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## The State, Hegemony, and Transnational Classes

Marx and Engels were polyglots who wrote about everything under the sun, but their most elaborate theoretical work focused on the critique of naturalised economics *à la* Smith and Ricardo. In the hands of their successors (especially in political parties committed to *applying* Marxist theory), this as we saw led to economism, seeing the economy as the causal factor in everything else. As a result, the elements of a theory of *politics* in Marx and Engels tended to become either *voluntaristic* (agents are assumed to be free from economic constraints in making choices, or in our terminology, subjectivist), or *deterministic* (determined by economic forces, structuralist/objectivist). Marx's contribution however, lay in transcending this divide. Historical materialism combines the insights of

- naturalistic materialism (humanity emerges as a force of nature and remains tied to this origin) and
- historical idealism (humanity develops a historical-spiritual world of its own making).

In addition to the theories discussed in the last chapter, therefore, a range of attempts was undertaken to develop theories of politics, of the state, and of class struggle and class formation. These theories typically were the

work of writers outside or on the margins of Marxist political parties. Why this was so, remains to be investigated; but it is perhaps not too far-fetched to assume that the leaders of Marxist parties and party-states were not the first to question their own role. Neither the German or Austrian, nor the Russian Social Democrat and later Communist leaderships were much inclined to credit their working class following with practical initiative; the economy followed a necessary path, and the Party knew this and would guide the proletariat to victory. After the international isolation of the Russian Revolution, Stalinism crafted the combination of materialist, economic determinism and conspiratorial, political voluntarism, into a caricature of Marxism ('Marxism-Leninism').

In this chapter we look first at the elaboration of theories of the capitalist state, next at the legacy of Gramsci and its subsequent elaboration in GPE (neo-Gramscianism), and finally, at theories of transnational classes.

## 1. THEORIES OF THE CAPITALIST STATE

All GPE theories include, implicitly or explicitly, a theory of the state. The neo-Weberian *state-as-actor* is often the silent assumption of IPE/GPE theories; it is also the cornerstone of IR Realism, and for that matter, of practically all IR theory. To the extent the Marxist tradition produced a theory of the (modern) state, it tended to be argued in terms of its relation to the capitalist mode of production. But as Adam Przeworski writes, 'Much of what passes for Marxist theory of the state is in fact a state theory of capitalist reproduction, that is, a theory that explains the reproduction of capitalist relations in terms of the role played by the state' (quoted in Bratsis, 2006: 1n-2n). Let us see how this evolved.

### State Theories of the Marxist Classics

The most-quoted definition of the modern state given by Marx and Engels is an instrumentalist one, as in the phrase in the *Communist Manifesto* concerning the state as a committee that manages the day-to-day concerns of the bourgeoisie. This however was obviously a propagandistic statement because there are, already in the early writings, many analyses that point to a more sophisticated understanding.

Marx's remarks about the coming of the modern state are an example. The modern state, he argues, abolishes the autonomies of the ethnic or religious communities, or otherwise corporate entities of which society is made up. Once this transformation has been achieved, these entities, or the 'natural powers' as he calls them, lose the capacity to 'reach agreement with the state' as if they were sovereign entities themselves; only as 'spiritual powers, resurrected at the level of the state, in their political reincarnation, the natural powers are entitled to vote in the state' (*MEW Ergänzungsband*, 1: 419). Political parties from this perspective, are the spiritualised form of communal interests—tribe, caste, religious denomination, class—and the state, by implication, is a spiritual sphere. This of course is still very much a Hegelian notion.

**LENIN** (Vladimir Ilyitch Ulyanov, 1870-1924) in his notebooks on the topic calls the state a 'bureaucratic and military machinery' (Lenin, 1975: 12) (cf. [Lenin Archive](#))



When the chances of seizing power in Russia seemed to come nearer, he approached the issue of the state from different, sometimes contradictory angles. In *The State and Revolution* of early 1917, Lenin adopts an almost anarchist position, claiming that the revolution would have to 'smash' the state, destroy it; this was consonant with the idea of putting in place a rival structure of power anchored in councils (*soviets*) of workers, peasants, and soldiers. It harked back to the notion of Marx and Engels that the state in socialism would 'whither away'.

