3. We will not treat separately the third or "speculative" stages of Hegel's logical doctrine. Our characterization of dialectical reason essentially embraces the key feature of speculative cognition, namely, the process of totalization or unification. Hegel describes the highest level of the logical doctrine thus: The Speculative stage, or stage of Positive Reason, apprehends the unity of terms (propositions) in their opposition—the affirmative which is involved in their disintegration and in their transition.

(Hegel, 1973:119)

6. The reader should not confuse the notion of positivity as it appears in the rationality-positivity-dialectical category with the third or "speculative" stage of Hegel's logical doctrine.

(from: Kapitalistate, #4-5

T. M. Knox, Hegel's translator, offers the following interpretation of this famous passage:

If the actual is rational, then however tragic the actual may seem to be, reason will be able to find joy in it, because it will find itself in it as its essence.

(Hegel, 1952:12)

(Hegel, 1952:103)

8. Hegel regards any entity capable of social action as, conceptually speaking, a form of will. This interpretation provides a direct, though frequently overlooked, link between Hegelian idealism and contemporary social scientific action theorists such as Talcott Parsons. Another and even more obvious link arises from the dialectical categories discussed in section two. If these categories are stripped of their dialectical character, they bear a remarkable resemblance to the Parsons pattern-variables. These linkages help explain why certain modern social theorists, strongly influenced by Hegel, have been attracted by the work of Parsons. Hegelian ideas, we might note, enter modern social science through at least two opposing channels: via Marx on the one side, and via Max Weber on the other.

9. We should underscore, lest this paragraph invite misunderstanding, that the key passage approach does not always generate error and misunderstanding. It can be a useful way of concentrating attention on the main issues and gaining insight into the central intent of an author. But unless used with much circumspection, it is vulnerable to the dangers noted in Avineri's analysis.

BIBLIOGRAPHY


MODES OF CLASS STRUGGLE AND THE CAPITALIST STATE

Gosta Esping-Andersen, Roger Friedland, Erik Olia Wright

ABSTRACT

This paper explores the interconnections between class struggle, state structures and state policies. Rather than view the state either as merely an instrument manipulated by the capitalist class, or as an apparatus determined by the structures of capitalist society, it is argued that the capitalist state must be analysed as an object, a product and a determinant of class struggle. In particular, the paper examines two aspects of this interconnection between the capitalist state and class struggle: 1) the ways in which class struggle shapes, in contradictory ways, the structure of the state, and reciprocally, the ways in which the structure of the state shapes class struggle; 2) the ways in which the content of state policies shapes and is shaped by the content of the demands raised in class struggle. The paper attempts to develop a conceptual framework within which such issues can be analysed, specifically focusing on the distinction between production and circulation politics, commodity and noncommodity politics, and reproductive and unproductive politics. A series of brief case studies are provided to illustrate this conceptual schema.

I. CLASS STRUGGLE AND STATE STRUCTURE

The relationship between class conflict and the structure of the state in capitalist society has been analyzed in a variety of ways. We shall review four perspectives: pluralist, instrumentalist, structuralist, and political class analysis (2).

Pluralist, Instrumentalist and Structuralist Perspectives

A liberal perspective, long dominant in American social science, views
the state as a pluralist, aggregating mechanism in which agencies, programs and legislation are substantive responses to the demands and interests of competing groups. The relationship between class structure and the state has generally been viewed in two ways, both perspectives viewing the state as a political market place. The first sees class and interest conflict mediated through party competition and generally assumes an automatic responsiveness of politically neutral state agencies (see for example Lipset, 1960; Lipset and Roof, 1967). The second pluralist approach sees state agencies as directly accessible to interest groups and classes for particularized, non-electoral control, and thus as bases of political power (e.g. Dahl, 1961; McConnell, 1966). State bureaucracies become the battleground for specific interest groups, and the competition between agencies for limited funding either reinforces or supplants party competition. The proliferation of programs and agencies on the one hand, and the differentiation of state levels on the other, is viewed as providing greater access for any interest to block gross injustice and at least secure a minimum foothold in the state (e.g. Rose, 1967, 1963) (3).

A second tradition sees the state as an "instrument" of the ruling class or dominant elite. This approach starts from a specific interpretation of Marx's superstructural view of the state:

The bourgeoisie has, at last, since the establishment of modern industry and the world market, conquered for itself, in the modern representative state, exclusive political sway. The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie (Marx, 1935).

A contemporary example of a view that can be found in Sweezy's The Theory of Capitalist Development: "... state power must be monopolized by the class or classes which are the chief beneficiaries." Sweezy sees the state as, "... an instrument in the hands of the ruling classes for enforcing and guaranteeing the stability of the class structure itself." (Sweezy, 1942: 241). Frequently his view infers the power of capitalists from the class composition of the personnel who hold key administrative or legislative roles within the state. Miliband summarizes the conventional Marxist position:

... it has remained a basic fact of life in advanced capitalist countries that the vast majority of men and women in these countries has been governed, represented, administered, judged and commanded in war by people drawn from other, economically and socially superior and relatively distant classes. (1969: 67)

We shall refer to this approach as instrumentalist. The theory of "corporate liberalism" is a sophisticated version of this approach (e.g. Hayes, 1964; Weinstein, 1968; Domhoff, 1970). This theory stresses the ability of progressive fractions of capital to preemptively determine the limits of reform through corporate financed, controlled and staffed policy research and policy formation groups which originate model legislation and set the ideological boundaries within which partisan battles will be contained.

The theory of corporate liberalism thus allows a political analysis of institutionalized and the cycles of capitalist participation.

A third general perspective on the state views state structure as determined by the system's constraints and contradictions of capitalism. These contradictions and contradictions need not affect state structure and function through overt political struggle and participation by individuals, interest groups, classes or parties. Rather, to the extent that the survival of the system is dependent upon the containment and solution of recurrent crises, overt class participation may not be required at all. The emphasis of the structuralist Marxist approach is on the inherent dynamics and imperatives of the social formation in which the state is embedded. We will distinguish two structuralist Marxist approaches to the state, a political and an economic one.

The political variant of structuralism has been most fully developed by Poulantzas (1973, 1974, 1975) and Althusser (1975). As Poulantzas has written:

The relation between the bourgeoisie class and the state is an objective relation. This means that if the function of the state in a determinate social formation and the interests of the dominant class coincide, it is by reason of the system itself; the direct participation of members of the ruling class in the State apparatus is not the cause but the effect, and moreover a chance and contingent one, of this objective coincidence. (1972: 245)

Poulantzas argues that the state functions as the factor of cohesion in a social formation, that the bourgeoisie is incapable of achieving sufficient political unity as a class to attain hegemonic domination and therefore that state power must organize this class, and that state power only attains a unity to the extent that it corresponds to the bourgeoisie's interests.

In its more historical and dynamic form, this structuralist approach attempts to locate destabilizing consequences of adaptation through changing state structure and function in accordance with the political economy as a whole. In its more mechanistic form this approach is unable to locate specific actors and historically dynamic class conflict as a motor of structural change.

The economic structuralist approach to the state locates a series of functions that the state must perform to temporarily resolve economically determined contradictions. For example, Baran and Sweezy, in Monopoly Capital, attribute to the state the function of guaranteeing effective demand to avert realization crises to which monopoly capitalism is particularly prone. Alvater argues for the functional necessity of the state as an institution not internally constrained by the imperatives of surplus value production:

... the state can thus be conceived neither as a mere political instrument nor as an institution set up by capital, but rather as a special form of the accomplishment of the social existence of capital along with and besides competition, as an essential moment in the social reproduction process of capital (1973: 99).
Thus the state is residually defined by the functions capital units cannot perform (I).

