather too easily interpret bureaucracy as a creature of capitalism which will inevitably perish with the abolition of capitalist social relations. Hence Lenin treats the struggle against bureaucracy as synonymous with the struggle against capitalism. Although extremely concerned about the persistence of bureaucracy in the fledgling Soviet state, Lenin invariably treats this as the incubus of the past, and hence seems insufficiently alerted to the intrinsic bureaucratic potentialities of Soviet-type organization. Wright's recommendation for a general theory of organization, howver, misses the point. The metatheoretical foundations of Marxism stipulate that ultimate causation be located in forces of production or social relations stemming from a determinate mode of production. This implies that a *general theory* of organizations is simply impossible. Weber could, without loss of consistency, construct such a theory exactly because he was not a Marxist. For Marxists a

theory of organization must be located within the framework of a specific mode of production or perhaps within the context of a historically given social formation. Perhaps one might fault Lenin for failure to develop a systematic theory of the socialist mode of production, or failure to comprehend the transition between capitalism and socialism, or for failure to understand the institutions necessary for a genuine dictatorship of the proletariat; but surely not for the absence of a general theory of organizations.

Lenin's reluctance to level criticisms at bureaucratic structures *qua* bureaucratic structures makes political as well as theoretical sense. Certainly the phenomenon of bureaucracy occurs outside of capitalism and must be the object of struggle by serious socialists. Even if Lenin is mistaken about the social forces which can give rise to bureaucracy, he is correct in conceptualizing it as a manifestation rather than a fundamental cause. This is not to deny that bureaucratic structures can have the sort of feedback effects specified by Wright, but it does suggest that struggle against bureaucracy pure and simple, struggle, that is, which does not comprehend the class relation ultimately responsible for the production of bureaucracy, will prove to be wrestling with phantoms, a frustrating labor of Sisyphus. By the same token, efforts to control bureaucracy by strictly organizational devices *a la* Weber also give little promise of success.

Wright feels that, "Lenin underestimated the importance of creating the political preconditions for the control of bureaucratic structures." We agree. But, we must ask, over six decades later, with the benefit of the agonizing Soviet experience, revolutions in China, Cuba, Viet Nam and elsewhere, whether we are better able to specify what these preconditions must be? In reviewing the political conditions which facilitated the growth of Soviet bureaucracy after 1917, Wright emphasizes the progressive erosion of both intra-party democracy an inter-party competition, and concomitant failure to develop a deeper form of proletarian democracy. These have become the time honored demons which democratically oriented Marxists, justifiably horrified and ashamed with the Soviet regime, can shake their fists at. We do not really disagree with Wright's diagnosis, but somehow it seems rather lame. For one thing, it fails to counter Weber's critique which suggests more perfect democracy might mean even more thorough bureaucratic domination. For another it smacks of circularity or at least superficiality. Explaining the triumph of bureaucracy by the defeat of democracy is a little like explaining bureaucracy itself. Wright, to be fair, is not making this argument. He speaks rather of how political struggles mediate the relationship between economic conditions and state structures. Nevertheless, the reliance he places upon proletarian democracy as the prime political strategy for warding off bureaucracy renders this a fair warning. We suspect the same pressures which accelerate

bureaucratic development would undermine the democracy on which Wright pins his hopes.

Whatever else it may accomplish, Wright's essay makes it painfully evident, some sixty years after the Bolshevik Revolution, that we still lack a satisfactory theory of state and bureaucracy in the transition to socialism.

V. Strategy

The final essay, "Socialist Strategies and the State in Advanced Capitalist Societies," attempts to integrate the themes articulated in the earlier essays in a general consideration of the possibilities for socialist transformation. Once again Wright has fashioned an argument characterized by brilliant insights, yet flawed in major respects and deficient in its theoretical linkage to the remainder of the book, especially the methodological introduction. Once again, the essay could have been written, and certainly can be read, without reference to the earlier essays.

Nevertheless, Wright has produced an important essay addressed to the question of how the Left might use the capitalist state to destroy the capitalist state. Wright approvingly quotes Lucio Magri who says, "it is necessary to use the opportunities offered by bourgeois democracy against bourgeois democracy itself. . . ." This argument breaks with both the traditional Social-Democratic and the Leninist views. The Social-Democratic approach to socialist tranformation assumes that the capitalist state can be used to achieve socialist objectives and seriously underestimates the structural limitations posed by the capitalist state. Despite a wealth of historical counterevidence Social-Democracy has consistently seen the state as a neutral instrument. The Leninist approach, on the other hand, raises the structural limitations to such prominence that advance is only possible through destruction of the state. In elaborating a strategy reminiscent of those favored by Euro-Communists, Wright is not simply "averaging" the two traditional positions, but combining elements of each in a unified and self-sufficient synthesis.

The key to Wright's position lies in his discussion of the possible difference between what is structurally possible and what is functionally compatible with the reproduction of capitalism. As Wright points out, a "perfect" capitalism, which consistently chooses those interventions that optimally reproduce capitalism from among the structurally possible policies, does not exist. The compatibility between interventions and system needs is always problematic. The absence of perfect coincidence between the possible and the optimal, a state of affairs strongly dependent upon the extent to which the basic class antagonisms of society are absorbed and incorporated in the state itself, creates

the ground upon which a Left government might use the capitalist state to destroy the capitalist state. That is, a socialist government might choose policies from within the range of structural possibilities which are incompatible with the reproduction of capitalist social relations. Taking writers like Gorz to the extreme, this is a strategy of non-reformist reform with a vengeance.

Wright sees this strategy as relevant to Western Europe, but not the United States, at least not for the immediate future. As to the particular tactics involved when a socialist government assumes the helm of a capitalist state, we stand in substantial agreement with Wright. He identifies the minimal conditions for such a government as the serious de-legitimation of capitalism and the existence of a strong and militant working-class movement. He argues persuasively that a socialist govenment must not merely introduce measures limiting the scope of capitalist decision and more equitably distributing the fruits and burdens of social life, but must also encourage organs of direct-democracy among the population thereby generating a non-individualistic, collectively based politics. Not to be overlooked, especially in light of painful previous experience, a socialist government must assiduously nurture contradictions within the military forces, thus crippling them as instruments of reaction.

While much of this is compelling at a gut level, it does not seem theoretically tenable, at least not in the form proposed by Wright. Too many questions are left hanging. Too many connections are not made. Too many assumptions are unduly optimistic.

While he devotes some time to the issue, Wright does not convincingly demonstrate that conditions in the advanced societies are now ripe for a shift by the working class from immediate to fundamental interests. Nor does he show (referring back to an earlier chapter) why objectively contradictory classes might now shift their allegiance to the working class and thus to a commitment to socialism. While Wright makes suggestive comments about what a more complete explanation might look like (see in particular his discussion of the politicization of the accumulation process and the decommodization of labor) the overall discussion remains fragmentary and unconvincing. Wright himself gives fully as many reasons why developments under advanced capitalism might reverse these tendencies as reasons why they might be accentuated. This is hardly a sturdy base upon which to build so towering a strategic edifice.

In fact, the entire discussion rests upon Wright's belief that while using the capitalist state to destroy the capitalist state was not feasible in the past, it is now feasible because the divergence between the possible and the functionally compatible is accentuated under modern capitalism due to the decommodization of labor and the politicization of the accumulation process mentioned above; and also because of class

contradictions within the body of the state itself. We find the latter argument particularly unconvincing. Wright claims that, "the emerging class relations within the bureaucracy mean that substantial portions of the bureaucratic personnel are potential allies of the working class in class struggles" (p. 240). Which portions? What elements of the state bureaucracy demonstrate or can even be shown to have, in a structural sense, a common interest in socialism. In what sectors and at what strategic locations are such elements visible? We do not suggest that a theoretical case for a socialistically inclined state bureaucracy is logically impossible, only that Wright does not make one.

Finally, at the more mundane level, we find two other elements of Wright's discussion unconvincing. First, we are not as sanguine as Wright seems to be about the inability of capital to sabotage a socialist regime. He argues that "in advanced capitalism . . . the effectiveness of such economic sabotage by the bourgeoisie may be less pervasive than in earlier periods" because of the role of the state in the accumulation process and the weakening of capitalist ideological hegemony. We have encountered no persuasive evidence suggesting such a dissipation of capitalist strength and autonomous decision-making power. By using the phrase "may be" Wright is perhaps paying tribute to the weakness of his own argument.

Second, we believe that Wright seiously underestimates or perhaps even overlooks the element of "blame" that any socialist government would perforce bear when the masses face the almost inevitable hardships associated with the transition period. Using the capitalist state to destroy the capitalist state is a tricky strategy in which a socialist government would simultaneously undermine certain social structures and relations and encourage others, all in an environment of economic uncertainty, capital strikes, and general social turmoil. Most likely the rhythms of everyday life and the habits of social intercourse would be seriously disrupted. A socialist government under such circumstances might find itself clutching a tiger by the tail. It might prove hard pressed simply keeping its head above water in the raging torrent of events, hard pressed to cast blame on the real sources of trouble, and hard pressed in reassuring the population about the future. In other words, a socialist government embarking upon the hazardous strategy of using the state to destroy the state could easily find itself impaled upon the contradictions it sought to harness.