Later in the year, however, in *The Impending Catastrophe and How to Combat It* (written just before the seizure of power), he claimed that state control of the economy for war purposes on the contrary had created 'the complete *material* preparation for socialism, the *threshold* of socialism' (*Coll. Works*, 25: 363). In other words, capitalist development itself produces an

insertion of the state into socialised labour processes; this only leaves the task of removing the capitalist shell, and the planned economy was in place. This pamphlet became the basis for the theory of state monopoly capitalism, which as we saw in Chapter 6, is one of the sources of Regulation theory.

In practice, it turned out that the inherited state of tsarist Russia was not ready for a progressive departure at all. In November 1922, Lenin claimed that 'our machinery of state... is inflated to far more than twice the size we need, and often works not for us, but against us' (*Coll. Works*, 33: 394-5). 'To reorganise our machinery of state, which is utterly useless, and which we took over in its entirety from the preceding epoch' was now considered one of the most urgent tasks (*Ibid.*, 33: 474). The only part of the state apparatus that had changed, was the People's Commissariat (ministry) of Foreign Affairs and only because the Party had taken direct control, amalgamated itself with that Commissariat, right from the start (*Coll. Works*, 33: 481, 495).

This was important because, as Lenin had observed before,

We are living not merely in a state, but in a system of states, and it is inconceivable for the Soviet Republic to exist alongside of the imperialist states for any length of time... There will have to be a series of frightful collisions between the Soviet Republic and the bourgeois states. If the ruling class, the proletariat, wants to hold power, it must, therefore, prove its ability to do so by its military organisation (*Coll. Works*, 29: 153).

In one respect this was a 'realist' turn, recognising the multiplicity of sovereign entities. In contrast to IR Realism, however, note that the state is seen as being controlled by the ruling class holding power – a return to the original, instrumentalist Marxist position. Whether the proletariat really ruled the Soviet state, or whether (in line with Lenin's original idea of the vanguard party which alone can instil revolutionary consciousness into the working class), the ruling class was a state class of cadres pursuing a state socialist policy, is another matter.

With Nikos Poulantzas, this instrumentalism was abandoned, at least to a degree.

### Poulantzas and Relative Autonomy

The origins of the particular interpretation of Poulantzas' Marxism are to be found in the work of Louis [Althusser](#). Althusser rejects the connection between Hegel and Marx and instead wants to 'read *Capital*' in a purely materialist light again. Ideational claims such as commodity fetishism, are entirely dismissed. Althusser postulates an epistemological rupture between the premature, 'ideological' Marx and the mature Marx of *Capital*, the man of science. 'Theory' is also material practice ([cf. text](#)).

The young Marx according to Althusser still stressed 'pre-Marxist' aspirations concerning the realisation of an innate humanity; the mature Marx (from 1847-'48) on the other hand became 'scientific' by organising his thinking around the concept of *mode of production*. A mode of production, then, defines the different classes that form in its context (they constitute 'class effects' of the mode of production); these classes are *objectively* locked in struggle—never mind their 'aspirations'. Obviously this again raises all the issues of how (if reality is objectively rational and obeys its own laws), humans can open it up and change it—the issues raised by Marx in the *Theses on Feuerbach* (Althusser incidentally was the French translator of Feuerbach's *Essence of Christianity*).

This is solved by Althusser in the spirit of the philosopher and psychoanalyst, [Gaston Bachelard](#). Bachelard claims that the 'object' must be observed in an 'ironic' way, after one has distanced oneself from it ([cf. Bachelard quoted in Bratsis, 2006: 7](#)). Whether this is enough to solve the dilemmas of the 'Theses on Feuerbach', is a different matter. It certainly has influenced the language used in this tradition and lent it a particularly complex, sometimes convoluted quality.

Class struggle according to Althusser evolves on three levels: in the economy, in politics, and in the sphere of ideology. The economy *over-determines* (or in a phrase of Engels, 'determines in the final instance'; 'over-determination' originally comes from Freud) the constellation as a whole. *The economy (over-) determines which level is the determinant of the others in a given type of society*. In feudalism, politics and ideology determine the other levels, whereas in capitalism, it is the economy. All

this is itself (over-) determined by the economy (so the economy determines that the economy is dominant in capitalism, politics/ideology in feudalism). Revolutions occur when the proletariat is victorious in its class struggles at all three levels at the same time (Althusser, 1975, 1977).