Both structuralist approaches to the state do not locate power in decision-making processes, elite preemption and cooperation, or the conversion of economic power into observable political power. Rather power is located in the ability of the state to reproduce class relations and class domination through structural relations that need not be immediately visible. Thus while the apparent determinants of state action may involve the political defeat of the bourgeoisie, the consequences of that state action reproduce and reinforce that class' domination. Poulantzas writes:

...a line of demarcation can always be drawn within which the guarantee given by the capitalist state to the dominated classes' economic interests not only fails to threaten the political relation of class domination, but even constitutes an element of this relation. (1973: 191)

A major analytic problem with the structuralist approach is its inability to explain class action that arises from class consciousness (5). Class located individuals respond to the stimuli born out of the systemic logic, rather than act on the basis of self-conscious political practice.

On the other hand, the instrumentalist approach to the state tends to rely too heavily on observable class input into, and control of, policy formation. The instrumentalist perspective does not identify systemic constraints and imperatives that operate at all levels of society, including the state, which define and limit the range and form of possible class action. Thus, the instrumentalist perspective will tend to ignore the extent to which the demands and interests of the dominant class must take into account the limits of direct manipulation imposed by a historical social formation: internal state structure, state-economy relations, and economic structure.

The problem with both structuralist and instrumentalist approaches is, in fact, a much larger methodological one. To begin with, "systemic constraints" or "systemic imperatives" are not metaphysical abstractions. Rather, they are primarily products of historically specific struggles for class domination. Present class action, class dominance, and class interests must be seen as present struggle arising out of and defined in terms of a structure which is historically determined.

Thus, an overemphasis on "structure" or "systemic logic" will tend to view class-originated inputs and demands as "passive" responses to stimuli born out of the structure. On the other hand, the class instrumentalist perspective will tend to be somewhat situational and voluntaristic since it does not relate present class action to the historically determined constraints of the system. The instrumentalist view of the state stresses the political input into the state and the importance of the unequal class distribution of power. The structuralist view of the state stresses the political output of state activity by which capitalist domination is reproduced and the cohesion of the social formation assured (6).

Neither approach contains a theory of the mechanisms that link political inputs and systemic constraints to the outputs of state activity. Neither

_**Political Class Struggle: An Alternative View of the State**_

A fourth perspective is possible which focuses on state structure as an object of class struggle. The capitalist class attempts to create state structures which channel working-class political activity in ways that do not threaten capitalist political dominance and objective interests. Working-class challenge makes the success of such attempts problematic. A political class struggle perspective on the state tries to locate the state within the dialectical relationship between class dominance and systemic constraints.

There are two theoretical tasks to be accomplished in developing such a theory of the state. First, it is necessary to elaborate the nature of the internal structures of the state and their relationship to systemic contradictions. Second, it is necessary to understand the ways in which class struggle shapes, and is shaped by, those very structures.

An important approach is found in Claus Offe's work (1972, 1974). Offe attempts to analyze the extent to which the internal structures of the state permit it to pursue the interests of capital as a whole while simultaneously acting with a degree of "relative autonomy" from direct class domination, thereby assuring the legitimacy of its intervention. Offe distinguishes between the allocation and production functions of the state. Both functions support the process of private accumulation. The important difference lies in the way policies are made for the two functions. The allocation function refers to the ways that the public budget is allocated to regulate the capitalist market. Allocative policies are subject to direct political conflict, and therefore most clearly "instrumental" in character. Production policies, on the other hand, are more complex. These refer to state intervention to solve specific local, externalities or crises due to breakdowns in private capital investment upon which accumulation in the system as a whole is contingent. Production intervention involves some form of physical input into the production process. Due to lack of capitalist class cohesion and the state takes on responsibility for managing crises through production policy. With no direct class-organized inputs, the state itself is forced to devise decision rules that reproduce private capital accumulation.

However, while Offe extensively discusses the internal structures of the state, he fails to relate them systematically to class struggle. This is apparent in his analysis of the welfare state (Offe, 1972). Offe tends to view the modern welfare state as a mechanism directed at "sustaining the national economic activity by which capitalist domination is reproduced and the cohesion of the social formation assured (7)." Offe points its development in "relative independence from political controversy and ideological debate" (1972:45). Welfare state structures
exist independently of conscious political will and have thus some degree of autonomy to "compensate" for new problems which are by-products of private capitalist growth. The state is seen as independent of direct class control, a technical apparatus for absorption of "newly created insecurities of political control which create immediate measures that avoid the socially destabilizing problem of the moment" (1972: 42) (8).

Offe's conception of autonomy and his primary focus on the consequences of state intervention as a crisis-solver, leads him to ignore the extent to which classes are differentially able to shape the state machinery and voice specific demands for state action. In other words, the power and ability of the state to resolve recurrent crises does not seem to originate from people as much as from systemic "push-effects" (1972: 45).

Jim O'Connor's work on the fiscal crisis of the state is one of the few attempts to deal both with the relationship of internal structures of the state to contradictions in the accumulation process and with the relationship of class struggle to those state structures. O'Connor analyzes how crises of corporate profitability are transformed into crises of state bankruptcy given the constraints of a tax-dependent state. He also analyzes the ways in which class struggle limits the state's ability to rationalize capitalism and the ways in which state structures have been reorganized to make them more impermeable to working class challenge.

O'Connor suggests that the decline in Congressional power, long ago noted by Mills (1950), and the concentration of power in an increasingly depoliticized executive is required for state rationalization of capitalism. Various structural changes accomplish this centralization of state power: the use of revolving funds; refusal to prohibit transfers between appropriations; lump sum appropriations; the ability of the executive to mingle appropriations and bring forward unexpended balances of former appropriations; and the allocation, program planning and policy controls increasingly vested in the Bureau of the Budget, Domestic Council and the Office of the Management of the Budget. The consequences of this centralization of power within the national state structure has been to increasingly depoliticize, technicize, if not make invisible, major decisions about the structure and level of taxation and expenditure.

We shall elaborate the theory of the state implicit in O'Connor's and Offe's work by arguing that the internal structure of the state is simultaneously a product, an object, and a determinant of class conflict. State structure is itself a source of power. The organization of political authority differentially affects the access, political consciousness, strategy, and coalition of various interests and classes. State structure is not neutral with respect to its effects on class conflict. The structure of the state intervenes between social needs and the way these needs are translated into political demands, between demands and state outputs, and between specific outputs and the ability to organize and raise new demands in the future.

Class struggle has repeatedly taken the form of political conflict over the structuring of state authority. As opposed to the "shell" requiring sudden and totalistic destruction posited by Lenin, Gort (1964) has pointed to the critical role of structural change in the capitalist state as a

---

Structural Change: Urban Reform Government

City government has been restructured towards a reform government since the Progressive Era. This illustrates the ways in which state structural change allows the performance of functions critical to capitalist development despite the existence of a politically challenging working class. The movement for reform government was controlled by capitalist elites operating through the National Civic Federation and other corporatist policy organizations, who feared the rise of an urban, working-class based Socialist Party movement (see Weinstein, 1968). Further, they were chary of the inefficiency and autonomy of political machines, the high cost of securing their own influence, and the potentially high ethnic working-class influence over city expenditures and personnel. Given the need to radically expand city government functions at a time of rapid accumulation, industrialization and urbanization, the reform governmental structure effected a political neutralization of city government unique in capitalist democracies, just when political challenge seemed most threat-
The reform movement developed a package of structural reforms which functioned to depoliticize city politics and insulate allocation and decision-making from class and ethnic political control: city manager form of executive, non-partisan and at-large elections, and small city councils. Through these various mechanisms reform government minimized the political organization, participation and influence of working class and ethnic groups concentrated in the city, while at the same time increasing the influence of dominant interests over decision-making and allocation.