Nevertheless, when all is said and done, we still find Wright's discussion of socialist strategy creative and highly stimulating. He does not shrink from difficult (perhaps embarrassing) questions which many Marxists choose to ignore. He attempts to derive strategic and tactical options, not from a sclerotic ideological stance or a barefaced pragmatism, but on the basis of a mature theoretical understanding of advanced

capitalism. Even when unsuccessful, the earnestness and indubitable good faith of his strategic deliberations provide a model most worthy of emulation by other Marxists.

VI. Concluding Remarks

Book reviewing is part of a dialectic process. To take one's responsibilities as a reviewer seriously is to become the embodiement of negation. This remains true even when, as in the present case, the work under review inspires admiration and a sense of joint participation in a common project. We are stongly attracted by *Class, Crisis and the State*, hence we feel impelled to criticize it as thoroughly and cogently as possible.

Let us not invite misunderstanding, however. This is a seminal work which well rewards the time and effort devoted to its study. Not once does the author use mystification to conceal his own uncertainty. Not once does the author genuflect in the direction of Marxist authority. A shining clarity of mind, independence of spirit, and openness to evidence appears on every page. We very much hope this brief book gets the attentive, appreciative, and critical audience it so richly deserves.

Review of Santiago Carrillo, *Eurocommunism and the State* Westport: Lawrence Hill and Company, 1978. and Fernando Claudín, *Eurocommunism and Socialism.* London: New Left Books, 1978.

Patrick O'Donnell

It is no exaggeration to say that a new spectre is haunting Europe—the spectre of Eurocommunism. During the last few years, the communist parties on the continent have begun to break with their pasts and have taken off in new directions. This revitalization of the communist parties, combined with the growth of a broad left movement since the 1960s, has opened up the possibility of the development of popular majorities committed to a socialist transformation of European society. The advent of Eurocommunism challenges not only the regimes which currently wield power in certain countries, but also the domination which the United States and the Soviet Union have exercised over all of Europe since the Second World War.

The very term "Eurocommunism" is of recent origin, dating from the early 1970s. At first the leadership of the major communist parties had reservations about the word. But, it expressed an important new set of ideas and developments shared by the principal European parties, and the term quickly caught on. The word "Eurocommunism," Santiago Carrillo has remarked, "is very fashionable, and though not coined by the Communists and its scientific value may be doubtful, it has acquired a meaning among the public and, in general terms, serves to designate one of the current communist trends." More precisely, Carrillo describes Eurocommunism as "a tendency in the modern revolutionary and progressive movement that is endeavoring to get to grips with the realities of our continent—though in essence it is valid for all developed capitalist countries—and to adapt to them the world revolutionary process characteristic of our time" (p. 8).

The two books under review provide an excellent introduction to this important new trend. Carrillo's *Eurocommunism and the State* is the first extended statement of the Eurocommunist position by a prominent party leader. (Carrillo is the general Secretary of the Communist Party of Spain.) In comparison, Claudín's *Eurocommunism and Socialism* is a more interpretive and historical work. Also, though basically sympathetic with Eurocommunism, Claudín forthrightly criticizes various aspects of it from a democratic socialist perspective.

Starting with Carrillo's book, it should be stressed at the outset that this work is much more than another statement of Marxist theory. Its

publication proved to be a major political event. The interest it received in the western press was surpassed by the storm it unleashed within socialist circles. The Soviet leadership rushed to attack Carrillo at length in articles in *New Times;* the leaders in a couple of other socialist countries (i.e., Czechoslovakia and Bulgaria) joined in support of the Soviet position; and several of the smaller western communist parties also backed the Soviet view. On the other hand, Carrillo received the support of the Rumanians, Yugoslavs, and Koreans; he also got support, in varying degrees, from the principal European parties.

What did Carrillo say to provoke such a response? In certain respects *Eurocommunism and the State* hardly seems designed to incite controversy. The tone of the book is analytic, not polemic. Its chief ideas are presented in an undogmatic fashion. Yet the underlying message of the book is clearly upsetting to certain readers. This message is two-fold. First, many of the leading ideas and practices of the communist movement, including many of those developed by Lenin in the context of the Russian revolution, are obsolete today. Second, Eurocommunism must seek to bring about the transformation of western society by means of a new strategy based on the democratic road to socialism. In other words, the renewal of the working-class and communist movements in the advanced capitalist countries requires a complete revision of the relation of socialism, democracy, and the State.

Carrillo is straightforward about the need for European communist parties to abandon their earlier practices. These practices were, to a great extent, modeled after the Soviet experience in which a tightly-organized vanguard party seized and maintained political power by forcible means. Carrillo argues that, in the context of the advanced capitalist countries with their working-class majorities and their democratic traditions, emulating the Soviet example is not only incorrect tactically, but also mistaken in terms of the longterm goal of the realization of socialism. Hence the time has come for the communist parties of Europe to abandon their isolation and ghettos. They should now move out of the long shadow cast by the Russian revolution, Stalinism, and their spin-offs. The revolutionary strategies used in the past that are no longer appropriate should be tossed on the trash heap. For instance, Carrillo says, "I am convinced that the dictatorship of the proletariat is not the way to succeed in establishing and consolidating the hegemony of the forces of the working people in the democratic countries of developed capitalism" (p. 154).

Once Carrillo has rejected the dead weight of the past, he proceeds to raise the question of building a new strategy for the transition to socialism. Carrillo does not wholly exclude the possibility that it might at some point be necessary to use force to seize or maintain power. (In mentioning this, Carrillo is doubtless thinking of the fate of Allende in

Chile.) But, he says, "[I]t is clear that the roads to socialism in countries of the kind we are speaking of have to be different, taking concrete reality into account. They have to be roads in which democratic mass action is combined with action by the representative democratic institutions. . ." (p. 51). Thus a key element in the strategy of the Eurocommunist parties is direct involvement in the electoral process. The franchise is not seen as a panacea, or as the only means of political action; but in the context of contemporary Europe it is seen as a viable means for socialists to come to power and, once in power, as a method of retaining people's confidence through periodic elections. Furthermore, in Carrillo's view, in the electoral process communist parties will not be the only representatives of the working class; other parties which are also socialist in tendency will represent certain segments of the working class. If the communist parties succeed in playing a leading role in the coalition of socialist forces, it will be because they have legitimately earned that pre-eminence rather than because some ideological fantasy accords them vanguard status. In sum, as far as the developed countries are concerned Carrillo believes that socialism is not only the decisive broadening and development of democracy, the negation of any totalitarian conception of society, but that the way to reach it is along the democratic road, with all its consequences" (p. 154).

Liberal and conservative critics alike have been perturbed by the European communist parties' pursuit of the democratic road to socialism. They apparently would prefer to continune to be faced by dogmatic, sectarian parties dedicated to replicating past revolutionary experiences. But the European communist parties' embrace of electoral and other democratic means for the achievement of socialism has denied the forces of reaction an easy whipping boy. So now critics have turned to questioning the sincerity of the communist leadership's commitment to the democratic process. This debate over sincerity, though exceedingly prominent in the western press, is ultimately of little relevance and serves to obfuscate the main issues. Although the European communist party leadership does in fact seem to be genuinely committed to democracy, its sincerity will not be the decisive factor in determining the fate of the democratic road to socialism. The Eurocommunist tendency, irrespective of the personal sentiments of individual party leaders, has now irrevocably committed itself to the deepening and widening of democracy; Eurocommunism's continuing support among the masses will depend on its ability to carry through with this commitment. Viewed from another angle, popular support is essential for Eurocommunism to succeed. In order for this movement to overcome the obstacles which capitalism will inevitably throw in its way, it must have popular support at the polls, at the grass roots, in the unions, and in democratic organizations of all kinds. Thus the sincerity of the leader-

ship will count for little in the decisive steps towards a democratic socialist Europe; the support and action of the masses will be all-important.

While western critics have quibbled about the sincerity of Carrillo's and others' commitment to democratic procedures, critics in the Soviet sphere of influence have been upset about other issues. For one thing, Carrillo's cursory remarks in his book about the need for greater European independence from the two major superpowers has incurred the wrath of Soviet commentators. For another, his rejection of the traditional pre-eminence of the communist Party of the Soviet Union has been a point of controversy. Carrillo's book is certainly an implicit challenge to the traditional hegemony of the CPSU. Moreover he has stated his position even more bluntly elsewhere. "Once Moscow was our Rome," he said at the 1976 Berlin Conference, "but no more. Now we acknowledge no guiding centre, no international discipline. . ." (quoted in Claudín, p. 54). Finally, Carrillo's direct support for greater freedom in eastern Europe has provoked the anger of the Soviet leadership and its minions. In the very last line of his book, Carrillo chose to remark that it was "lamentable that the Czech comrades were not allowed to carry on with their experiment in 1968" (p. 172). Hence Eurocommunism opens up the prospect of a more open, decentralized, and democratic socialism not only in western Europe, but also in the east.