Nicos POULANTZAS (1936-'79) takes this scheme as his starting point to analyse the organisation of political power in capitalism (centrally, the state) that also draws on Gramsci (cf. below).



In the view of Poulantzas, successive modes of production develop over time, enfolding prior ones into ever-more complex combinations. So in capitalism, in addition to the capitalist and the working classes, there are petty bourgeois elements (small farmers, shopkeepers) carried over from petty commodity exchange, remnants of the aristocracy, and so on; these constitute (as do the main capitalist classes internally) *class fractions*, lending a social formation its unique complexity by comprising,

an entire series of phenomena of fractioning of classes, dissolution of classes, fusion of classes..., specific categories, etc. These cannot always be located by an investigation of the pure modes of production that have entered into the combination (Poulantzas, 1971, 1: 72).

In the state, the specific balance of forces of the given social formation achieves its most pointed expression. *The state is not itself an actor*; it is the terrain on which the classes encounter each other in the struggle for political power, which may result in a dominant power bloc (coalition of classes and class fractions) holding others at bay, or, if the main opposing classes hold each other in balance, may temporarily acquire a quality of its own as a *Bonapartist* or Fascist dictatorship. As Poulantzas puts it, in obvious contrast with the claims made by Lenin and the theory of state monopoly capitalism,

The state is neither a thing—instrument that may be taken away, nor a fortress that may be penetrated by a wooden horse, nor yet a safe that may be cracked by burglary: it is the heart of the exercise of political power (quoted in Palan, 1992: 23).

Hence the state is not the committee managing day-to-day affairs of the bourgeoisie (the instrumentalist understanding), but the place where the bourgeoisie will have to deal with all other political and social forces, assuming that it is the bourgeoisie which hold the central ground to begin with. As a result the state, even a through and through bourgeois state, enjoys a *relative autonomy* – not from society, as the neo-Weberian position maintains, but only from the separate classes and fractions of classes individually. It is that margin of freedom which gives the state the semblance of being an autonomous agent.

In *Political Power and Social Classes*, Poulantzas still understands this relative autonomy as being over-determined by the multiple connections (embodied by classes and fractions of classes) between the state and society. In *State, Power, Socialism* he moves on to the notion of a *condensation of class relations in the state*. Thus the state becomes a social relation in its own right (Bratsis, 2006: 18).

As capitalist relations develop through the transnational socialisation of labour (cf. Chapter 8), the separate states become relays of dominant capital. 'The states themselves assume responsibility for the interests of the dominant imperialist capital in its extended development actually within the "national" formation' (Poulantzas, 2008: 245). In the article (originally of 1973) on the 'Internationalization of capitalist relations and the nation-state', Poulantzas claims that this phenomenon explains why 'Europe' (the integrated Europe, today's EU) cannot (or could not at the time) become a real rival of the United States; this is so because it must, in order to compete, *internalise* the power relations and technical organisation of production developed by the dominant US capitals operating in Europe. In *adjusting its own society to the needs of transnational capital* (today we would perhaps not single out US capital any longer), it disorganises its own internal class and productive structure.

The capital that transgresses ...national limits does indeed have recourse to the national states, not only to its own state of origin but also to other states. This produces a complex distribution of the role of the states in the international reproduction of capital under the dominance of American capital. This distribution can have as effects off-centrings and displacements in the exercise of these functions *among their supports*, which remain essentially the national states (Poulantzas, 2008: 253).

Bob Jessop, building on Poulantzas' work, sees the capitalist class as pursuing 'accumulation strategies' which combine with a given 'hegemonic project' developed at the level of the state (Jessop, 1983). In *State Theory* of 1990, Jessop claims that 'the state as a social relation can be analysed as the site, generator, and product of strategies' (quoted in Bratsis, 2006: 19). The state is not autonomous in developing strategies, but adheres to a *strategic selectivity* which makes it more open to some demands than to others.

In the debates on imperialism in the early 20<sup>th</sup> century discussed in Chapter 8, there is of course also a state theory – but this is in large part the theory of the *Communist Manifesto*: the state acts as an executive of the capitalist class. How the multiplicity of states, the state 'system', relates to capitalism, remains a contentious issue. Either the state system supposed by IR Realism is seen (Rosenberg, 1994) as *functionally complementing* the operation of capital; just as prior forms of the extraction of surplus produced their own forms of international relations, capitalism (which relies on the apparent separation of the political and economic spheres, is best served by a world order that apparently is anarchic, a political system in its own right. Or, it has been argued (by Teschke 2003, H. Lacher, and others) capital developed in the context of a state system that had emerged as the result of a historical process unrelated to capitalist development, and which simple was in place (in Europe at least) when capitalist relations crystallised, first in England. Once a new type of state emerged after the Civil War on the British Isles, this allowed the English/British government to 'play' the existing, continental dynastic system by 'active balancing'.