Non-partisan and at-large elections resulted in the elimination of party organization in general, and Socialist Party political organization in particular (Hamilton, 1972). At-large elections made it increasingly expensive for candidates to enter campaigns, thus favoring those with sufficient private resources to pay election expenses and those people most likely to be socially conspicuous in the community. Ward-based elections had increased the likelihood that local working class or ethnic leadership would be generated and decreased the electoral opportunities of middle or upper class candidates due to the restrictiveness of residential requirements based on relatively class homogeneous wards. At-large elections decreased the probability of electing working class party candidates because the percentage of the city as opposed to the ward determined election to the council, thus requiring a higher level of aggregate working class turnout in the city as a whole (see Williams and Adrian, 1969). Non-partisan elections made it difficult for any party organization to survive in local politics and, in contrast to most Western European countries, effectively dissociated city political conflict from national partisan politics. Working class candidates must rely on party organization for electoral financing, organization, visibility and ideological identification through party label in order to get elected. Lacking a local, class-based party organization, manual workers have constituted a very small percentage of city council members in the U.S. in contrast to their percentage in the population (10).

Under reform government, dominant business interests have more influence both at the city council level and through direct access to city agencies (see Miller, 1958a, 1958b; Merlock, 1973; Cornrich, 1973). Reform government functioned to increase the autonomy of city agencies from partisan electoral accountability. Agencies were thus more permeable to the most intensely interested, best organized and economically most powerful interests. Because agencies are more autonomous from partisan control, they are more vulnerable and must seek out interest groups upon which they can institutionalize relationships of political support.

The city machines supplanted by reform government had functioned to politically incorporate the mass migration of working class ethnics, many of whom brought with them socialist ideology and party identification. (11) As Katznelson points out, the machines controlled both the political organization of social groups and the delivery of distributive outputs to those groups. While capitalist elites dominated the party system, the high cost and uncertainty of that domination brought these structures into question. Hays (1969) has shown that it was the high cost of corruption for distributing favors for business that was one of the interests leading to capital support for reform. Scott (1969) argues that the machines required substantial financial support from capitalist elites in return for support of central policy developments, while the machine controlled votes through delivery of patronage and distributive benefits to working class ethnic constituencies. The reformist restructurings of the city government is one illustration of how state structures have developed which effectively insulate areas of decision-making and allocation critical to capitalist interests from political accountability, thereby maximizing the translation of capitalist economic power into patterns of allocation and non-decisions favorable to those interests, while simultaneously minimizing the need for those capitalist interests to participate in manifestly political ways.

However, like all state structural change, the development of reform government has been internally contradictory. On the one hand, the departisanizing of city politics effectively destroyed the urban political party as an effective social control mechanism without providing a satisfactory replacement. Thus, the new black urban proletariat which emerged during the post-WW II period was not initially politically absorbed, which was one of the important factors contributing to the violent and politically costly rebellions of the 1960s. On the other hand, reform government destroyed the politically powerful mayor as the centralizing role in the city political system. As a result, it is much more difficult in the reformed city to effectively rationalize and coordinate the fragmentary nature of highly autonomous city agencies (see Newton, 1973, 1974). The new forms of urban pork barrel politics have consequently pushed the city towards fiscal capitulation without making the city a location for efficient production for capital as a whole.

Structural Change: Intergovernmental Grants to the Cities

Presently, the central cities of the U.S. face a fiscal crisis which impinges upon city functions critical to capital and undermines the political domination of urban elites. As industry and upper income residents decentralize into a municipally fragmented metropolis, dissociating fiscal capacity from social needs, the central city fills up with an especially poor and often black segment of the working class. With their concomitant electoral power and potentially explosive demands for expenditures for adequate levels of basic social services, structural mechanisms (e.g. non-school special districts, regional authorities, inter-governmental project grants) have developed which insulate from popular control areas of policymaking. The growth of these programs has been especially significant in the central cities where the concentration of population and rising unemployment is great.

The structure of the federal inter-governmental transfers programs to the central cities was in the 1960's a particularly effective way by which state structures were politically insulated from challenging segments of the working class. Federal inter-governmental transfer programs and especially the project grants located the origins of urban policy, and thus the limits of urban expenditure, outside the city. This favored those interests best able to organize on a national level—corporate policy groups, capitalist factions like insurance companies, mortgage bankers, home building associations—and insulated policy formation from the poor and black who have been able to create electoral and non-electoral challenges only on the local level. At the national level, black groups for example, have been loose.
inefficient federations of local groups confined to legislative lobbying once the limits of substantive policy variation have already been defined (see Wolman and Thomas, 1970).

Further, the development of federal grants-in-aid has insulated urban agencies from political accountability. Federal programs have contributed to the proliferation of politically autonomous agencies with direct linkages to the federal bureaucracy and their administrative elites, making agencies more permeable to dominant capitalist interests which are best organized and have most at stake; and making any unitary, programmatic attack on urban problems impossible, thus contributing to the political fragmentation of lower class client groups. Without a unitary structure with the capacity to act, people who have most to gain from serious change have little incentive to politically participate (Newton, 1973).

Structures such as reform government and federal inter-governmental transfer programs depoliticize major segments of state power. Capitalist elites have been able to control the structure of city expenditures in ways that do not impinge upon the city functions critical to the continued profitability of the central city location, and which generate new fiscal resources without threatening the class-fragmented metropolis (Hill, 1974).

The proliferation of intergovernmental project grants for the cities has also been internally contradictory. For if such federal grants decreased the possibilities for political influence by the urban working class, they have also made rational policy formation by national and city elites even more difficult. At the national level the swelling national bureaucracies which resulted from the new federal urban programs were increasingly able to avoid Presidential control and become autonomous centers of policy formation. At the city level, both city managers and mayors were unable to control the federally funded city agencies because of these agencies' direct line of communication to their federal sponsors. The erosion of urban executive power which resulted led finally to yet another structural change, revenue sharing, which promises new conflicts and contradictions.

**Structural Change: Corporatism**

The emergence of corporatist structures to politically incorporate the organized working class, given the increasing role of state intervention in the economy, is a third example of structural change that attempts to insulate the political regulation of the economy from working class control. A variety of analysts have linked the attempts at political incorporation of the organized working class into subordinate positions in corporatist structures to the increasing imperatives for state planning of capitalist development. Shonfield (1965) has argued that the emergence of the positive capitalist state which attempts to maintain full employment, regulate labor conflict, control inflation and stabilize business cycles has been associated with the institutionalization of class conflict. Schmitter (1974) has analyzed the emergence of societal corporatism in advanced capitalist nations. Corporatism in general is characterized by:

- singular, non-competitive, hierarchically ordered, sectorally compartmentalized, interest associations exercising representational monopolies and accepting (de jure or de facto) governmental imposed or negotiated limitations on the type of leaders they elect and on the scope and intensity of demands they routinely make upon the state (1974: 99-100).

Schmitter argues that societal corporatism, a form of interest structuring not centrally imposed by an authoritarian state, emerges out of the decline of advanced pluralism. The institutionalization of class and interest conflict through societal corporatism assures state control and predictability of class conflict, the cooperation of working class elites in exchange for state guaranteed monopolization of working class access to state power. The process of corporatist development involves a variety of forms:

The modalities are varied and range from direct government subsidies for association, to official recognition of bonafide interlocutors, to developed responsibilities for such public tasks as unemployment or accident insurance, to permanent membership in specialized advisory councils, to positions of control in joint public-private corporations, to informal, quasi-cabinet status, and finally to direct participation in authoritative economic and social councils (Schmitter, 1974: 111).

Warren (1972) also has suggested the importance of politically incorporating the working class as a political requirement for capitalist planning given the need to assure wage control in the context of international trade competition. Political incorporation was critical if the politicization of profit levels and class shares of income was to be averted. The solution, according to Warren, was:

The institutionalized integration of a bureaucratic trade union movement into the planning process, exchange for limited, but continuous economic and other gains for the working class—provided all independence of the movement is surrendered except over minor matters (Warren, 1972: 8).