Claudín's *Eurocommunism and Socialism* complements Carrillo's book very well. The first theme of Claudín's impressive short study is that the rise of Eurocommunism reflects certain important new developments in Europe. Specifically, he argues that the recent appearance of a democratic socialist alternative, at least in the three biggest countries in southern Europe, is linked to the current crisis in advanced capitalism. The economic aspects of the present crisis are most prominent: the end of postwar economic expansion, the exhaustion of the previous model of accumulation, the universal call for austerity (at the expense of the working class), and the obsolescence of the previous form of the international division of labor. Yet the current crisis is more than economic. It is also ideological, moral, and political. It has forced new thinking about such diverse issues as the family, culture, and the environment. Not only is Eurocommunism in large part a product of the current crisis, but its fate will heavily depend on its performance within that crisis.

Claudín's second major theme is that Eurocommunism must break with certain historical legacies inherited from the past. Like Carrillo, Claudín is particularly concerned about the influence which the Soviet Union has traditionally exercised over the communist parties of Europe. Claudín's stance, as befits someone who was expelled from the Spanish party in the 1960s for his heretical views about the Soviet Union, is uncompromisingly critical of Soviet domination. He pulls no

punches. He says that, in the aftermath of the Russian revolution, the Soviet communist party became the expression of a new ruling class. Internally, the elimination of the initial forms of democracy meant that the Soviet Union could not properly be called socialist, or even in transition to socialism, because no mechanisms existed for workers to control the means of production, or manage social and political institutions. Meanwhile overseas "the Soviet centre increased its organizational and ideological hold over other Communist Parties, with ever worse effects" (p. 34). Claudín goes on to trace the historical efforts of various communist parties, especially in Europe, to break away from Soviet domination. The year 1968, he says, was a decisive turning point—with the student revolts in France and the Soviet invasion of Czechoslovakia. After that time the major European communist parties, dissociating themselves from the Soviets to a greater or lesser extent, embarked upon a new independent course that would eventually come to be known as "Eurocommunism."

The third theme of Claudín's study is that, though all the major European parties are now committed to pursuing the democratic road to socialism, many pitfalls lie ahead. In the present crisis bourgeois regimes are promoting austerity, increasing their repressiveness, and reducing democracy. It is the task of the socialist movement, which includes not only the communist parties but also many other elements, to provide an alternative to the mounting authoritarianism of bourgeois rule. This socialist movement must be strongly democratic at its core, or else it will fail in its purposes.

It is at this point that Claudín finds it necessary to raise some important questions about Eurocommunism. Several issues stand out. First, most of the western communist parties are still ambivalent in their attitudes towards the Soviet Union and eastern Europe (which Claudín argues are not socialist at all) and have yet to make a decisive break. (Carrillo's Spanish party may be an exception in this respect.) Second, many western communist parties still make an exclusive claim to correctness and to possessing a vanguard leadership role which neither their past records nor their current positions warrant. (Again the Spanish case may be an exception.) Third, the European communist parties still suffer from a lamentable lack of internal democracy. Finally, while Claudín recognizes that elections have an important part to play in the democratic road to socialism, he is fearful lest an almost exclusively electoral strategy end up subordinating all forms of mass action and social struggle to a quest for alliances with one or another segment of the bourgeoisie. Though elections are important, they should not be allowed to undermine the grass-roots struggle of the masses in society, politics, and the workplace. In sum, what Claudín is calling for is a new democratic movement for socialism which is free from the over-centralization characteristic of the Leninist tradition on

the one hand, and the opportunism characteristic of the social democratic tradition on the other.

One topic examined in both the books under review deserves to be mentioned, especially in light of the purposes of this journal. Both authors make a set of interesting observations about the State. In particular, they show that the debate over the capitalist State has a new relevance and immediacy when considered in the context of the transition to socialism. Carrillo is surely correct in pointing out that contemporary socialists must look beyond the teachings of Marx or Lenin on the State. The State today is intricately involved in the workings of the economy and society in ways never envisaged by nineteenth-century European parliamentary governments or the Czarist regime in Russia. Carrillo himself examines various aspects of the contemporary capitalist State, including its ideological and coercive apparatuses, their characteristics and their contradictions. In the end his key point is that an effective socialist strategy must involve acting "so as to *turn* the State ideological apparatuses against the ruling classes and, to an increasing extent, winning the understanding and support of the State coercive apparatuses, which have enabled those classes, so far, to ensure their domination. This is equivalent to striving for the democratization of economic, social, political, and cultural life, for the democratization of the State organization and apparatus" (p. 96).

Claudín, too, views the capitalist State from the perspective of the transition to socialism. His principal contribution is to point out the shortcomings of the so-called State Monopoly Capitalist view that is officially espoused by many communist parties—namely, that the State is the *exclusive* expression of monopoly capital. Instead, he says, the State is the expression of a power bloc composed of different fractions of monopoly and competitive capital. From the misleading State Monopoly Capital theory the inference is drawn that, in the transition to socialism, the *entire* non-monopoly bourgeoisie may ally itself with the working class in the struggle against monopoly capital. Claudín considers such a view naive. Although a strategy which divides monopoly from non-monopoly capital makes practical sense, it is to be expected that at some stage in the transition to socialism non-monopoly capital—like its big brother—will oppose the aspirations of the working class. It is better if theory prepares socialists for this eventuality rather than blinding them to its possibility.

A few final comments. Even though both books considered here are short, this review has only managed to touch on some of their high points. The two works, which provide fascinating insights into the contemporary Eurocommunist movement, deserve to be read in their entirety. The books' respective publishers are to be commended for making these essays rapidly available to an international audience; and their translators are to be thanked for providing clear, reading

renditions of the works. The greater speed with which socialist ideas are now spreading across the Atlantic and around the world both reflects the strength of the socialist movement, and helps build that movement. And lastly, further insights into Eurocommunism can be gained from two other recent publications: Ernest Mandel's *From Stalinism to Eurocommunism* (New Left Books: London, 1978); and Carl Boggs and David Plotke's, *The Politics of Eurocommunism* (Southend Press, forthcoming, 1979).

Review of Frances Fox Piven and Richard A. Cloward, *Poor People's Movements*. Random House, 1977.

*Capitol Kapitalistate Collective**

In the current period of debate over revolutionary political strategies and organizational forms, those who seek to ground their arguments in history are severely hindered by the paucity of material on the political movements of the poor and working class in the United States. In *Poor People's Movements: Why They Succeed, How They Fail,* Frances Fox Piven and Richard A. Cloward have collected a welcome body of information which can further this historical analysis. As the title indicates, the authors deliberately employ a broad category in defining their subject; "poor people" are "a stratum within the working class that is poor by standards prevailing in society at the time." (p. xiii) They thereby set out to analyze four diverse movements during two great insurgency periods in American history: the unemployed workers' and industrial union movements during the Great Depression; and the civil rights and welfare rights movements of the sixties.

Poor People's Movements may be read on at least two different levels: as a source of valuable historical information; and as a theoretical document offering explanations for the origin, impact and decline of organized political unrest in the United States. Vivid and well-documented case studies of these movements are constructed; indeed, in their chapter on the welfare rights struggle, the authors are able to offer a detailed first-hand account of the history of the National Welfare Rights Organization. Readers who have been frustrated by the scattered and insufficient array of articles on twentieth century U.S. political movements will be quite pleased by the material that Piven and Cloward present in their text.

The theoretical backbone of their analysis, revealed in the first chapter on "The Structuring of Protest," is more uneven in what it offers. The most enlightening sections of this chapter are those in which the authors discuss the influence of social structure on the timing and content of protest. They observe that greatly accelerated economic changes tend "to weaken the regulatory controls inherent in the structures of institutional life" (p. 10), thereby providing fertile ground for

* Members of the Collective are: Michel Cretin, Claude Duval, Gene Frankel, Judy Kossy, Jim McWilliams, Cathy Schoen, Barbara Smith, Meredeth Turshen, and Larry Zacharias.

the growth of organized discontent. Structural changes not only make protest possible, they also shape it. More specifically, social institutions form the context in which discontent is experienced, e.g. the factory, welfare office, slum housing, etc., and define the movement's constituents (workers, welfare recipients, tenants).