## 2. GRAMSCI AND NEO-GRAMSCIANISM

One of the sources of inspiration of Poulantzas, Jessop, and others, is the work of Antonio GRAMSCI (1891-1937), a leader of the Italian socialists in the revolutionary struggles at the close of World War One. He died after an exhausting spell as a political prisoner of Mussolini's Fascists, managing nevertheless to write notes in which he analysed the defeat of



the socialist revolution in developed capitalist society and which were smuggled out of his cell (see [Gramsci Archive](#)).



Gramsci centrally raises the question *why the revolution that had succeeded in Russia, failed in Italy* (and in other countries in Western Europe) in spite of its higher level of development and better organised working class. In the *Prison Notebooks*, he develops an analysis of the nature of the state in its relation to society, and how a communist party can gain power in other ways than by seizing it. In the neo-Gramscian strand of GPE, this revolutionary aspect has receded into a more muted progressive position, but the conceptual elements have been retained: state and civil society, hegemony, and the role of intellectuals.

### **Machiavellian Antecedents**

The intellectual source Gramsci himself draws on to develop an answer to the question why the revolution had failed outside Russia is the *neo-Machiavellian* thinking as it crystallised around the turn of the twentieth century in Italy.

Compared to the United States, which developed as a capitalist society from the start, the capitalist mode of production in continental Europe was less developed. In the US, factory owners would themselves shape tactics in dealing with the working class; shifting, according to circumstances, between a regime of harsh exploitation and violence against workers, to one of concessions and compromise. The European ruling class on the other hand was an amalgam of pre-capitalist elements (aristocracy, state personnel and clergy) and bourgeois elements (factory owners, merchants, lawyers etc.). Hence in Europe, *politics* was the terrain on which the challenge of the labour movement was to be met. Because of the many retrograde elements in the ruling classes, there was also a lingering,

romantic rejection of mass society, a belief that it was still possible to go back to a pre-industrial, aristocratic age.

In this context the Renaissance was reinterpreted as the defining age of proper humanity. Leonardo da Vinci and Michelangelo, great geniuses no doubt, were idealised all out of proportion as representatives of 'universal man', super-humans. These were seen by conservatives such as Jacob Burckhardt, the historian of Renaissance Italy, as the type of personality threatened with extinction in the advancing age of mass industrialisation and urbanised society. Richard Wagner, with his operas celebrating dauntless heroes inspired by the mythical Germanic past, Nietzsche (cf. Chapter 10), and others in this era all shared this reactionary (backward-looking) longing for a pre-industrial existence.

In Italy, a parallel preoccupation with the Renaissance revived interest in Machiavelli. But the *neo-Machiavellians* (or *Elitists*) were not swooning



romantics. They dealt with the practical question, *How the ruling class can mobilise (parts of) the new middle classes in an alliance against the workers.*

The neo-Machiavellians included Vilfredo Pareto (1848-1923; cf. *Mind and Society*, fragment); the Italianised German, Robert(o) Michels (1876-1936); and in France, Georges Sorel (1847-1922). Sorel would have great influence on Gramsci, as would the godfather of this strand, Gaetano MOSCA (1858-1941, pictured).

The view of Machiavelli as a technician of power served as the starting point. Mosca's chief work, translated into English as *The Ruling Class*, was actually entitled *Elements of Political Science* in the original. In Mosca's view, the masses may be the numerical majority, but they lack the capacity to develop an integral world-view adequate to the task of governing society. The new middle class of technical and managerial cadre, on the other hand, can achieve just that—if properly organised and guided. This guidance is shaped through what Mosca terms a *political formula*, constructed around theories and ethical concepts that will make rule acceptable to a much broader part of the population. It rests on a 'social

type', which may be a nation or any other 'imagined community' such as a religion or a civilisation; and which serves to coordinate a multiplicity of wills and aims, and to achieve common ends (Livingston in Mosca, 1939: xv, xxix). Once a social type is formed, it functions as 'a crucible that fuses all individuals who enter it into a single alloy' (Mosca, 1939: 72-3). Even so,

Political formulas are [not] mere quackeries aptly invented to trick the masses into obedience... The truth is that they answer a real need in man's social nature; and this need, so universally felt, of governing and knowing that one is governed not on the basis of mere material and intellectual force, but on the basis of a moral principle, has beyond any doubt a practical and a real importance (Mosca, 1939: 71).