Warren suggests that the early adoption of wage policies in Norway, Sweden, and Holland were only possible because social democratic parties were in power and could induce trade union wage control. Warren points out that after the failure of deflationary measures, in response to inflationary wage-price spirals, the United Kingdom, West Germany, Belgium and Italy,

- all ushered in planning plus wage policies under the aegis of newly formed social democratic governments or governments with social democratic participation; in all cases major sections of the ruling class specifically opted for social democratic participation in government; in all cases a certain political resurgence of the working class occurred at the same time as inflation was accelerating, and followed the exposure of the irrationalities of previous stop-go type policies, thus making the strategic problem of the integration of the working class into the new capitalism rather more urgent (1972: 13).
Warren goes on to point out that with their incorporation into state planning, social democratic parties abandoned the socialist elements in their programs and stressed the efficiency with which the party could manage state planned, full-employment capitalism.

Corporatism is also an internally contradictory mode of incorporating the working class. The premise of a corporatist strategy is that the inclusion of selected leaders of working class organizations (especially unions, but also on occasion left parties) in formal state planning processes will reduce working class opposition to state policies without requiring massive concessions to popular demands. This outcome will occur only if two things happen: first, the incorporated leadership must be seen as legitimate by the working class, and second, the leadership must be sufficiently insulated from day-to-day mass pressures to accept the imperatives of planning in the interests of capital accumulation. And here lies the contradictory quality of corporatism: If the leadership of the incorporated working class organizations is sufficiently isolated from the working class so that state planning is insulated from popular pressures, then that leadership will tend to gradually lose legitimacy and thus cease to function as a means for integrating the working class. If, on the other hand, the leadership maintains close ties to the working class and remains a legitimate instrument of real working class organizations, then corporatist planning will be hampered by the constant pressures for accomodation with mass demands. The first of these possibilities undermines the cooptive function of corporatism and will tend to accelerate the disintegration of the incorporated organizations. This can already be seen in the case of Social Democratic Parties in several European countries. The second of these possibilities undermines the planning function of corporatism and brings class struggle into the administrative heart of the state apparatus itself. In either case, corporatism, like other attempted structural solutions to political class struggle, remains an intensely contradictory strategy for the capitalist class.

In summary the three historical cases of reform government, federal intergovernmental urban transfer programs and corporatist planning all suggest the importance of analysing state structures as they mediate the relationship between classes (i.e. as a product and determinant of class conflict). Methodologically, this means that one cannot study a particular agency or legislative act in isolation from class struggle and the ways in which class struggle is internalized within the state. Consequently, in order to assess the contradictory ways by which state structure reproduces capitalist political domination it is necessary to analyze the location within state structures of the control of different policies and the location of political incorporation into the state of different class interests. Otherwise the state is likely to be seen as a neutral instrument or a functionalist thermostat for capitalist society.

The political struggles of the working class thus gain analytical importance absent from the “instrumental corporate liberal” and “structuralist” approaches. Political class struggle becomes the central determinant both of the restructuring of the state itself and of the contradictory consequences of that restructuring. To paraphrase Marx, capitalists may manipulate the state, but they do not do so just as they please. The instrumental domination of the capitalist class is constrained by the structures of the state formed out of past class struggles, by the exigencies of current class struggles and by the contradictory consequences of state activity for future class struggle. (12)

II. THE LOGIC OF POLITICAL CLASS STRUGGLE

Our analysis so far can be summed up in several propositions:
1. State structures must be seen as the outcome of class struggle rather than as a historically given, perfect mechanisms for reproducing capitalist society and repressing the working class.
2. These structures mediate, in contradictory ways, the relationship between instrumental inputs into the state from the ruling class and functional outputs.
3. When successfully shaped by the capitalist class, these structures accomplish two critical tasks: a) they limit state interventions within bounds compatible with the imperatives of capital accumulation; b) they politically neutralize the working class in the sense of making its political demands congruent with the reproduction of capitalist social relations.
4. However—and this is very important—these structures are inevitably contradictory. They never provide a totally unproblematic solution to the challenge of political class struggle. The working class can never be perfectly incorporated, totally neutralized. The political question for the working class is never whether or not contradictions exist within the state, but rather how intense those contradictions are and how they can be exploited by the working class.

Our discussion thus far has largely focused on only one half of the dialectic between state structures and class struggle, namely the ways in which these structures are shaped by class struggle. It is equally important to see how the forms and directions of class struggle are shaped by the state. It is ultimately out of a dialectical theory of the relationship of class struggle to the state that a complete understanding of both will emerge. We will therefore now shift ground from a focus on the structure of the state to the nature of the political class struggle itself.

We will begin by discussing the range of possible types of political class struggle. Once we have elaborated these possibilities, we will return to the analysis of the state and see how these divergent forms of political class struggle pose different problems for the capitalist state and how the response of the state in turn poses constraints on political class struggle. Finally, we will look at the new patterns of emergent contradictions within the advanced capitalist state and discuss what new possibilities for working class political struggle appear on the horizon.

A Typology Of Political Class Struggle

In the following pages we will try to develop a typology of political class conflict. The typology is based on three dimensions in terms of which poli-
itical demands and struggles of the working class vary: the level of social relations at which those demands are directed; the form of state activity implied by those demands; and the structural consequences of the demands.

Level refers to the specific sphere of class relations which is affected by the political demands. Capital is a social relationship, a mode of relating labor to the means of production. That social relationship can be conceptualized at two interpenetrating levels: the level of production refers to the actual organization of the production process, the ways in which the means of production and the labor process are controlled and surplus value is generated and appropriated. The level of circulation refers to exchange relationships between commodities, whether such commodities be different goods or different services or in fact exchange relationships between capital and labor. Whereas surplus value is generated and appropriated at the production level, it is realized at the level of circulation. Political demands that impinge on market relations, that concern the value of labor power, the distribution of taxation, the regulation of utility rate structures, etc., all represent demands at the level of circulation. Political demands, on the other hand, which concern the regulation of the labor process, the production of certain goods and services by the state, and so on, represent demands at the level of production. Demands about what is produced and how it is produced constitute demands at the production level; demands about the distribution of what is produced are demands at the circulation level.

Political demands do not merely have an object; they also, either explicitly or implicitly, concern the means by which they are to be met by the state. Whereas level refers to the object or location of political demands (i.e., whether they concern relations of circulation or production), form refers to the ways those demands are met by the state. A particularly important distinction in these terms is between what can be termed a commodified form and a noncommodified form of political demands. A commodity is something which is produced for exchange rather than simply for use. Political demands which take a commodified form are thus demands for the state to work through and reinforce market mechanisms to accomplish some objective. The noncommodified form of political demands, on the other hand, push the state to work outside the market or even to directly oppose market mechanisms. Thus, state subsidies to private businesses to provide certain goods or services would represent a relatively commodified form of state intervention, whereas the state directly producing those same goods and services would constitute a relatively noncommodified form. Obviously, many state activities represent mixed cases.

The final dimension of political demands is perhaps the least tangible, yet perhaps the most important. By "structural consequences" of a political demand we refer to the extent to which it tends to be reproductive of capitalist social relations or unproductive. Reproductive demands are demands which, if met, tend to reinforce, stabilize and expand the basic social relationships of capitalism. Unreproductive demands are demands which tend to weaken, destabilize, and undermine those social relationships. (It should be noted that we have defined "unproductive" demands in a strictly negative way; there is no necessary implication that such demands are positively constitutive of socialist social relations, but merely that they undermine capitalist ones.)