As to the forms that protest takes, Piven and Cloward correctly assert that established political channels, most importantly the electoral process, offer little power to the poor. However, the political implications they draw from this observation are the most disturbing and least thoughtful aspect of their book. The authors stress that political influence may *only* be achieved through mass disruptions, such as strikes, looting and rent defaults, and that "whatever the people won was a response to their turbulence and not to their organized numbers." (p. xiii) Furthermore, they argue that leaders' pre-occupation with organization-building "blunted or curbed the disruptive force which lower-class people were sometimes able to mobilize." (p. xii) The "main point, however, is not simply that efforts to build organizations are futile," but that "by endeavoring to do what they cannot do, organizers fail to do what they can do," i.e., escalate the level of disruption (p. xi). This pessimistic attitude about the potential and necessary role of organization-building carries their analysis towards an opportunistic and somewhat anarchistic strategy for socialists (forsake long-term goals in order to maximize immediate institutional breakdown). In order to prove their point, Piven and Cloward analyze each political movement separately in the four ensuing chapters.

In each chapter the authors identify the historical origins of the movement, the changing perceptions that fueled mass defiance during a critical period of upheaval, the emergence of one or more organizations that seek to represent the interests of its constituents within the electoral/representative process, and the eventual dispersion of protest in the wake of measures taken by the state. The authors conclude each chapter with a comparison of the short and long-term gains realized, on the one hand, as a direct result of mass defiance and, on the other, as a result of the formal organization's activities.

The Unemployed Workers' Movement (Chapter 2) is set in the context of inadequate relief arrangements, which at the time of the Depression were incarceration in almshouses or workhouses. The chapter recounts the attempts of the unemployed to obtain relief during the 1930's. The authors depict the movement as a series of incoherent riots for food, rent money or relief checks. Yet they detect in those acts of protest a growing perception that unemployment had become too pervasive a phenomenon to be blamed on individual failings and lack of self-reliance.

Meanwhile, local unemployment relief agencies could not meet the growing need; states initially, and then the federal government after 1932, were forced to intervene. At this point, the authors state (though

they yet offer few particulars), local protest activity subsided while the movement concentrated on forming the Workers' Alliance of America, a national organization of the unemployed. The authors attribute the decline of the movement to the Roosevelt administration's liberal relief machinery, to the resilience of the American political system, and to the mistaken strategy of the leaders of the movement. "By seeking to achieve more substantial reform through organization and electoral pressure, they forfeited local disruption and became, however inadvertently, collaborators in the process that emasculated the movement." (p. 77)

The Industrial Workers' Movement (Chapter 3) emerged from the collapse of the prevailing political culture in the pre-Depression era. The chapter describes the stuggle for national organization. Inculcated in a mythology of economic opportunity and individual ownership before 1930, industrial workers had channeled their demands into national elections and city political machines. But the severe wage and hour cutbacks that attended the Depression, and the prospect of long-term economic deprivation, changed worker perceptions. Increasing protest activity reflected these changing perceptions and massive shifts in workers' electoral allegiance to Roosevelt confirmed signs of growing unrest.

The Roosevelt administration, fearful of radical demands, initially conceded certain rights to workers, in particular the National Industrial Recovery Act and the Wagner Act which recognized the right to organize and bargain collectively, a minimum wage, and maximum working hours. But by recognizing worker demands and responding to them, the State legitimized protest, and a surge of industrial strikes ensued. The CIO was formed to accommodate the boom in organization of industrial workers' unions, since the older, craft unions of AF of L actively resisted the task. As union membership increased and union leadership assumed more power, the movement demands were channeled into the established institutional framework. Protest subsided as unions turned to the bargaining and electroal processes—e.g., working out arbitration procedures, encouraging industrial rationalization and speed-ups in return for guaranteed increases in real wages. In the process unions became more dependent on the federal government and the dues check-off system, and less dependent on rank and file. After 1940, the state began to reclaim many of the concessions that workers had won earlier through mass defiance, leaving intact only those new institutional arrangements that were functional and in accordance with the new social order.

The Civil Rights Movement (Chapter 4) grew out of the dislocations precipitated by the decline of Southern agriculture and the expansion of Northern industry in the post-World War One era. Initially, the movement sought formal political rights for blacks in the South and

economic rights for all blacks. In analyzing the movement's development, the authors claim to relate economic change, mass unrest, and the national electoral system, but focus primarily on the changes that took place within the Democratic Party. They trace the movement from Roosevelt's reluctant recognition of black protest in the 30's, to Truman's active campaigning for Southern black votes (to undercut Henry Wallace), to Kennedy's concern for civil rights, and finally to Johnson's quagmire of poverty programs. The authors' description of mass unrest is confined to a chronology of those boycotts, marches, sit-ins, and riots that received the greatest news coverage, particulrly during the late 1950's and early 1960's. These events did obtain some civil and voting rights, but this was primarily due to political instability and shifting party allegiance. The movement's economic goals, however, were largely thwarted.

The authors ascribe little importance to the role, nature or interrelationships of the various organizations in the struggle, and accordingly do not analyze the organizations individually. The resulting impression is of an amorphous mass that responds to events but has little role in shaping them. The authors detail the strength of the white racist backlash, but overlook state repression of radical black groups and leaders as well as community struggles for political and economic power. The movement dies, according to Piven and Cloward, because the Democratic Party having got what it wanted, successfully coopted the leaders with jobs and some social legislation. The lack of a thorough analysis of the organizations of the civil rights movement and the one-sided description of the role and nature of struggle are due in part to the authors' reliance on the writings of political journalists and Democratic Party strategists for their source material.*

The *Welfare Rights Movement* (Chapter 5), cast in the deprivation of riot-torn urban ghettoes, sought to increase the extent, scope and availability of government relief. This chapter differs from the others because the authors were personally involved in the movement. Here they begin to clarify the abstractions they posited in chapter one, particularly institutional components of mass protest. The authors as participant protestors believed that it would be possible to compel federal adoption of a minimum income standard by generating a welfare crisis that local welfare offices could not tolerate. The strategy was based on studies showing that by the mid-60's, over one-half of those eligible for relief were not drawing assistance, and an additional large number of welfare recipients were failing to collect their full entitlement. The authors suggested that movement leaders instigate the filing of new applications and, when welfare offices began to succumb to the massive

* E.g., Evans & Novak, T. H. White, V. Navasky, A. M. Schlesinger, Jr. and T. C. Sorenson.

paperwork, mobilize applicants to voice demands and protest. The authors felt that the welfare system, and political leaders, confronted with this crisis would seek alternative mechanisms for granting relief. Of those mechanisms, some form of minimum income would be most effective in immediately blunting the attack launched against vulnerable welfare offices (presumably by eliminating their function within the system).

Although the authors do go on to describe the formation of a National Welfare Rights Organization (NWRO) which adopted tactics other than those the authors recommended, the focus of the chapter is on distinguishing mobilization from formal organization. The authors had argued that the potential constituents of a formal welfare organization had enough trouble supporting themselves, let alone an organization in addition. Thus the organization would inevitably become dependent on the very institutions that would have to provide relief for its constituents. In fact, NWRO did meet with some success in effectively channeling welfare demands, but mostly during Johnson's "Great Society" expansions. At the same time the organization counteracted mass protests and demonstrations at the welfare offices and protected welfare offices from confrontation by serving as a go-between. Ultimately, quiet returned to the welfare system just as the war in Vietnam ended and the economy plummeted into a major recession.

Guided by the subtitle of *Poor People's Movements*—"Why they succeed, how they fail"—and Piven and Cloward's previous book, *Regulating the Poor,* our study group read these five chapters with the expectation that the authors would present an analysis of poor people's struggles reflecting both their expected gains and their strategies to achieve those gains within the historical and structural context of the particular movement. A definition and concept of poor people is basic to this discussion and analysis. As mentioned earlier, the authors define poor people as "a stratum within the working class," explaining that, "Although the specific social origins of the participants in the movement examined here varied greatly—some were white men, some were black women; some were displaced southern agricultural workers, some urban immigrant industrial workers—we consider that all of the protest movements we analyze arose among sectors of the working class." (p. xiv) By their definition the authors implicitly acknowledge that poor people do not constitute a class and that protest movements are not the same as class struggle. Yet, in the analysis that follows these distinctions are lost, notwithstanding the fact that the distinctions may lead to very different analyses of the potential outcomes of a given struggle.

Defining movements by the income status of the participants places the struggle in the context of short-term reforms, which leave basic class relations and institutions intact. In contrast, defining movements by

the class position of participants would have placed the analysis of each struggle in the context of its revolutionary potential. By singling out poverty—a secondary working class characteristic—to define movements, the authors are able to select from the complex of capitalist social relations discrete and rapidly changing groups of people as disparate as welfare mothers and industrial workers in order to justify a social theory of mobilizing protestors for reforms.

In making this selection they fail to analyze or even describe the basic difference betwen industrial workers' movements, which are central to a Marxian analysis of class struggle and take place at the point of production, and struggles for survival by people outside the workplace. By lumping the industrial workers' movement of the later 1930's and early 1940's with poor people's movements in general, the authors' analysis runs counter to the modern history of social movements. As Louis Althusser points out, "The achievement of the [European] workers' movements has been to make workers think of themselves not as poor, but as productive workers who are being exploited." (Le Monde, April 28, 1978) Piven and Cloward only suggest in passing that workers' organizations and movements might form a more lasting basis for struggle than efforts of people disenfranchised from the means of production and not able to sell their labor power to survive.