Mosca then asks whether 'a society can hold together without one of these "great superstitions" – whether a universal illusion is not a social force that contributes powerfully to consolidating political organization and unifying peoples or even whole civilizations' (Ibid.), and this sets the task of political science. Only by discovering composite elements of the 'social type' (nation, religion, language, interests...), can the adequate political formula be constructed. This is not entirely an ideological operation either. In a striking anticipation of Gramsci's notion of the social foundations of hegemony, Mosca proposes to account for the stability of a regime by looking at the ratio between the number and strength of the social forces that it controls or conciliates, and thus represents; and the number and strength of the social forces that it fails to represent and faces as adversaries. Those periods of history are the most benevolent and productive, in which law, habit, custom, and morals combine to create a legally entrenched system of balanced social relations (Livingston in Mosca, 1939: xix-xx).

The neo-Machiavellians provide all the elements we also find in Gramsci, who speaks of popular 'common sense' and folkloric beliefs on the one hand, and the technical division of labour and the socialisation of labour, on the other. The possibility of creating comprehensive formulas which reach beyond the mechanistic addition of immediate interests, is given by this heterogeneity. Pareto speaks of two strands in collective thought: one is made up of the *residues*, the basic instincts; the other, the *derivations*, are rationalisations guided by emotions. In para. 1868 of his *Trattato*, he writes:

The feelings which express themselves in derivations that transcend experience and reality, have great effect as motive forces to action. This fact explains' [Pareto continues] 'the origin of a phenomenon that Georges Sorel has observed and highlighted very well: Social doctrines that have great effectiveness (especially the emotions that are expressed in them) assume the form of *myths* (quoted in Deppe, 1999: 197, emphasis added).

Sorel however goes beyond the individualistic, mathematised economics on which Pareto's sociology is premised. The Sorelian 'myth' is not a synthesis of consumer preferences, but an autonomous, social-psychological force.

'In Sorel's psychology,' Augelli and Murphy write, 'moments of real decision—moments at which the self is grasped (and, in being grasped, is transformed)—create people anew.'

They give time an arrow, changing the way judgements will be made from that point forward—even the petty, incomplete rationalist judgements we make when acting as an "economic man". In that way, effective social myths, those that become the basis for collective action, make history. Therefore, they require us to understand human action historically and not as the consequence of recurrent, essentially similar, a-historical individual rational choices (Augelli and Murphy, 1997: 27).

The neo-Machiavellians did just that. They wrote in the context of the turn-of-the-20<sup>th</sup>-century decline of the old notables and petty bourgeoisie, and the rise of the new cadre of managers, technicians and professionals. They devised a theory from which politicians crafted a 'mythology' that revolved around notions of rebirth and struggle, a romanticised politics based on an 'aestheticisation' of reality. To mobilise the masses, reality is not at all conceived realistically, but by way of aesthetics, an imaginary in which beauty and passion are prominent. This may result in gloomy visions of a final demise (a decline of civilisation, as in Oswald Spengler's *Die Untergang des Abendlandes*), or just the idea that there is no point in developing optimistic notions about world order. *War* in these visions becomes a heroic liberation from false pretence, lies and cowardice. This was the collective mood in which Fascism took hold. Its weaker version was the cold war 'realism' of Niebuhr, Kennan and Morgenthau (Deppe, 1999: 216).

Huntington's 'Clash of Civilisations' thesis (of a world-historic contest between Western Christianity, Islam, Confucianism etc.) is a contemporary example of an aestheticised politics. It serves the need of mobilising a cadre by providing them with a heroic framework in which to conceive of their actions, and on that basis mobilise a mass following for war and far-away intervention in the current circumstances.