Taking these three dimensions together we can construct a formal typology of political class struggle. This is illustrated in Chart 1 on the following page. Several preliminary comments on this typology are necessary. First, the typology is not meant to be exhaustive of all political class struggles. In particular, many struggles which are primarily directed at state intervention per se cannot be classified as production vs. circulation or commodified infrastructure by contracting on the open market with private capital. Take, for example, highway construction. Particularly in the United States, the nomic activities. Second, although the dimensions on the chart have been labelled as polar types (circulation vs. production level; commodified vs. noncommodified forms; reproductive vs. unproductive consequences), it is of the nature of each combination. Dimensions are much more continuous. Individual state activities can bridge levels, can be partially commodified and may be somewhat unproductive. Indeed, a particular policy may fall into more than one slot on the chart. Third, where a particular demand falls in the chart cannot be defined abstractly. A demand which is reproductive under certain circumstances may be highly unproductive under others. The typology is only useful when it is joined to a historical analysis of class struggle and state intervention in a particular social formation. Fourth, and perhaps most importantly, the typology is not a theory of class struggle, but merely a conceptual schema. It provides, we hope, a set of categories in terms of which a theory of class struggle and the state can develop, but in and of itself it is no more than a typology.

Before actually using the typology as an exercise for examining the dialectic between class struggle and the state, it will be helpful to go through each of the cells of the chart and give examples of the kinds of demands that would fall in each category. We will begin with the upper left hand corner and move towards the lower right hand corner.

Reproductive Commodified Circulation Politics. Probably the simplest example of this category is tax cuts. Tax cuts under Keynesian state policies represent an attempt to bolster aggregate demand (a circulation objective) by giving people more money to spend in the market (a commodities form of intervention) and thereby stabilize the process of surplus value realization (a reproduction consequence). Other working class demands also fall into this category. For example, demands for unemployment payments or minimum wage laws, by themselves would generally constitute a form of reproductive-commodified-circulation politics. By giving workers money—either in the form of unemployment checks or in the form of higher minimum wages—the state deals with a problem at the level of circulation (imperfections in the labor market) with minimum disturbance of normal commodity relationships.

Reproductive Commodified Production Politics. The classic example in this category is the demand that the state provide certain kinds of infrastructure by contracting on the open market with private capital. Take for example highway construction. Particularly in the United States, the state does not itself generally build highways, but rather contracts out such construction projects to private companies. Such a state activity is certainly reproductive in that it provides certain essential infrastructures that could
not be provided by private capital. It operates at the level of production, since the intervention is designed to actually produce something which would not otherwise be produced. And it takes a relatively commodified form since the state works through the market to produce the highway.

**Reproductive-Noncommodified-Circulation politics.** Whereas unemployment benefits in the form of cash represent a commodified form of circulation demands, welfare grants that take the form of free goods represent a noncommodified form of reproductive-circulation politics. When the government provides free surplus food to the poor, for example, it is organizing the distribution of use values, not merely facilitating market mechanisms of distributing exchange values. The substitution of food stamps for free food in the 1960's is thus an example of the partial recommodified of a relatively noncommodified form of state activity. The political demand for public libraries represents an interesting example of this same category. Libraries represent a way of circulating books (to each according to his/her need) which is the antithesis of commodity exchange (to each according to his/her income). Libraries constitute reproductive state intervention because of their role in research, education, dissemination of ideology, etc., and because of their relatively limited use. If libraries were to become the main mechanism for distributing books, and if they began distributing a wide range of other use-values as well (records, tools, recreation equipment, art works, etc.), then in fact they would probably begin to be recommodified. This is a good example of how the same political demand can be reproductive or unreproductive depending upon the magnitude of the demand and the particular circumstances in which it is made.

**Reproductive-Noncommodified Production politics.** There are occasions where the state actually organizes production. If such production is still organized primarily on exchange value criteria, then in fact such production politics could still take a commodified form. This is the case in certain kinds of nationalized industries (such as Renault in France). But when such state production is fundamentally organized around use-value criteria, then we have a case of noncommodified production state activity. Working class demands for a national health service would be a good example. Equally, public education falls into this category: it represents the production of skilled labor power organized outside of market relations. While it is true that labor power is a commodity, the schools themselves do not generally exchange that commodity on the market.

**Unreproductive-Commodified-Circulation politics.** We characterized unemployment insurance as a reproductive-commodity-circulation demand; an adequate guaranteed income for all workers, on the other hand, is clearly an unreproductive demand. While still resting basically at the level of circulation and relying on a commodified form of state intervention, such a demand would seriously undermine the status of labor power itself as a commodity. If workers could live well without working, one of the critical elements of capitalist social control, wage discipline, would be undermined (see Piven and Cloward, 1971). This is not to say that such a demand, if won by the working class, would automatically lead to capitalist collapse, but it would undermine labor discipline, reduce the efficacy
of the labor market, undermine the role of the reserve army of the unemployed, etc. Again, as in the earlier example of libraries, the magnitude of the demand is critical for assessing its reproductive/unreproductive consequences. A minimum guaranteed income might well be reproductive, being merely a form of welfare, whereas an adequate guaranteed income could be unreproductive.

Unreproductive-Commodified Production politics. As was stated above, the typical reproductive-commodified production-demands for the state to build social infrastructure through contracts with public ownership and control. Such activity reproductive assumed that, in fact, the state had the fiscal resources to build such infrastructures. However, under conditions of "fiscal crisis" when demands for state spending expand more rapidly than the capacity of the state to finance such demands, such infrastructure contracting can become unreproductive (O’Connor, 1973). More generally, when working class political demands for government spending on social and economic issues cease to be subordinated to the requirements of accumulation and attempt to authentically serve working class interests, they will tend to become unreproductive. Again, this is especially the case under conditions of fiscal crisis.

Unreproductive-Noncommodified Circulation politics. Political demands for expanding free goods and services distributed by the state become unreproductive beyond a certain point. The demands for community controlled boards to control the operations of various public agencies (police, schools, libraries, etc.) also can become unreproductive depending upon the political uses to which that control would be put. A good example would be the establishment of tenant controlled rent control boards which set rents and enforced building standards in such a way that residential real estate investment was no longer profitable. If such boards only induced disinvestment and evictions, they probably would be reproductive. If, on the other hand, such boards were able to force state or tenant controlled property development, as appears to be developing in Italy, they would potentially become unreproductive.

Unreproductive-noncommodified Production politics. Political demands for worker’s control of the labor process, and ultimately for workers’ control of the entire production process, represent the purest form of unreproductive-noncommodified-production politics. To the extent that workers authentically control the apparatus of production, it becomes possible for use-value criteria — and furthermore for use-value criteria geared toward working class interests — to gradually replace exchange value criteria within the production process itself. Under conditions where such control is limited to individual units of production, but not the entire system, such noncommodified production would remain highly constrained by capitalist commodity production in the society as a whole. Ultimately, therefore, unreproductive-noncommodified-production politics require not merely workers control of individual production units, but workers control of the entire apparatus of production, and this requires workers control of the state.

The Class Content of Political Class Struggle

It should be clear from the above discussion that the different cells in the typology of political class struggle have very different implications for class interests, and therefore bear very different relationships to the capitalist state. As a first approximation, the distinction between reproductive and unreproductive politics corresponds roughly to the distinction between capitalist class and working class interests. This does not mean that class struggle is absent within the reproductive half of the typology. Many struggles are fought over which of several reproductive policy alternatives is to be adopted and some of these may be less inconsistent with working class interests than others. To call a policy "reproductive" therefore, does not imply that it is completely antagonistic to working class interests; what it does mean is that when the working class makes political demands that are reproductive, working class interests have in some sense been subordinated to those of capital, and thus inevitably, they have been distorted.