Although Piven and Cloward may have been primarily interested in contrasting disruptive activity—strikes, marches, sit-ins—with electoral politics as strategies for voicing demands and mobilizing mass protest, their failure to analyze the different potentials of the different struggles fatally flaws their analysis of the history and lessons of the various movements. Without analyzing potential gains or even actual demands of the protestors, the authors are inconsistent with their own avowed purpose—To show that movements are successful when they concentrate on disruptive activities but fail when they focus on national action and electoral politics. To substantiate this theory the authors should have demonstrated of each movement 1) that the movement had considerable energy at the point leadership took hold in organizing, 2) that turning to efforts to organization building sapped energy from the protest movement, 3) that the movements were interested in or contemplated gains greater than those actually achieved, and 4) that the potential gains contemplated could have been won by other means. The authors' failure to do so analytically precludes a well developed historical presentation of each movement.

The authors selected and studied the four movements as discrete and unrelated phenomena. Each is described as a moment in history when poor people rose up in protest; no historical link between the movements is made. Yet the unemployed workers of the early 1930's constituted a significant segment of the industrial workers who struck in the late 1930's; the civil rights protestors of the 1950's became, in large part, the

exploited urban poor of the 1960's. Contrary to the authors' premise, we see a continuum in mass defiance; the participants in one movement often continued their protest in another, albeit with a different focus and object. A stronger historical analysis would also have enhanced the analysis of organizations and oganizing strategies.

Although every analysis requires selection of material, a consideration of strategies used in certain other movements would have strengthened the conclusions regarding organizing for short-term reform. For instance, the welfare reform protests emerged at the same historical moment as protests against the war in Vietnam, against the criminal justice system, and against restrictions on academic freedom. Although the war protest was not a poor people's movement, it met with success principally through a strategy of mobilization and not organization. Its objective was policy change, not institutional change. An analysis of the anti-war movement would have provided useful comparisons of organizational strategy, especially in relation to the welfare reform movement.

Generally, the book provides a welcome critique of organization, rightly pointing out that it is not leaders or organizations that initiate class struggle; to the contrary, class struggle results in class identification and organization building. But Piven and Cloward lose their analytical focus when they attempt to prove that organization building is a sure strategy for failure. They never ask the relevant question, 'why is it that militants want to join organizations and that the right to organize is always among their first demands?' They do not address the fundamental contradiction and tension beween the political necessity of organization to promote class identification or to defend class gains on a continuing basis, and the recurrent tendency of organizations to sell out their membership. Consequently, the authors can offer no strategy for overcoming this contradiction in political practice. We see them positing two essences, spontaneous eruption and organization, and proclaiming them irreconcilable.

The book fails to analyze different types of organization; for instance, one of Piven and Cloward's sources, the Rosenzweig papers cited in the chapter on unemployed workers, provides analyses of Communist Party, Socialist Party and Musteite strategies for organizing the unemployed. The strategies differed and their impact differed as well. If the industrial workers' movement had been traced to its *organizational* origins, the differing strategies of the Communist and Socialist Parties, the maverick craft unions of the ALF, the UMW and John L. Lewis, all culminating in the CIO, would have stood out clearly. Then we might have understood the rationale of the Workers' Alliance of America, what it was trying to achieve, and why it continued long after the movement lost energy. (see p. 87, especially the footnote)

An historical analysis would have noted the success achieved by earlier forms of industrial workers' organizations. A discussion of the

UMW's achievements for miners and other workers in organizing strikes and boycotts and in marshalling forces inside and outside of plants for relatively small-scale and spontaneous actions that could bring management to heel would have provided greater insight into how organizations can operate effectively. These groups brought very real changes in directing unionization away from the prevailing mode of craft unionism toward industrial unionism.

Further, the authors do not distinguish what is endemic to organization, what is particular to each organization and movement, and what is particular to organizations in the historical context of the United States. We are not given a sense of what defines each movement, how each relates its particular organization(s) to others over time. Such an analysis could have provided answers to questions concerning the limits or potential of specific organizations at particular historical moments in furthering a socialist revolution. For example, should industrial workers' objectives have stressed higher wages or control of the means of production? Would different objectives have entailed different mobilizing or organizational strategies? Or was the sequence from open shop, to collective bargaining, to unions that became enforcers of labor discipline and productivity deals inevitable in the U.S.? Since these questions are not posed, they remain unanswered. At the least, the authors should have analyzed longer historical periods in order to understand failures in particular organizations at specific moments in history.

To assume, as the authors seem to have, that all organizations follow a single pattern—namely, adopt strategies that subvert the goals of the movement by enabling the state to coopt the movement itself—is untenable. This may be a predominant theme in U.S. history, but it is hardly so elsewhere in the world where revolutions have occurred. Even so, it is important to understand *why* cooptation occurs in the U.S., how the state and capital vie with the radical elements within organizations representing the working class to capture the mainstream and thereby control the direction and goals of a movement.

The authors' thesis that historical preconditions must exist for mass protest and organizing to occur and be successful may well be true. However, instead of defining such preconditions in terms of relations between the state, the dominant classes, and workers, the authors describe the breakdown of an elusive, collective superego of the poor. Their emphasis on the role of ideas in movements is an important contribution; yet the analysis misses the dynamic link between ideas and changes in material conditions or social relations or production. Thus the authors fail to point out that the potential for mobilizing protest changes throughout the course of a movement and must be reanalyzed at every turn. Activities of the state or the dominant classes, such as propaganda, fragmentation of groups and interests, concessions and

repression are not analyzed in the book for their impact on protestors' perceptions.

Since the role of the state is so central to Piven and Cloward's argument, the lack of a definition is troubling. Beyond some rudimentary references in a footnote on page 30, the authors offer no useful definition or analysis of the state. This weakness is reflected in individual chapters when the authors seek to describe state response to disruption. For instance, the authors do not consider that several years of practice and mobilization rendered the state effective in repressing mass defiance, or that the initial success of some protest movements was due to the element of surprise, catching the state off guard.

In the case of unemployed workers, spontaneous uprising may have met with success because the state was unprepared. By 1935, however, six years after the onset of the depression, the state was sophisticated in the use of propaganda, more effective in police tactics, and had infiltrated many protest organizations. In any case, there is no less reason for surmising that state tactics led to suppression of the movement than that efforts to form the Workers' Alliance of America caused its decline. If institutions establish the parameters of protest, as the authors believe, then the repressive arm of the state maintains them where necessary. What is needed is an analysis of what components of the state resort to what types of tactic and when.

Ultimately, the limits of the authors' analysis derives from their central focus on workers as poor people. The authors are not talking about revolutionary change, but reforms within the system. Therefore, they cannot be contemplating more than a shifting of burdens from one economically and/or socially deprived group to another. They set forth a thesis, within the context of shifting burdens, on how to orchestrate those shifts; they conclude that protest is the strategist's most forceful instrument.

We believe that socialists need to create organizations in which the objectives of protest movements are preserved, not to replace the drive for organizing with randomly orchestrated chaos and disruptive activity. The ultimate objectives must dictate short-term strategies and tactics. A reformist agenda focuses on individual issues, implictly calling for the disbanding of the organization at the point of resolution. In contrast, a revolutionary program seeks to link various protests, build momentum, learn how to organize, and how to respond to the state.

As a 'thinkplace', the book will stimulate debate among social reformers about strategy. The authors' personal experience in the welfare movements of the 1960's, and their analysis of its failures in terms of explicit goals, alternative strategies, and ultimate impact, provide fresh insights into the problems of organizing for welfare reforms.

As a contribution to the debate on the role of organization in the process of revolution, *Poor People's Movements* has little to offer. The narrow framework of Piven and Cloward's analysis precludes consideration of fundamental questions about the revolutionary potential of the movements they examine, and their bias against organizations forecloses the debate.

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Current Research Notes

Margaret A. Fay
Max Planck Institut
D-813 Starnberg
West Germany

Currently, I am finishing my Ph.D. dissertation for the University of California, Berkeley, on *The Influence of Adam Smith on Karl Marx's Theory of Alienation*. This thesis traces the steps by which Marx moved from Adam Smith's labour theory of value to his own concept of alienated labour. My current rate of progress is such that I can safely anticipate the completion of the final draft of my dissertation by April 1979 at the latest.

My proposed post-doctoral project will be to trace the steps by which Marx moved from his concept of alienated labor and the critique of the Hegelian dialectic based on this new concept of alienation, to his own labour theory of value. First, I will be continuing my collaboration with Wolfgang Krohn, preparing a critical exposition of Marx's critique of Hegel's dialectic.