The neo-Machiavellian elitists, then, produced the following components of a new political science:

- Politics is concerned solely with conquering and keeping *power*;
- The actual ruling class is too small, too few in numbers, to do this on its own;
- therefore must mobilise a *cadre* from among the middle classes, especially the new middle classes, as allies, to organise the stability and flexibility of the power of the existing order;
- To this end, it relies on 'political formulas', or comprehensive programmes with a propagandistic capacity for capturing large audiences, to be developed again by elites recruited from its middle class allies especially. This latter component involves developing the 'aesthetic dimension' of politics, bring in emotionally powerful elements such as the nation, war, etc.

Now if one looks at Gramsci's theories of politics, the continuity transpires clearly in spite of the diametrically opposite political thrust.

### **Gramsci's Theory of Historic Blocs and Hegemony**

Gramsci's answer to the question, Why did the Russian revolution succeed and the Western European attempts fail, was built around two interpretations of how state and society are related (cf. [Morton](#), 2007).

In *Russia*, the state was everything, and society was weakly developed as an autonomous sphere of social self-organisation. Apart from the church and the army, the vast majority of Russians were peasants living in isolated villages on the land. A revolutionary party strongly entrenched in the pockets of advanced industry, could therefore, by conquering the state, gain control over the levers of power directly, by what Gramsci calls a 'war of movement' or 'war of manoeuvre' – *Blitzkrieg*.

In *Western Europe*, on the other hand, *civil society* was highly developed and diverse. Associations of all kind, in culture and sports, trade unions and employers' organisations, charities, and in what he calls *political society*, actual political parties, organised millions and millions in areas not yet directly part of the state in the narrow sense. Whereas the state represents *coercion*, the force backing up power, civil society on the contrary is the sphere of *consent*, because of a free trade union or a music club one is always a voluntary member.

The modern state, therefore, in Gramsci's opinion should be understood as the *extended state*, *state plus civil society*. This is symbolised by Machiavelli's image of the centaur, the mythical half-man, half-horse: the human part representing ideological power, consent, the animal, the element of physical power, coercion. A strategy of conquering power in modern society should therefore be based on a protracted 'war of position', trench warfare; advancing by one trench at a time. This is a struggle which necessarily builds on advances in the sphere of ideological consent, in civil society; if it eventually secures victory, it does so by first achieving *hegemony* in civil society (which is then translated into state power).

Gramsci replicates the analysis of the neo-Machiavellians, albeit enriched with his reading of Marx and commitment to the struggles of the working classes, by elaborating comparable elements:

- The revolutionary working class is too small to conquer power on its own in an extended state;

- It therefore must build an alliance, or *historic bloc* of forces, in which other classes, too, are drawn into the same formations as those of the working class;
- To do so, it must especially win the allegiance of (middle class) intellectuals, through the propagation, by its own thinkers, of certain comprehensive formulas which will shift the political and cultural hegemony of the ruling class bloc to that of the working class;
- Only a party which unifies all these forces and functions, can hope to become a new 'Prince' (the reference is to Machiavelli's famous tract) and conquer power.

An important part of the Prison Notebooks are Gramsci's notes on 'Americanism and [Fordism](#)' in which he describes the social and political effects of the Fordist (after Henry Ford) assembly-line production on the workers, the need to balance out the requirements of intensive, nerve-wrecking work on the conveyor belt with the organisation of workers' lives, the surveillance of how they spend their income, their leisure time, etc.

In Gramsci's view, what is required for Fordism to function is a return to the original peasant ascetics—early to rise, no frills. This would mean a break with the heavy physical work of dockworkers etc. This would end drinking binges on pay day (the workers' culture of early industrialised England has remained with us in this respect). Excessive indulgence, then, would undermine the more precision-led and carefully timed type of work on the conveyor belt. Hence the move of Ford, later replicated by capital at large, towards total control of production *and* re-production.

But Gramsci also asks, What would happen if this comes to Europe? Will it bring a form of socialism organised by capitalists? Will the European class structure change by getting rid of all the sediments of past modes of production, the 'pensioners of economic history' one does not find in America where 'hegemony grows directly in the factory'—?

### Robert Cox and the Neo-Gramscians

[Robert Cox](#) (b. 1926) in the early 1980s established the strand of thought that we now call neo-Gramscian by re-reading Gramsci to understand his own experiences as a research director at the ILO in Geneva. This he felt enabled an understanding of the true nature of the power of the capitalist West in the world. This power rests not just on the preponderance of the United States as a state (the element of coercion), but on the *hegemony* achieved by a historic bloc of the ruling class and its allies at the level of civil society, around such structures as mass consumption industry. It is through a *transnationalised consent*, backed up by force to be sure, that the ruling classes of the West have achieved what comes close to a global hegemonic order.

