

CHAPTER 2

THE HISTORICAL EVOLUTION OF THE STATE

In studying the historical evolution of the state, our basic concern is to see how the forms of the appropriation of economic surplus change in time, given that the state plays a fundamental role in this process. I will also examine the historically changing relationship between the managing elite that governs, and the dominant class or classes. Another concern would be the growth of the state and its cyclical character, but this will be left for the next chapter.

Theoretically, members of the government belong to the dominant class, being both recruited from it and serving it. However, the bourgeoisie, and particularly the technobureaucracy, are recruited partly from the dominant class and partly from the lower classes. Social mobility for the bourgeoisie means entrepreneurship, for the technobureaucracy is the career. Both are instruments for the "circulation of the elites" theory proposed by Mosca and Pareto.

The evolution of the state is also the history of the democratization of nations. In this process, the state and civil society are democratized: the state, by the introduction of constitutional laws that formally and increasingly protect the citizens' rights; civil society, by the gradual adoption of equal economic and social relations among people. As a result, the governing elite and the dominant class are less and less identified with each other.

In this chapter I will study the pre-capitalist state, the absolutist state that prevailed in the transition to capitalism, the liberal state that corresponds to the state in competitive capitalism, and the regulating state of contemporary, technobureaucratic capitalism. I will keep clear the distinction between political regime and economic system. When I use the expression "pre-capitalist state", for instance, I am not using it as substitute for "pre-capitalism", but rather to refer to the type of state that existed in pre-capitalist social formations.

1. The Pre-capitalist State

In the pre-capitalist state, the identities of the dominant class and the managing elite were clear. Whether in the Asiatic mode of production, that exercised an extremely stable domination in all the great hydraulic civilizations, or in the slavery mode of production that is best exemplified by ancient Greece and Rome, the state's managing elite was completely confused with the dominant aristocratic class. The prince and his court, made up of the military, priests and some high officials, were all members of the dominant class.

In the Asiatic mode of production, all were directly or indirectly dependent on the state. Actually, the dominant class was a state-class, that derived not only its power, but also its income from the control of the state.⁶ The economic surplus was appropriated essentially through taxation. The role of dividing up the surplus between the members of the dominant class and the bureaucracy that supported it was completely in the hands of the state. The dominant class did not confuse itself with the bureaucracy, as it remained aristocratic and transmitted its power and privilege from father to son, legitimized by the patrimonial tradition, while the bureaucracy was recruited and acted according to rational criteria, which it hoped would be transformed into a merit system. Moreover, it should be noted that beginning in the first century B.C., China became an extreme case of bureaucratic dominion, with the nobility losing its importance and the dominant class tending to become confused with the high officials (Garcia Pelayo, 1974: 109-111). In any case, the governing elite and the dominant class became confused and mutually exhausted in the Asiatic mode of production.

Although the state's managing elite was recruited from the dominant class in the slavery, or ancient, mode of production, this class was broader. Its power was not only based in the state. The aristocracy was formed of owners of land and slaves, whose power was directly derived from the control of these means of production. Contrary to the Asiatic mode of production, in which property was still held communally, under the slavery mode of production property was held privately. Thus power was derived not only from controlling the state, but also from the ownership of land and slaves.

The state in slavery is more restricted or less encompassing than in the Asiatic mode. The distinction between the state and civil society, that is practically impossible to make in the hydraulic empires, starts to be possible in Greece and Rome. In Imperial Rome, there was a strong, well organized state, with a highly developed juridical order and the ability to tax. It was especially strong in comparison to the state during the feudal mode of production, that arose from the ruins of the Roman state. But it is less encompassing than the state of the Asiatic mode of production.

In the feudal mode of production, the state almost disappeared. The feudal lords set up small estates in their fiefs, while also trying to define a central political authority. However, whether we look at an analysis of the incipient

⁶ - In the words of Marx: "In most Asiatic fundamental forms it is quite compatible with the fact that the all-embracing unity which stands above all these small common bodies may appear as the higher or sole proprietor". (1857: 69)

state apparatus found under feudalism, or at the central political unit that eventually emerged, it is possible to verify the weakness of the feudal state. The king or emperor was simply a more powerful feudal lord. The state elite was confused with the dominant aristocracy. But it was smaller than the dominant class, as many of the feudal lords remained aloof from the central power.