In addition, I would like to test our interpretation of Marx's analysis of the valid application of the Hegelian dialectic, presented in the third of his *Economic and Philosophic Manuscripts of 1844*, by examining the shift in Marx's critique of political economy that led him to replace the concept of alienated labour with the law of value. (This "law of value" is unique to Marx's use of the labour theory of value, and is not to be found in other political economists such as Adam Smith and David Ricardo, who also based their analysis of commodity-production on a labour theory of value.) The examination that I am here proposing would be partly a more thorough investigation of the issues listed in the outline of the concluding chapter of my dissertation. Partly, however, I would like to extend my perspective—so far confined to Adam Smith's influence on Marx's critique of political economy—to take into account the influence of David Ricardo, since the labour theory of value presented in Marx's later writings bears far more explicit affinity to Ricardo's *Principles of Political Economy and Taxation* than to Smith's *Wealth of Nations*.

My interest in Marx's exposition and application of his labour theory of value in his later writings, in particular *Capital I-III* and *Theories of Surplus Value I-III*, is not new. Since 1974 I have led three different study-groups on *Capital I* and published the study guide I developed (*Reading Lists in Radical Political Economics, Vol. III*, URPE, 1977), and at the beginning of this year (January 1978), Johannes Hengstenberg and I formed a study-group to discuss Johannes'

exposition and application of Marx's labour theory of value (based mainly on the similarities to, and differences from, Ricardo's labour theory of value) in his dissertation for the Freie Universität, Berlin.

Assuming the best of all possible worlds (at least in my eyes), my anticipated program of work for July-December 1979, would therefore be two-fold:

1) completing for publication a critical exposition of Marx's philosophical justification for accepting some parts of Hegel's dialectical method and discarding others, to be carried out in collaboration with Wolfgang Krohn;

2) continuing my collaboration with Fröbel, Hengstenberg, and Stuckey, assessing the status and application of Marx's labour theory of value, as presented in *Capital I-III*, and focussing on my own particular interest in understanding the continuity between Marx's later writings on political economy and his earliest critical study of classical political economy, which led to his critique and rescue of the Hegelian dialectic.

Jim Hawley
Department of Sociology
University of California
Davis, CA 95616

Internationalization of Capital and Legitimation of the State

My main research project concerns the impact of the internationalization of capital on the ability of the capitalist state to maintain a "balance" between its accumulation and legitmation imperatives. Underlying this are the ultimately related topics of: the de-regulation of international capital; the decline of the integrity of the state steering mechanisms (e.g., fiscal, monetary, debt and tax policy, etc.); the changing (?) nature of the international division of labor and the rise of the "service" sector in the core capitalist states; and the long term downturn of late capitalism's economic growth. Specifically, I have been looking at some of the financial aspects of the internationalization of capital, e.g., the eurocurrency system and markets; various capital control programs; and the increasing privatization of the international monetary system and the role of the international banks.

A parallel interest (as yet still developing conceptually) is the role of technological design and invention in the division of labor (and vice versa) and its relation to the formation of the working class and of capital. Specifically, I am interested in what role the state plays in these developments and their relation to the issues of "disaccumulation" or "post-industrial" society—two terms which don't capture the essence of what is going on, but have come to describe what literature there is on the subject.

Patricia Morgan
University of California
Berkeley, California

Alcohol Control Policies and the State

My current work explores the foundations of California's alcohol control policy, testing the strength of past policies in terms of both private and public sectors within the state. An examination of alcohol control policies offers a rare insight into state responsibility over both capital accumulation and legitimation policies. That is, the state as a unit of legal power has interests in promoting alcohol production through tax revenues and industrial expansion and support. The state also has an interest, however, in maintaining control over the consequences of alcohol consumption: public order and social policy responsibilities. Thus, it has guaranteed to protect the economic freedom of the alcohol producer, distributor and consumer, and at the same time protect social welfare and morality. Consequently, the moral interests that the state sets out to protect are often contradictory to the economic freedoms it is bound to guarantee. Makela and Viikari (1977) have written that the state has options to weigh economic and social interests differently. They comment, for instance, that the "tight regulation of alcohol production naturally violates the articles of faith of free markets and therefore poses a loaded question of overall ideology" (1977: 172). At other times, however, the lessening of controls over production can result in making the industry an increasingly strong political pressure group.

Although such contradictions are basic within an advanced capitalist structure, some important questions remain unsolved. Many of these questions stem from the location of political power within alcohol control policy in the United States. The repeal amendment in 1933 placed alcohol control primarily within the state-level of Government. Although some states gave power to local regions, the power to do so resided within the centralized state-level government. Thus, the state-level became the primary location for public welfare and moral concerns as well as fiscal and industrial concerns. The federal government, on the other hand, retains basically one primary concern—economic interests over tax revenues and industrial growth.

This unique structural circumstance makes it necessary for one to look not only at the basic contradictions between accumulation and legitimation, but also at the fundamental power struggles around these issues waged between federal, local and state levels. Thus, the amount of rationality given to the State to affect changes in alcohol problems depends not merely on balancing out accumulation and legitimation policies (as Mäkelä and Viikari would suggest) but also on each *level* of power and their potential to affect social, economic or legal change. Thus, it is necessary to look not only at contradictions which exist within a given level of power but also at those contradictions which exist between levels of state power—local, state and federal.

Thus, it is important to examine the significance of capital's interest in strong central control in alcohol production, distribution and sales. The role of different segments of the alcohol beverage industry, and their professional associations should be analyzed not only according to the interests of opposing temperance

organizations and public pressures, but also according to the significant legal structures created within the control mechanisms themselves. Further, it becomes important to explore the role of the state during specific periods of policy making. Does a strong central control automatically imply strong industrial interest? How are the needs of both small and large capital met during this period? How can a state mechanism serve the needs of industry (accumulation) while simultaneously appeasing the interests of "public welfare" and temperance (legitimation)? How, where, why and when do the resulting contradictions become manifested? And finally, is the story of alcohol beverage control merely the story of the beverage industry vs. temperance or can a larger interest of finance capital be examined?

Rhonda Levine
Department of Sociology
SUNY-Binghamton
Binghamton, NY 13901

Class Struggle and the Capitalist State: The National Industrial Recovery Act and the New Deal

My major research problem is concerned with examining the relationship between the capitalist state apparatus and the process of capital accumulation in the US during the world-economic crisis of the 1930's. In particular, I will be examining the National Industrial Recovery Act and other New Deal Policies. The major issues I will be dealing with are growth of monopoly and labor control. My major research question is: Did the NIRA aid in the hastening of the process of concentration and centralization of capital and also provide mechanisms for a politically docile labor force? If so, what was the manner in which the policy was formulated and the nature of the consequential impact? The NIRA and other New Deal policies will be analyzed within the context of the nature of the class struggle in the US during the '30's.

Gero Lenhart
Max-Planck Institut fuer
Bildungsforschung
Lentzealle 94
1000 Berlin 33
Germany

Youth Unemployment and Educational Policies in West Germany and the USA

As the result of interventions aimed to protect the personal development of juveniles against the detrimental effects of wage labor, the structure of the

labor market for young people has special features. The rate of youth unemployment is not only determined by the business cycle which affects all workers, but also by these government interventions.

The government reacts to youth unemployment above all by the expansion of the educational system which keeps an increasing proportion of young people under control. My research will make an attempt to describe this transition from familial socialization to formal schooling as the expropriation of youths from their material and cultural means of existence.

The study proceeds as a secondary analysis of empirical studies on the labor market and the educational system. Theoretical concepts are drawn from Marx's writings on expropriation and alienation, from Weber's analysis of "Western rationalization" and from the deschooling debate.

Jens Christiansen
Department of Economics
Stanford University
Stanford, California 94305

Class Struggle and Labor Productivity in the Steel Industry

I am currently involved in a major study on differential developments in labor productivity in four advanced capitalist countries. The countries involved are Japan, the U.K., the U.S. and West Germany, focussing on the steel industries. It is motivated by my interest in the Marxist theory of accumulation and crisis and by what I perceive to be the dead end to which the purely *theoretical* debates surrounding Marx's law of the tendency of the rate of profit to fall have come. To reach a better understanding of the conceptual issues involved in these debates it seems necessary to me to gain a better understanding of the determinants of labor productivity. That can only be achieved through a thorough *historical* analysis of the labor process. I am arguing that labor productivity is not just a question of the particular techniques used or the scale of production nor just a question of the skills and education of the labor force, but rather it has to be understood within the context of the dynamic interaction of capital and labor. An understanding of the determinant of labor productivity involves the analysis of both technical progress and labor struggles in their systemic interaction. I am in the process of carrying out such a historical analysis for the steel industries of the four countries mentioned, focussing on the time period since the end of WWII.

Richard Busacca
and
Patrick O'Donnell

Notes on The State and The Process of Social Reproduction

I Definitions

"Social reproduction" consists of those activities and arrangements that have to do with creating, maintaining, socializing, and generally perpetuating the labor force, and more broadly the entire population of a given society.