So whereas (neo-) Realists (both rational/public choice theories such as Hegemonic Stability Theory and Regime theories) see hegemony as an attribute of the *state*, Cox and authors in the same strand such as [Stephen Gill](#), Craig Murphy, and others, stick to Gramsci's original notion of hegemony as a form of rule emphasising the element of consent by the use of what Mosca calls a political formula (cf. for a critical assessment, [Germain](#) and Kenny, 1998).

In his essay on Gramsci's method (originally of 1983), Cox develops a number of aspects of the historical materialist tradition, although it is obvious that he also takes on board various aspects of other traditions such as institutionalism and Weberian action theory (as he later explained in more detail, cf. his 2002). Thus when he writes that a *concept* in Gramsci's view is 'loose and elastic and attains precision only when brought into contact with a particular situation which it helps to explain—a contact which also develops the meaning of the concept' (Cox, 1993: 50), this obviously reveals the influence of Weber's ideal types (cf. Chapter 4; Marx had a different understanding of concepts, which, as abstractions, are the result of historical development, which brings out a general, mutually interchangeable aspect of a phenomenon, e.g. 'labour' conceived as a general, interchangeable phenomenon, no longer as baking, tool-making, woodcutting, etc.). The neo-Gramscian understanding clearly places more emphasis on the subjective mental process of conception.



In extending Gramsci's categories to the global political economy, Cox takes up the distinction between the advanced states of the West with their developed civil societies, and the late-comer states which have a 'gelatinous' society lacking the complexity of their Western counterparts – the distinction on which the different strategies of 'war of position' and 'war of manoeuvre/movement' were based. The society of the latter type will tend to adjust to the hegemonic structures through which the West exerts its power, by *passive revolution*. This concept, in its application to international and transnational relations, refers to the absorption of certain structural features of the hegemonic West whilst resisting any revolutionary transformation from below. This involves, as Cox sums up, the following features (Cox, 1993: 54-5):

- *Caesarism*: the appearance of a strong man to balance the conflicting social forces in a situation where domestically there is a stalemate and externally, the hegemonic power has to be kept at bay. This can be a progressive strong man (say, a Castro or Chávez seeking to foster the transition to new social relations from above) or a reactionary one, intended to maintain the old property relations and class positions (fascist rulers). Here Weber's charismatic authority comes to mind.
- *Trasformismo*. This is the policy of co-optation. In order to neutralise any potential revolutionary movement, it is mandatory to seek to recruit cadre from the ranks of the intelligentsia who might otherwise join the disaffected and become part of the revolt. Internationally, this works by bringing bright young students from countries on the perimeter of the West's hegemonic reach to study in the United States or Western Europe; and more particularly, to recruit economists and lawyers to work in institutions such as the World Bank and private financial institutions to socialise them into a culture in which the capitalist economy is seen as a natural condition, and then let them go back to their own countries to spread the gospel.

Gramsci already theorised how the transformations that force societies

into passive revolution mode, radiate across borders. In Cox's words,

The French Revolution was the case Gramsci reflected upon, but we can think of the development of US and Soviet power in the same way. These were all nation-based developments which spilled over national boundaries to become internationally expansive phenomena. Other countries have received the impact of these developments in a more passive way... This effect [i.e., passive revolution] comes when the impetus to change does not arise out of "a vast local economic development... but is instead *the reflection of international developments which transmit their ideological currents to the periphery*" (Cox, 1993: 59, quoting Gramsci, emphasis added).

The strategy suggested by neo-Gramscian theory, that may work to change global society, is to develop a *counter-hegemony* (cf. [Mueller, 2002](#)). Such a strategy is in order once the world order is a hegemonic one: this was the case in the *Pax Britannica*, when classical liberalism was the hegemonic formula based on the almost unchallenged acceptance by the world's ruling classes of the benefits of free markets. In the *Pax Americana*, there was again a hegemonic order, based on Fordism and demand management by the state. In the first half of the twentieth century, on the other hand, rivalries prevented such a hegemonic order from establishing itself (Cox, 1987).