In all of the pre-capitalist states, there was always a corp of officials around the prince. Max Weber made a very careful study of them, calling them "patrimonial officials", in order to distinguish them from the bureaucratic officials. They carried out administrative functions in the patrimonial domination that, for Weber, together with the broader category of patriarchal domination, covered all the pre-capitalist formations. Patrimonial domination corresponds to the patrimonial state, in which the prince, his court and the officials exercise power and appropriate the economic surplus for themselves based on traditional norms. In Weber's words:

...a typical feature of the patrimonial state in the sphere of law-making is the juxtaposition of inviolable traditional prescription and completely arbitrary decision-making (Kabinettsjustiz), the latter serving as a substitute for a regime of rational rules. (1922: 1041)

In the pre-capitalist state, therefore, there is a corp of officials alongside the aristocracy. However, it is a very small group, completely dependent on the lord. While the bureaucratic officials in the capitalist system derive their power from a system of rational norms, the pre-capitalist official's power was mainly legitimized by the patriarchal power of the prince. The bureaucratic official of competitive capitalism and the liberal state had a certain degree of autonomy, based on legal rational power and on the assumption of technical competence, while the pre-capitalist official's dependency on the lord was personal and much broader.⁷

The main concern of Machiavelli, the first modern political scientist, was to strengthen the power of the prince and therefore the power of the state. Faced with an Italy that was divided into fiefs and conquered by foreign princes, Machiavelli wrote *The Prince* to show how a prince should rule, how he should base his state on "good laws and good arms", how he should, by all means, "gain and conserve the state," because, according to him, Italy was waiting for the prince who would heal her wounds caused by foreign invaders (1513). Although Machiavelli wrote about the Italian experience, he was a witness to the debility

⁷ Weber states: "In contrast to bureaucracy, therefore, the position of the patrimonial official derives from his purely personal submission to the ruler..." (1922: 1030).

of the feudal state and a herald of the modern state, that was then structured along the lines of absolutism.

2. The Absolutist State

The modern state arose from the dissolution of the feudal system, as mercantile or commercial capitalism grew in importance and strengthened the central power of the king, transformed into an absolute monarch. The absolutist state was both the last traditional, pre-capitalist state and the first bourgeois state. The dominant aristocratic class was divided by contradictory interests. Its most important faction, that developed around the king, did not have enough power to govern alone and to impose itself on the other faction of the aristocracy, shut away in their fiefs. Therefore, it allied itself with the emerging mercantile bourgeoisie, to make up the first form of the modern national state: the absolutist state. This was the result of the first social and political pact of modern times, in which a fraction of the dominant class allied itself with a new ascending class in order to be able to exercise political domination. The political elite was still recruited almost exclusively from the aristocracy, but from then on the aristocracy and the bourgeoisie, both forming civil society, constituted a much broader social and economic system than the governing elite. Civil society could no longer be identified with the governing elite. The clear distinction that then appeared resulted in the appearance of liberalism as an effective solution to the political problems of society. The state regained power, but the civil society also was strengthened, as its power was based on the economic and social power of the landlords and of the merchants. Liberalism established the relations between the state and civil society.

During this period, when the market had not yet fully developed, the absolutist or mercantile state played a fundamental economic role: it was the basic instrument of what Marx called "primitive accumulation"⁸ - the original capital accumulation which would then serve as the base for capitalist accumulation proper, that is, for the realization of profits through the mechanism of surplus value. Economic surplus in pre-capitalist societies was destined for the consumption of luxuries, for the construction of temples and palaces, and for war. Only part of it was eventually used for productive activities, such as changing the course of rivers and other hydraulic projects. A process of primitive accumulation began with the commercial revolution. As the bourgeoisie were not yet able to appropriate the surplus through the normal

⁸ See Capital, Book I, Chapter XXIV.

mechanisms of the market - through the extraction of surplus value by hiring salaried labor - it used different forms of violence to appropriate the surplus and accumulate it in stocks of merchandise, arsenals, means of transportation and, finally, manufactured goods. At the same time that the mercantile absolutist state created conditions for the bourgeois revolution that occurred first in England and France, it was the paramount instrument in this process of accumulation. It guaranteed the aristocracy and bourgeoisie their violent appropriation of the land of the peasants and of the Catholic church. Its tools were direct state power, piracy, commercial monopolies and the exploitation of the colonies.