The "sphere of social reproduction" consists of those places (e.g., homes, neighborhoods, schools, communities) which primarily serve as locales for reproductive activities such as eating, sleeping, sex, leisure, childrearing, and character formation.

II History

A. The emergence of an independent sphere of social reproduction separate from the sphere of production is historically specific. It occurred with the rise of capitalism and the undermining of the household economy as the basis of society.

   1. The original separation of production from reproduction took place as industrial capitalism created the non-residential workplace as the locus of production and the "home" as the locus of reproduction. This process paradoxically exalted the nuclear family as the means for reproducing labor power and creating private life at the same time as it undermined the role of kinship systems in organizing both production and reproduction.
   2. The key feature of reproduction under early market capitalism was that reproduction was basically dependent on the wage system. As a result, the level of reproduction of a family depended essentially on its income from its wage earners; and the principal means for people to improve their level of well-being was to win concessions from employers at the point of production.
   3. During the emergence of industrial capitalism, one of the chief tasks of the capitalist state was to assist in bringing about the social relations appropriate to a market society. To this end, the state helped undermine precapitalist social arrangements (such as feudal bonds, serfdom, slavery, and kinship loyalties); it helped butress individualism and the private family; it created new institutions of socialization and social control (such as schools and prisons); and, in a minimalist fashion, it intervened to protect people against the worst abuses of market capitalism. But, in the end, the main drift of state activity was to put the burden for social reproduction on individuals and the private family which, in turn, were integrated into the wage system.

B. As capitalism has evolved, the state has become more thoroughly involved in social reproduction. State intervention into the sphere of social reproduction has been of at least three varieties: 1) compensatory (to make up for the failures and shortcomings of purely private reproductive arrangements); 2) regulatory (to direct social reproductive activities in certain officially sanctioned directions); and 3) developmental (to alter reproductive practices to better suit the changing needs of the capitalist system). State intervention has sometimes been direct and obvious (especially when it has affected the poor, immigrants and minorities, and the working class); but it has also sometimes been indirect and unacknowledged (especially when it has benefitted the middle and upper classes). In any event, the process of social reproduc-

tion has become increasingly shaped by government activity and hence more politicized, as the following brief survey of the U.S. experience makes clear:

1. A substantial increase in state intervention into the sphere of social reproduction accompanied the shift from competitive to monopoly capitalism that occurred at around the beginning of the twentieth century. In the Progressive Era, the emerging profession of social work displayed a great interest in intervening into the families of the poor and foreign-born in order to "save" them. New pro-family laws were passed prohibiting child labor. The state's widespread introduction of high schools helped create a new stage of life called "adolescence." And, in recognition of the continuing importance of the wage system, a movement arose demanding for workers a living wage that would permit them to support their families.
2. The next important step in the evolution of the state's intervention in social reproduction occurred during the Great Depression. As it became apparent that the private sector and voluntary associations were totally incapable of dealing with the mass of human misery that capitalism's greatest crisis had produced, people increasingly turned to the state. In the course of the New Deal, a series of dramatic measures were passed including unemployment compensation, public works, aid to dependent children and the disabled, and social security (which officially established a class of elderly people over 65 years old). The state also became directly involved in the wage bargain by supporting the right of collective bargaining. The substantial increase of state involvement in reproduction that came out of the New Deal—i.e., the American welfare state—was a product of pressure and struggle. That is to say, it was not just given to people; they fought for it and won.
3. In the postwar period, prosperity returned. The years of the famous baby boom appeared to be the heyday of the private family and its privatized life style. But in fact the state was heavily involved in making the social conditions of the late 1940's and 1950's possible. Behind the social reproductive arrangements that came to be symbolized by the suburban way of life were a host of government programs including FHA mortgages, expanded expenditures for schools and other local services, the interstate highway program, and massive defense spending.
4. In the 1960's, it began to be obvious that the state's postwar reproductive arrangements suffered from some serious flaws. For one thing, some of those who were the presumed beneficiaries of the suburban home-school reproduction nexus—namely, women and youths—were finding much that was oppressive or unfulfilling about the excessively privatized and bureaucratized "opportunities" that were available to them. Even more important, it became apparent that there was a sizeable underclass, or "Other America," which did not share in the benefits of the new suburbanized mass consumer society. As this group became more visible and mobilized, the state finally had to take measures designed to incorporate this underclass (comprised heavily of minorities) into the mainstream of American life. Initially, the state attempted to quell the threat from below by putting more money into social programs. But, as that approach became increasingly costly without promise of success, it resorted increasingly to policies of repression and "benign neglect."

In sum, state intervention into the sphere of social reproduction has increased steadily in the course of capitalist development (even more so outside the United States, incidentally, than in it). Positive state intervention has enjoyed the backing of a broad and heterogeneous coalition of groups and classes—including middle-class reformers, organized labor, the elderly, the unemployed, minorities, state sector bureaucrats, and even portions of the ruling class. That is to say, state-backed reproduction has long had the support of a broad "liberal" coalition.

III The Current Situation: The State, Social Reproduction, and the Crisis of Advanced Capitalism.

But recently the state-backed reproduction model has run into serious difficulties. The longstanding liberal consensus is now being challenged on many fronts. At the most general level, the current crisis in social reproduction is linked to the general economic crisis that has pervaded all advanced capitalist countries in the 1970's. The economic crisis is forcing changes in the system of reproduction; and, in order for capitalism to move forward into a new phase of accumulation, a major restructuring of reproductive arrangements seems essential. But, ironically, the state, which has normally played a major role in restructuring reproductive arrangements at crucial points in past capitalist development, is now in deep trouble. So at the very moment when the state's involvement in social reproduction is greater than ever before, its capacity to manage reproduction has become incredibly weak.

The state's inability to act effectively at this time has several dimensions:

A. The state's intervention in social reproduction is severely affected and constrained by the *fiscal crisis*.
   1. The present economic crisis has produced tremendous pressures on the state to cut back its expenditures on reproduction so as to allow higher rates of private accumulation and personal consumption.
   2. But because the process of social reproduction has become so socialized and institutionalized, it is much harder for capitalist societies to cut back on their reproductive costs. The state's great involvement in reproduction means that the level of reproduction is no longer exclusively determined by the "automatic" mechanism of the labor market; social expenditures have no natural "reversibility." Consequently, current efforts to cut reproduction costs are necessarily political. And the struggles over the level and character of reproduction are now highly political struggles.
   3. Those most likely to suffer from fiscal cutbacks are the weak and unorganized who are most dependent on direct public assistance.

Those most likely to benefit are well-organized interests and classes whose profits and incomes come from private sources. Finally, caught in between is the middle class which has traditionally benefitted from indirect state subsidies and which, though it may initially gain from lower taxes, may suffer if the fiscal crisis widens. As these groups come into conflict with one another, the state may lose its traditional role as a stabilizing force.

B. The state's ability to perform reproductive tasks is further complicated because of its pressing *legitimation* problems. Governments and political parties in most advanced capitalist societies have suffered from a serious erosion of popular support in the last decade or so. Because of this lack of support, they are less capable of carrying out their traditional reproductive responsibilities; and, even more crucial, their lack of authority makes it almost impossible for them to make the basic changes required in the reproductive system.

C. A final feature of the current reproductive crisis is the state's heavy, but contradictory, involvement in the extensive amount of *personal changes* taking place. The present period of transition is characterized by new roles for women, the proliferation of new forms of the family, a high degree of personal experimentation, and numerous related developments. The personal has become political. As the varying personal changes have occurred, the state has become inescapably drawn into them (e.g., supporting or opposing new living arrangements, abortion, mandatory retirement, and so forth). But, in the absence of any overall vision, state policies have tended to be vacillating and transitory. The ultimate outcome remains far from clear, though it obviously will be determined to a great extent by political struggle.

In conclusion, we are presently in a period when the basic arrangements for social reproduction in advanced capitalist societies are in crisis. Furthermore, the longstanding positive role of the state is being challenged by those seeking to reprivatize the process of social reproduction. Although a genuine withdrawal of the government from all responsibility for reproduction seems quite improbable and unrealistic, the state's current weakened position makes it very difficult for it to make basic changes in the social order. The situation has become quite fluid, with numerous movements from different parts of the political spectrum organizing around reproductive issues. People on the left must now address themselves to these struggles around reproduction, just as they have always been concerned about struggles around production. They must now ask such questions as: Who controls the processes of social reproduction? Who should control them? Who currently pays for social reproduction? Who should? And what part should demands for popular control over reproduction play in movements aimed at building a democratic socialist society?