A good example of the class content of reproductive politics is the demand for a National Health Service (reproductive-noncommodified-production politics). A National Health Service may well be in the interests of the working class in the United States, but it nevertheless represents a way of meeting working class needs for health care which subordinates those needs to the reproductive needs of capital. Various structural features of National Health Services guarantee this: bureaucratic organization, control by professional medical boards, insolation from working class participation in direction, etc. In the area of health, state intervention has primarily been limited to the level of health care delivery, rather than the production of health itself. This is a commonality between those countries like England and Denmark which have nationalized health care and the United States which has limited its intervention to the level of circulation, stressing the mass availability of health insurance programs. In all cases, this treatment of health care reinforces the individual as an object of state intervention through curative as opposed to preventive, social medicine.

For a national health service to serve the interests of the working class it would have to be controlled by workers and would have to deal with the causes of illness and thus preventive medicine. And such a health care system would necessarily generate conflict over production relations, the consequences of which — pollution, industrial accidents, poverty, the organization of personal careers, and the alienating structure of work — are the causes of many diseases (15). Such a health service, needless to say, would be highly unreproductive from the point of view of capital. To the extent, therefore, that the working class restricts itself to political demands that there are reproductive of capitalist social relations, it must inevitably distort those interests through their subordination to the needs of capital.

The class content of political demands can be analyzed beyond the simple distinction between reproductive and unreproductive politics. The distinctions between commodified and noncommodified politics, and even
between circulation and production politics, also have important class implications. The type of political demands most compatible with capitalist class interests is represented by reproductive-commodified-circulation politics (the upper left hand cell in the typology). This type of state intervention flows most naturally from capitalist-social relations, imposing on capitalist prerogatives in the least obtrusive ways, and enhances the realization potential of capitalist production.

Furthermore, commodified-circulation politics tend to be the most divisive for the working class. The working class is most differentiated and stratified in terms of labor market relations. Educated vs. uneducated workers, white vs. black workers, male vs. female workers, specialized vs. unskilled workers, etc., all share a common situation in terms of relations of production, but occupy very different positions in the market for labor power. When the working class restricts its political struggle to the commodified-circulation level, it does not engage in combat around issues which bear out the common conditions that define the position of the working class. The state's response to commodified-circulation demands—for example, the proliferation of highly differentiated employment programs and wage legislation for different categories of work—tends to reinforce the myriad interest group divisions within the working class, and make a class-conscious working class movement more difficult. Thus reproductive-commodified-circulation politics have tended to be the most compatible with capitalist class interests, both because they inherently pose the least threat to capitalist prerogatives and because they tend to most undermine the cohesion of the working class.

The primary organization around which working class reproductive-commodified-circulation politics are centered is the labor union, or trade union—a conceptualization which better conveys its political substance. Commodified-circulation politics, especially organized around the trade union, become primarily directed at individualized consumption, while divorced from work itself. As Gorz writes,

Trade unionism...confines itself to demanding higher individual purchasing power and at the same time greater leisure—in other words, non-work, in compensation for the fact that where his work is concerned his worker is a man. (1973: 85)

State intervention at the level of production, even when it is still reproductive and maintains a commodified form, poses greater potential problems for the capitalist class. When the state constructs infrastructure, the political issues of what kinds of infrastructure should be built, whose interests should it serve etc., are necessarily raised. All of these issues become posed in much sharper forms when the state not only intervenes at the level of production, but does so in a non-commodified way. When the state is not only involved in deciding what should be produced, but also how it should be produced, the political criteria for production become more explicit, potentially making it much harder to maintain the fiction that state activity serves the interests of the whole people. Non-commodified production by the state means that production is at least partially or-
directly undermine capitalist social relations, but in general they do not as sharply pose an alternative to those social relations as do unproductive
 commodification-production politics. In particular, unproductive commodification politics at either the circulation or production level may tend to weaken capitalism, but they still reproduce the logic of commodification and thus fundamentally remain within the logic of capitalism.

Political class struggle can therefore be conceptualized as a struggle over which of these types of political demands will dominate, i.e. over the content of class conflict itself. The capitalist class tries to push demands towards commodified forms and away from the production level, and tries to exclude unproductive demands altogether; the working class, on the other hand, moves toward non-commodified politics, production politics and, ultimately unproductive politics. Needless to say, the movement towards this revolutionary pole has often been thwarted and in periods of relatively uncontested capitalist hegemony, may remain only a latent possibility. It is therefore a question of fundamental importance for the development of revolutionary struggles around the state to understand the conditions under which circulation politics become transformed into production politics, commodified politics into non-commodified politics, and most importantly, reproductive politics into unproductive politics. We will now turn to an examination of a number of examples of such transformations.

Transformations of Political Class Conflict

Three ways by which political class struggles may be progressively transformed seem especially important under conditions of advanced monopoly capitalism: 1. the breakdown of commodified-circulation politics at the factory level caused by crises or accumulations in individual firms. 2. The breakdown of the state's capacity to pay for commodified-circulation politics as a result of the fiscal crisis of the state; 3. The deepening nature of capitalist contradictions which make pure commodified-circulation politics inadequate even from the point of view of capital. We will examine examples of each of these and then turn to a more detailed discussion of the transformations of political class struggle and state interventions in the case of one advanced capitalist country, Sweden.

1. Commodity politics breakdown at the factory level.

Recent years have witnessed a number of occasions in which commodified-circulation politics at the factory level temporarily broke down and led to the emergence of working class production politics. Such, for instance, has been the case with a number of factory take-overs initiated by workers due to plant closures. The 1974 Lipp factory take-over in France is a case in point. Faced with the threat of sudden unemployment and disruption of retirement benefits by the new management's decision to stop production of the famous Lipp watches, the workers turned to their unions, the CFDT and CGT, which failed to reverse the management's decision. Given the impossibility of further commodified-circulation politics in this situation, the only feasible alternative left to the workers who saw the enterprise as economically sound, was to take over control of production themselves, dispense with management and the board of directors and, instead, organize production through a system of collectivized decision-making. In this way workers effectively smashed the existing production relations within their workplace, relations no longer sufficient to maintain the consensus of commodified-circulation politics upon which the bargaining process rests.

The Lipp case has since been replicated in a number of factories throughout Western Europe, such as the Triumph Motorcycle factory take-over in Great Britain and two factory take-overs in Denmark in 1975. The latter provide an interesting contrast with respect to our discussion. Two factories, the Rank-Arena television factory owned and controlled by a British corporation, and the Uniprint factory owned by Danish capital, were both closed down, not due to inefficiency or lack of an "adequate" rate of return, but rather to potentially higher profitability of location in other countries. Both factories were taken over by the workers, but the politics of the factory take-overs contrasted sharply. In the first case, the workers occupied the factory while negotiating with different sources of capital to maintain production. Private capitalists and the labor unions (LO) were asked to buy shares in the enterprise to avoid its closure. Thus, in this case the critical transformation towards working class production politics aimed at control was missing, and objectively the incident was directed at shoring up the principles of private capitalist ownership. The role of the LO is in this case highly illustrative. The LO offered to invest in a portion of the necessary shareholdings out of its pension fund. However, severe restrictions are imposed on how such funds can be used for productive investment:

a) it would only hold shares up to 15% of the total capital, thus insuring that the enterprise remains under "private control."

b) LO would only invest its funds in enterprises which are listed on the stock market.

c) such investment would only occur under conditions where the firm has a "sound" financial rating.

The Uniprint incident provides a contrast to the extent that the workers declined any opportunities of strengthening the capital base of the firm through enlarged private shareholdings. Instead, in line with the Lipp case, the workers demanded full control over the management of the firm, thus alienating any potential union support—and for that matter any media support, which incidentally had been readily forthcoming in the Rank-Arena case. What the two cases serve to illustrate is that under the same conditions, the working class may react in politically totally different ways: either towards re-establishing the viability of commodified politics under occurrences of breakdown, or towards pursuing a radically different line of struggle, the outcome of which is highly uncertain and the support for which is still very meager.