Max Weber also emphasized the fundamental role of the state in the formation of capitalism. The very concept of the national bourgeoisie arose, according to him, from the alliance of the bourgeois with the European absolutist state:

The state, as a rational state, is only found in the Occident. The constant battle of the national states vying for power, whether peaceful or by war, created great opportunities for modern occidental capitalism... From the necessary coalition between the national state and capital arose the national bourgeoisie - bourgeoisie in the modern sense of the word. As a result, it is the national state that provides capitalism with its chances to survive. (1923: 1047).

The absolutist mercantile state was the state of the commercial revolution. In the countries where the industrial revolution occurred, especially in England and France, it was also the state of the agricultural revolution, that is, of the introduction of commercial practices and techniques in agriculture. The association of the bourgeoisie with the aristocracy in order to exploit the land in capitalist patterns, under the aegis of the absolutist mercantile state, was an essential conditions for the industrial revolution and for the emergence of the liberal state.

3. Capitalism and Market Appropriation of Surplus

With the industrial revolution, the bourgeoisie definitely became the new dominant class. The main goal of the liberal capitalist state that was then established was to guarantee the appropriation of the surplus for the bourgeoisie through the market. Capitalism is the mode of production in which capital appears as the basic relation of production, i.e., in which the means of production are separate from the workers and privately appropriated by the bourgeoisie. It is the mode of production in which merchandise was generalized. All goods were transformed into merchandise, including labor. It is a mode of production in which the surplus is not appropriated with the direct use of force,

based on the power of the state, as in the pre-capitalist modes of production, but rather through the market, through the mechanism of surplus value.

In the Asiatic mode of production, surplus was directly appropriated through taxes; in the ancient mode, through slavery; in the feudal, through the *corvée* to which the serfs were submitted; in mercantile capitalism, through the various forms of primitive accumulation; and in capitalism, there is the appropriation of surplus in the market. Once primitive accumulation took place, once an initial or basic capital was accumulated in the hands of the bourgeoisie, it was possible for the new business class to not use direct force to appropriate the surplus. Instead, it used the mechanism of surplus value, that Marx so brilliantly discovered, to appropriate the surplus according to the laws of the market.

Surplus value is appropriated by the capitalists through the exchange of goods and services according to their respective values. If the value of all merchandise corresponds to the amount of labor socially necessary to produce it, and if labor under capitalism is merchandise like any other, then the laws of the market indicate that labor should be paid for in accordance to the cost of its social reproduction. All that a capitalist needs to do is to choose to produce goods that have an amount of labor incorporated in them greater than the respective wages he is supposed to pay. Thus he is able to appropriate surplus value whereby paying for everything he used in production, particularly for labor, exactly according to their respective values. In this way, the capitalist, based on the ownership of the means of production and on the reduction of the workers to the condition of wage laborers, appropriates the surplus value in the form of profits. All the exchanges are carried out in the market. Direct violence to appropriate the surplus, using the power of the state, becomes unnecessary.

This absolutely does not mean that violence is not essential to capitalism. As with any other antagonistic mode of production, violence, the state's virtual power of coercion, continues to be a base of the system. However, now the violence does not need to be used directly to appropriate the surplus. Force is still used directly in the process of primitive accumulation. But beginning with the industrial revolution and the generalization of wage labor, the basic economic function of the state is concentrated on guaranteeing that labor is considered as merchandise, fulfilling its economic and police functions at the same time. Once this is assured, by either coercive means or by ideological persuasion, the state theoretically no longer has economic functions.