Mike Pincus
4048 17th Street
San Francisco, CA 94114

Using the State to Convert Competitive Sector Enterprises Into Monopolies Health Care as a Current Case

I. *Issues*

Humana, a Louisville-based hospital management chain owning and operating more than 60 facilities in the Southeast, has gone heavily into debt, expanding rapidly expecting federal legislation which would reimburse hospitals for federally-insured patients on an average-cost, rather than a cost-plus basis. Thus, federal payments would be made on the average cost for services rendered by all hospitals falling within one of four categories based on size, with the single variable being differentials in labor costs on a regional basis. Cost-plus reimbursement pays facilities on the basis of costs incurred, with profit thrown in.

II. *Corporate Sociology*

US capitalism retains both a monopoly and a competitive sector. By and large, the medical care delivery system falls into the latter: no single group controls the system. Drug companies, medical supply companies, insurance companies, hospitals and doctors are involved in a constant struggle to extend their area of control. (Doctors hve long retained disproportionate power because of the legal status bestowed on the profession through licensing and control of medical school admissions in the early 20th Century; the resulting system of fee-for-service medicine has blocked the 'normal' accumulation process by establishing the power of a petit-bourgeois stratum over an entire field before large concentrations of capital could form.) The larger concentrations of medical capital have been eroding the power of physicians for some time. Their attempts to limit competition in medicine translate into attempts to limit the power of other sectors of medicine while expanding their own. The entrance of hospital chains into this competition signifies an attempt to undercut the positions of nonprofit ('voluntary') hospitals as well as individual for-profit hospitals. At the same time, the chains compete with one another for markets and state aid. At present, five major chains lead the field, another dozen chains have secondary positions in this area. Many are multinational. All are expanding, indeed, the field is a relatively new one and the spectacular growth of the chains has taken place only in the 1970's.

In any case, this is a case of a non-monopoly sector using the state to try to secure for itself monopoly privileges through legislation. The issue is of

theoretical importance because it offers a chance to study how the state and private capital interact to produce monopoly in a situation in which state-regulated monopoly already exists (the usual case is that presented by Gabriel Kolko in "The Triumph of Conservatism," in which he describes state rationalization of monopoly in the case where it does not exist; the other key theoretical question is the interrelationship among monopoly, capital accumulation and regulation, which Kolko has attempted but failed to do, e.g., in "Main Currents in Modern American History," that is, to show under what conditions regulation fosters capital accumulation and under what conditions regulation affects accumulation adversely).

III. *Dynamics of Hospital Competition*

The chains, by creating vertically and horizontally integrated corporate structures with relatively large concentrations of capital at their disposals, bring a new element of competition to hospital enterprises. By creating numerous subsidiaries in all areas of hospital construction and operation—planning, design, supply, management, laboratory services, etc.—the chains lower their own costs by dealing in volume, in effect wholesaling to themselves, thereby dropping the average cost of services performed. This in turn lowers the average level of charges billed to the federal government for federally insured patients. If federal reimbursement rates are based on average cost per procedure per category of hospital, the level of federal reimbursement to all hospitals would be lowered, since the chains lower the average cost of reimbursement for all categories of hospitals. Such reimbursement legislation would consecrate the competitive edge enjoyed by the chains at the state level, legitimating their attempt to monopolize hospital service delivery.

On June 20, 1978 the U.S. Senate Finance Committee initiated hearings on legislation proposed by Senator Herman Talmadge of Georgia. The legislation, in the name of cost-containment, would enact average-cost reimbursement along the lines described above. A general consensus seems to exist among Senate and House committee staffers that this approach to reimbursement will pass Congress by 1980; proposed legislation in the House has been even more sweeping.

Such legislation will drop hospital costs in the short run but will raise them over a longer period. The competitive supremacy enjoyed by the chains will enable them to eat up individual hospitals or replace existing ones. Their monopolization over the hospital service delivery sector will enable them to raise the average cost in the absence of formal controls over them, a strategy which shows the limits of cost-containment strategies proposed as reforms in the medical care delivery system. Cost containment legislation in the long run works toward monopolization and inflationary monopoly pricing. The alternative, comprehensive public health planning without profit, depends on a set of structural reforms which the capitalist state is incapable of undertaking.

Les Guliasi
San Francisco Bay Area *Kapitalistate*
Sociology Board of Studies, University of California, Santa Cruz
Santa Cruz, California 95064

From the Top Down: The U.S. State and Administrative Reform

My current research involves a study of the process of state administrative reorganization in the executive branch of the U.S. federal government during the period, 1936-39. I am viewing the state as an organizational structure and looking at the political-economic processes, particularly the crisis of the 30's and the class struggle it engendered, which induced major reforms in the administrative apparatus of the state. In short, I am treating the process of the reorganization of state structure as the process of building and remodeling the policy infrastructure of the state.

The main emphasis of my work to date has been to survey the proposed plans to implement administrative reorganizations in the U.S. federal state apparatus during the twentieth century. The data for my study have come essentially from the historical documents and secondary sources on administrative reform. In brief, the state has undertaken introspective examinations into its administrative structure several times in the twentieth century. The first such executive initiated studies were introduced by Theodore Roosevelt (The Keep Commission on Department Methods, 1905-09) and his successor Taft (The Commission on Economy and Efficiency, 1910-13). Subsequently, several presidents have initiated major reform proposals based on a self-study of the administrative process. Franklin Roosevelt's Brownlow Commission, 1937; the two Hoover Commissions, 1947 and 1953; Lyndon Johnson's study conducted by Don K. Price; and Nixon's Ash Committee are among the various efforts to analyze systematically the operations of the state and offer proposals for administrative reform. (For a bibliographic overview of state reorganization and an analysis of the Ash Council proposals see Stephan Leibfried, "U.S. Central Government Reform of the Administrative Structure During the Ash Period, 1968-71" in *Kapitalistate,* No. 2, 1973, pages 17-30.)

I am treating these reorganization plans as "texts" which signal the political strategies of elites involved in the process of state management to contain class struggle and to achieve bureaucratic dominance for certain segments of the elite over subordinate classes as well as other segments of the elite. These reform measures, furthermore, contain and express, sometimes overtly and sometimes in a hidden form, various forms of class conflict and elite competition over resources and state authority, the outcome of which influences the exercise of political power through the state and ultimately the content of state policy. As groups do battle within the bureaucratic arena for control of the administration of programs, policy and the distribution of resources, it is essential to learn under what conditions particular strategies (e.g., administra-

tive centralization versus decentralization or administrative location of programs and policy within competing departments and agencies) are favored or opposed by which groups in the process of administrative reorganization.

If successful, state administrative reform accomplishes a limited planning capacity, in the words of Habermas, by reinforcing the policy or planning infrastructure of the state, i.e., the bureaucracy. A study of the reorganization of the structure of the state is important because, as Claus Offe has forcefully argued in his essay "The Theory of the State and the Problem of Policy Formation," the study of policy formation is fundamentally incomplete as long as its main emphasis in on matters of policy content divorced from an understanding of the organizational structure of the state responsible for producing policy in the first place. Thus one of the main hypotheses to be tested in my research involves the question to what degree does state administrative reform represent a "class compromise" to resolve the conflict and competition between groups, classes and segments of classes over the administrative control of the content of policy, the distribution of resources and the exercise of formal authority or state power.

PROGRESS REPORT-ITALY

The Italian Kapitalistate group has worked in the last five years at a rather uneven pace. Given the very limited number of active people, it has devoted most of its energies to the distribution of the review in Italy and to the reading of materials submitted for publication. It has also organized a few discussions on the Italian economic and political situation, which however have not materialized into a written contribution.

The group is now going to be reorganized on a Milan base. We realized in fact, that a group of people dispersed in different parts of the country implies too much writing and talking over the phone, without bringing substantial results. The Milan group will therefore be formed by people working in the same institution—the University of Milan, Faculty of Political Sciences, Institute of Sociology—and engaged in the same research projects, i.e. a) Multinational corporations, state economic policies and labor strategies; b) organized business and politics; c) the role of the state in labor market; d) labor unions and the state; e) the state as entrepreneur.

The Milan group will also select the best articles and essays published in Italian little-known-abroad journals for possible translation in *Kapitalistate*. And, finally, the Milan group will contribute a general piece on the present Italian political situation, which transcends the Italian case and confronts the left in other countries with major theoretical and practical problems.

Alberto Martinelli, who is presently teaching at Stanford University-Politcal Science Department, will continue to serve as coordinating editor for Italy.

Home Address: via Fontana 28, 20I22 Milan, Italy, Tel. (02)796836
University address: via Conservatorio 7,20I22 Milan, Italy, Tel. (02) 7490808.

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Members of the Bay Area Kapitalistate group who have struggled with this issue are: Anatole Anton, Jens Christiansen, Les Guliasi, David Gold, Jim Hawley, Clarence Lo, Ann Markusen, Patricia Morgan, Brian Murphy, Chuck Noble, Jim O'Connor, Patrick O'Donnell, Kay Trimberger, Alan Wolfe; and visitors Ian Gaugh, Gero Lenhardt, Stephan Liebfried, and Alberto Martinelli.

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