2. The fiscal crisis of the state.

As we argued earlier, reproductive-commodity politics, especially at
the level of circulation, are the most compatible with capitalist class interests since they simultaneously maximize divisions within the working class and minimize the possible threats to capitalist prerogatives. As long as the state has an ample tax base, commodified politics can continue to exist. The difficulty is that there are intrinsic tendencies within advanced capitalism for commodified interventions by the state to expand more rapidly than its capacity to finance them. The result is the fiscal crisis of the state.

The underlying dynamics of the fiscal crisis have been extensively analyzed by O'Connor in *The Fiscal Crisis of the State*, and there is no need for us to recapitulate his arguments here. The critical point we wish to make is that as the fiscal crisis of the state deepens it becomes progressively more difficult for the state to restrict its interventions primarily to the commodities-circulation level. Simpler to finance its commodities-circulation politics, the state is pushed towards intervening at the level of production. At a minimum this entails greater state involvement in coordinating and planning private commodity production (commodified-production interventions) in order to expand its tax base, but it may well move towards more basic state involvements in direct production of use-values (decommodified-production interventions).

3. The contradictions of commodified-circulation politics.

The pressures for movement away from simple commodified-circulation state interventions are more profound than simply the incapacity of the state to pay for such policies. Even if the state could find the wherewithal to continue commodified-circulation politics unabated, there would still be strong tendencies pushing the state towards production level politics because of the contradictions within the accumulation process itself. It is a common observation that in recent years there has been a gradual deterioration of the trade-off between unemployment and inflation. Often this is treated as merely an artifact of government policies, especially fiscal policies. In fact, this deterioration reflects the fundamental contradictions of accumulation in monopoly capitalism, some of which involve the state, but which cannot be reduced to "problems" in state intervention. Three aspects of these contradictions are especially important (see Wright, 1975):

a) with technological development, especially within the monopoly sector, there has been an increasing tendency for the "surplus population to expand. Part of this pool of displaced workers has been absorbed in the competitive and state sectors of the economy, but in general there has been a tendency for higher unemployment for any given level of economic activity.

b) Growing concentration and centralization of capital has increased the tendencies for monopoly pricing in many sectors of the economy and thus for any level of economic activity there is likely to be more inflation.

c) This inflationary tendency is further heightened by two aspects of state intervention. First, as a consequence of the growth of the surplus population (among other social pressures), the state has greatly increased its spending on welfare, police and other "social expenses," to use O'Connor's expression (i.e. state spending that is absolutely unproductive in the sense that it does not even indirectly lead to an expansion of surplus value). Secondly, Keynesian demand maintenance policies by the state have tended to create guaranteed markets for many monopoly corporations and thus reduce pressure for productivity increases. Both of these factors have contributed considerably to the increase in inflation for given levels of economic activity.

None of these tendencies can be dealt with effectively through commodified-circulation politics. The state must somehow become involved directly in organizing production, increasing productivity, employing the surplus population. Such intervention is made more difficult by the state's fiscal crisis, itself part of a consequence of the very commodified politics that are incapable of handling the contradictions of accumulation.

It is ironic that the requirements for the reproduction of capitalism may necessitate a state which itself negates the commodity satisfaction of social needs, refuses to be subordinated to the market, and is thereby increasingly forced to enter into production both to meet those social needs and to finance that production. The fiscal crisis of the state points towards nationalization; only working class struggle will determine if it points towards socialization.

The Case of Sweden (16)

Sweden provides perhaps the best example of how a capitalist state, facing a working class which is highly organized around reproductive-commodified politics, especially at the level of circulation, is forced to adopt decommodified-production policies to an ever greater extent because of the deepening contradictions of advanced capitalism. The story of Sweden is a story of how Social Democratic governments have, by the single-minded pursuit of commodified-circulation policies, eroded the possibilities of restricting state activity to commodified forms at the level of circulation (17).

The Swedish labour movement in the form of the Social Democratic Party and the confederation of Swedish trade unions (LO) is in its essence based upon commodified-circulation working class demands. The ideological foundation rests upon the idea of "creeping socialism," which basically implies that skillful and strategic maneuver within the confines of bourgeois institutions by an increasingly organized proletariat will progressively secure larger and larger slices of the state structure for the working class ends. By progressively seizing structures of the capitalist state, the working class will eventually come to exert "structural power," i.e. state power to shape the structure of capitalist institutions for working class ends. With such power it is believed that "systemic power," i.e. power to transform the system of capitalism into a system of socialist production, will increasingly be realized (18).
Therefore, to protect its market position, labor began to pressure for solutions to the crisis, which contained a higher degree of control over the mobility of capital as well as labor. A vehicle for this was, in fact, already at hand in the form of massive savings in the relatively idle Pension Funds. The idea was to use these funds in a selective manner to steer investments in such a way as to strengthen the technological advances of Swedish monopoly capital in international competition, thereby also acting to protect Swedish labor. This policy of indirectly allocating investment capital was accompanied by direct state investments in key sectors such as steel.

Thus it is clear that due to the constraints and contradictions in the accumulation process, an active Keynesian policy was pushed in Sweden from a primitive level of intervention in the mobility of money, through the mobility of labor, into the regulation of the mobility of capital. It was increasingly realized that the stabilization of the unemployment-inflation contradiction necessitated state regulation of capital.

Here is a case, then, where a capitalist state has gradually moved towards intervention at the level of production. The result, however, has not been to further politicize class relations. The Social Democrats and the LO find it opportune, if not a necessity, to wage the struggle in technical rather than politicized terms. Instead of struggling for autonomous centers of working class power, the general tendency has been for the expansion of corporatist structures. The net effect of the Swedish variant of corporatist democratic state policies has thus been to restructure and reproduce the system at a higher and more efficient level, thereby muting and diverting class struggle and reinforcing tendencies toward monopoly in the process of Swedish capital accumulation. Simultaneously, however, such policies have the effect of channeling class conflicts away from the private economic level towards the public. In these terms, we are again confronted with the double-edged character of state intervention: as production becomes more political, politics are increasingly depoliticized.

So, the question remains whether or not the Swedish working class, whose relationship to the state has for so long been mediated by the Social Democratic Party, will move beyond the limits of the emergent reproductive-nocommoditized-production politics. In some ways the corporatist integration of the working class into the Swedish state, which has characterized Social Democratic politics, makes such a prospect seem unlikely. Nevertheless, such a corporatist strategy is highly contradictory, for while it appears to provide a basis for stable accommodation, it also potentially brings class struggle into the administrative heart of the state apparatus. The Swedish working class has already shown its capacity to influence both state policies and state structures within the limits of reproductive state interventions. Whether or not it will be able to shatter those limits while remaining within the framework of Social Democracy is perhaps the most pressing issue facing the Swedish working class.

III. SUMMARY AND CONCLUSION

The basic logic of the analysis of this paper is schematically laid out in
In Part II we focused on the relationship between the content of political class struggle and state policies. We distinguished between three different aspects of political demands for state intervention: the level of production (production versus circulation); the form of intervention (production vs. nonproduction); and the consequences of intervention (nonproduction vs. nonproduction for capitalist social relations in the society as a whole). We argued that demands for state intervention which were at the level of production and capable of a commodified response were the most compatible with capitalist interests; whereas demands for state intervention at the level of production in noncommodified ways were the most likely to become unproductive and serve working class interests.

A number of important relationships illustrated in Chart 2 remain largely unexplored in our analysis:

1. The relationship between the organization of class struggle and state policies. We have briefly touched on one aspect of this relationship, namely the ways in which commodified state interventions (especially at the level of production) tend to be divisive of the working class, whereas noncommodified production politics tend to provide a basis for more unified working class political organization. It is equally important to explore the other direction of the relationship, the ways in which the organizational strength and cohesiveness of the working class has an impact on the content of state interventions. This has been the focus of most traditional Marxist analyses of "concessions" won by the working class from the capitalist state.