4. The Liberal Capitalist State

Thus the liberal capitalist state arose. It arose with the emergence of competitive industrial capitalism, that took the place of mercantile capitalism. The liberal state was a non-interventionist state, a laissez faire state. Freedom of trade, the gold standard, the automatic creation of money and economic competition were the basic tenets of a self-regulating market economy. The state did not disappear. We have already seen that the emergence of the national states were the result of the alliance of the bourgeoisie with the state. There is no bourgeoisie as a social class separated from the state if there is no strong but small state to guarantee the whole political and economic system. In competitive capitalism, the liberal state had reduced economic functions, but they were of crucial importance.

The liberal state establishes the general underlying conditions for the functioning of the whole economy. It protects property, regulates the market, guarantees the stability of the national currency, and produces the public goods that cannot be produced privately. Capitalism in its pure, competitive form, as it appears in England in the nineteenth century, after the Industrial Revolution, is a market system, but a system in which the state plays an essential part. Capitalism is not only, as many neo-liberals seem to believe, the totality of capitalist firms coordinated by the market; it is the totality of business firms coordinated by the market and regulated by the state.

The liberal state was the state of individualism, the state based on the belief that if each one defends his or her own interests, the general interest will automatically be defended. Over all, it was the state of the bourgeoisie, in which the entrepreneurial class assumed power, and for more than a century, at least until World War I, ruled uncontested. It was a strong but small state, with no major economic functions, limited to police function related to internal order and external war.

For the first time in history the political regime could be relatively democratic, without risking the position of the dominant class.⁹ Since the state was not directly responsible for the appropriation of the surplus, the eventual electoral victory of reformist political parties, even of a socialist orientation, did not jeopardize the system. Civil society greatly transcended the state. Only a small part of the bourgeoisie had direct duties in the state. Its power originated

⁹ As Barrington Moore noted: "...we may simply register strong agreement with the Marxist theses that a vigorous and independent class of town dwellers has been an indispensable element in the growth of parliamentary democracy. No bourgeois, no democracy" (1966: 418).

in capital, in the control of the business enterprise, not in the state. A limited form of democracy was now essential to define the rules of access to political power for the members of the large dominant classes organized into civil society. The eventual victory of a leftist party in the elections would only be dangerous for civil society if the winning party was so radical as to directly threaten the capitalist economic system. Thus, only a political party with these characteristics and with real possibilities for victory would be vetoed. Given the ideological hegemony of the dominant class, a radical party with electoral possibilities is usually unlikely. Only in moments of deep economic and political crisis may radical parties have a chance for political victory. Thus the liberal state tended to increasingly be a democratic state.

In the liberal state the role of the professional politician appears for the first time in history. Max Weber (1921: 92-93) finds several types of professional politicians before the rise of the modern rational state, but the clear definition of politics as a profession only takes place with the rise of the national capitalist state. The professional political elite in the liberal capitalist state, as opposed to that of the pre-capitalist modes of production, was neither directly recruited from, nor necessarily confused with, the dominant class. The professional politicians hold an intermediary position. They are not necessarily either capitalists or bureaucrats. They attain political power and temporarily become a salaried civil servants winning elections. In the liberal state, professional politicians were mostly recruited among the bourgeoisie itself, from among the liberal professions and the industrial, financial and commercial businessmen. They did not become completely confused with the bourgeoisie because they did not necessarily own means of production.

The liberal capitalist state served the capitalist class through professional politicians. Together with the bureaucratic officials, and in a more deliberate way, they tried to assume an intermediary role between classes. However, in the times of the liberal state, both the politicians and the bureaucrats were still too inarticulate to be able to successfully carry out this intermediary function. The power base of the politicians was an electoral system in which success depended on economic power. Actually, the politicians, either because of their links to the bourgeoisie or because of their instability and lack of economic base that is inherent to their function, were never able to become independent from the dominant bourgeois class. In turn, because the few bureaucrats who existed during the liberal state worked in a state that was small in comparison to civil society, they were unable to constitute themselves into a social class, or to define politically significant interests for themselves. The bourgeoisie held sovereign rule during competitive capitalism and the liberal state.