2. The relationship between the content of class struggle and state structures. Working class struggles at the level of commodified-circulation politics have tended to be associated with the proliferation of fragmented, insulated state agencies. In a real sense the anarchy of commodity production and circulation is reproduced in the anarchy of state structure (19). The question then arises how will this fragmented state structure change as political class struggle moves away from pure commodified-circulation politics? And reciprocally, as more centralized executive structures of the state develop (in response to the changing requirements for accumulation), what will be the consequences for the content of political class struggle?

3. The relationship between the structure and policies of the state. It is clear that certain kinds of policies are much more likely to develop under certain state structures than under others. Thus, the anarchy, fragmented structures of the "pluralist" state are quite conducive to the emergence of coordinated, effective, productive-noncommodified-production state policies. There is considerable evidence that at the present time in many advanced capitalist countries a profound contradiction exists between the historically evolved structures of the capitalist state and the kinds of policies that are rationally required by advanced capitalism. As Offe has argued (1972), much of the attempted rationalization and reorganization of state administrative structures should be interpreted as attempts to make effective production policies more likely. In the terms of our analysis, the capacity for the state to generate reproductive interventions may be contingent upon the existence of certain kinds of structures.
4. The relationship between the organization and content of political class struggle. Considerable Marxist theory has been devoted to this particular problem. In particular, Lenin's classic statement about the relationship between trade union organization and economic (i.e. commodified circulation) demands deals directly with the link between the nature of working class organizations and the content of class struggle. The link, however, operates in both directions: not only do certain kinds of organizations tend to generate certain kinds of demands, but certain kinds of demands tend to reinforce or undermine given kinds of organization. In particular, as we have argued, commodified-circulation demands make class-wide organization around the common conditions of the proletariat more difficult, whereas noncommodified-production demands facilitate class organization. Political class struggle as a dynamic historical force must always be treated as the consequence of the interaction of both organization and content, rather than being reduced to either.

5. The relationship between class struggle and the interaction of structure and policy. This is the conceptually most complex relationship among the categories of our analysis. Political class struggle—as the outcome of the interaction of organization and content—not only influences state structure and policy, but the very relationship between structure and policy. The capacity of a given state structure to generate reproductive policies itself depends upon the organization and content of working class struggles. The most rational and well-engineered state structure cannot guarantee rational policies for capital, since the state is always confronted by the potentiality of organized working class opposition. This does not mean that state structures can never function rationally (reproductively) in the interests of capital, but that such rational policy formation is historically contingent upon the nature of class struggle. A full exploration of political class struggle and the state must involve a careful theoretical and empirical investigation of each of these relationships. Furthermore, it is critical to explore the overall historical transformations of the entire system of relationships pictured in Chart 2. We have indicated one sequence of such transformation in our discussion of the contradictions inherent in commodified-circulation policies which push the state towards production policies (20). The analytic problem and promise remains to specify the potentiality of apparently reproductive political demands to ultimately generate progressively unproductive consequences. And on the other side to determine what, in the first flush, appear as unproductive demands yet result in the reproduction of capitalist power.

FOOTNOTES

1. We are grateful for the constructive and stimulating comments and criticisms of the Madison, Wisconsin Capitalist State Group, the Bay Area Capitalist Group and the Michigan Capitalist Group, as well as the individual help of Michael Aiken, Robin Blakney, Lila, Manuel Castells, Randall Collins, J. C. Christiaassen, David Gray, William Domhoff, David Gold, Eugene Harvey, Alex Hicks, Edwin Johnson, James O'Connor, Michael Schulman, and Maurice Zeitlin.

2. Since we are only dealing with that part of an author's work that deals with the state, and since we extract elements of their work to illustrate these perspectives, we realize that we do not do full justice to the theoretical and empirical complexities of their contribution to this underdeveloped subject. Thus we ignore the historical location and specific political intentions of the different analyses of the capitalist state.


4. Another example is Mandel's recent book, Der Spurkapitalismus. Mandel sees the state as occupying a relatively autonomous position vis-a-vis individual class actors in order to secure the continued hegemony of the capitalist class as a whole. This autonomy has, to Mandel, structural causes:

Capital cannot in terms of its own activities produce the social character of its existence; it needs to have a specific arrangement, which is not subordinated to its own (capital's) boundaries, which in this sense is a special arrangement (existing) beside and outside bourgeois society, and which never challenges capital, will simultaneously respond to the insatiable necessities of capital, which capital itself has created. (1972: 436)

The structure of the state is determined over and above the compositions of personnel and strong capital-agency interlocks. This is reflected in the hierarchical division of labor in state institutions which parallel the prevailing relations of production. The increasingly autonomous power of the state in turn corresponds to the increasing difficulties of unhindered capital reproduction, and therefore "autonomous power" is delegated to the state out of the objective interest commonalities of the capitalist class.

5. For Podolanski, people are "agents" of the social structure (1973: 207), and not conscious, existentially generative actors. Podolanski writes, "... political class struggle has nothing to do with ... processes acted by ... the class subject." (p. 77) Therefore it becomes impossible for this approach to specify the conditions under which the subjective insertion of capitalist class members or class members of it will coincide with the functions of the state.

6. We are indebted to Ralph Coates, Department of Sociology, University of Wisconsin, for this point.

7. For an extremely interesting critique of the instrumentalist perspective see Mollison (1973). For a discussion of various strands of structuralist and instrumentalist theories of the state which parallels our analysis, see Gold, Lo and Wright (1973).

8. This position conflicts with Martin, Strachey and others who have paid more attention to the empirical political aspects of the introduction of the welfare state.

9. In the U.S., black community movements have begun to realize the importance of structural change in the metropolis and city governments as vital to their ability to politically organize for more generalized political power and economic political power and effective political change. For example, May (1971) has described how a politically organized West Oakland community struggles not simply to assure community representation in programs affecting them, but to continue a new center of power with legitimate authority, coequal with the city council, to control all agencies related to their community. Not only the immediate political outcome but the capacity for future political organization, depends on the decision of whether to try to control existing state structures, or to reconstruct that apparatus.

10. In the four U.S. cities studied by Williams and Adrian, the median percentage of manual workers on the city council was 14%. Newton and Morris (1974) have pointed out that in Britain, where nationally integrated urban parties are organized around labor union support, manual workers and labor union leaders are much more likely to be elected to the council than in the U.S.
REFERENCES


Lipset, Seymour Martin, Political Man (Garden City: Doubleday, 1959).


Mandel, Ernst, Der Sparkapitalismus (Frankfurt am Main: Suhrkamp Verlag, 1972).

---

Saunders, J. *Contemporary Capitalism*, 1956.


---


Sturley, J. *Contemporary Capitalism*, 1956.


---

**THE INSURGENT SOCIOLOGIST**

A quarterly review of radical sociology, book reviews, research notes, and conference reports.

**RECENT ISSUES HAVE INCLUDED:**

ALTERNATIVES IN MARXIST THEORIES OF ACCUMULATION—Erik Wright

URBAN PROLETARIAN POLITICS IN CHILE—James Petras

THE LONG SHADOW OF WORK—Herb Gintis, Sam Bowles, Peter Meyer

CONTRADICTIONS OF CAPITALISM AS A WORLD SYSTEM—Fred Block

**ALSO AVAILABLE:**

NEW DIRECTIONS IN POWER STRUCTURE RESEARCH (244-page special issue)

Edited by G. William Domhoff $4.00

**SUBSCRIPTION RATES:**

$6.00 low income

$10.00 sustaining

$14.00 institutional

$15.00 back issues

**Insurgent Sociologist**

Department of Sociology

University of Oregon

Eugene, Oregon 97403