Each of these constellations contains a number of *forms of state*; there is no fixed state form, as in Realism, which sums up what the state is about, but the forms of state change along with the social foundations from which they arise. The hegemonic state form of the *Pax Britannica* was the liberal state, the dominant form of state of the era of rivalry the *welfare-nationalist* state, and the state form of the *Pax Americana*, what Cox calls the *neoliberal* state (what we would perhaps call the corporate liberal state now that 'neoliberal' refers to the Hayekian form of liberalism discussed in Chapter 2).

Counter-hegemony is obviously consonant with the notion of a war of position. Yet it may be asked whether the division of the world into formally sovereign states, even if we recognise the transnational connections and bloc formation, does not invalidate the transfer of such concepts to the global level without taking the international or foreign dividing lines into account more explicitly. Cox argues that a new

political organisation, along the lines of Gramsci's idea of a Modern Prince (after Machiavelli's notion of a ruler embodying the collective will) must emerge to unify the modern working classes with peasants and urban marginals on a transnational scale (Cox, 1993: 64-5). Stephen Gill has claimed that the alternative, 'anti'-globalisation movement that appeared on the world scene in Seattle in 1999, might represent such a Modern Prince, or at least herald it ('The Post-modern Prince', in Gill, 2003). But as Cox indicated, there is always the threat of a lapse into the resurgence of local national populisms which then may permit a restoration of 'monopoly-liberal hegemony' even after a serious a crisis.

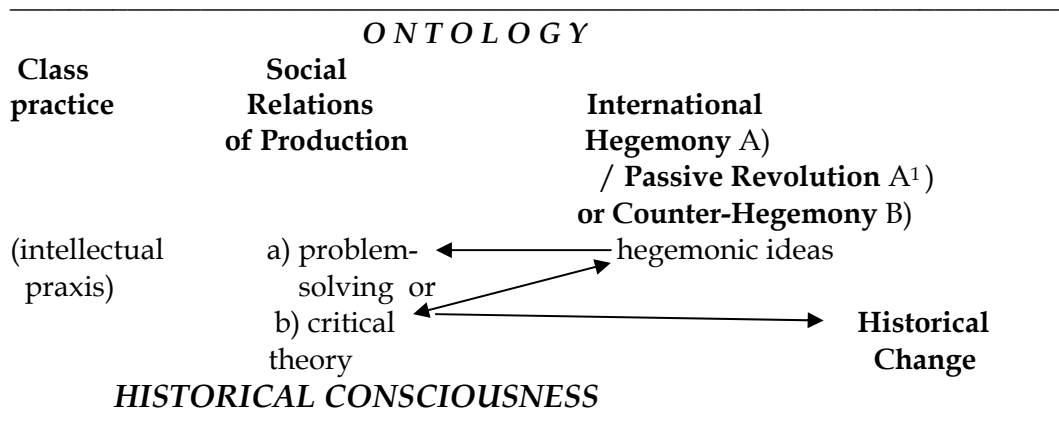
The way the social forces in a given epoch are constituted, crucially involve the *social relations of production* of which Cox sums up a range of historical forms (Cox, 1987). It is from these foundations that class structures and historical blocs arise. The ontology of neo-Gramscian historical materialism therefore implies a sphere of productive relations in the broad sense as the means through which social forces engage with the object-world; but this is a global constellation. 'Our ontology must be founded upon the idea of a global social formation constituted in part by the degree of integration/disintegration of basic social structures, social forces, and... forms of state' (Gill, 1993a: 30). The idea of 'nature' is not so prominent in the Gramscian tradition as in the original Marxist one, and 'class struggle' tends to be diluted somewhat to a sense of historical change as the essence of the (social) world.

In the epistemology of this approach, the social is separated from how insight in the natural world is gained. Gill in his introduction to a collection of neo-Gramscian writings (Gill, 1993b), speaks of the 'objective' world that humans perceive, as a 'second-order reality', i.e., a historical society (Gill, 1993a: 21). He also reiterates Hegel's claim that 'there can be no immediate knowledge, since this would imply that we have no consciousness which mediates with ... reality' (Ibid.: 27).

Thus we may retain the dialectical understanding of how knowledge is obtained, with only the greater emphasis on concept formation as a subjective effect added. I will refer to this as 'intellectual praxis' as the epistemological aspect of praxis in general, by which Gramsci denotes

the essentially historical-practical nature of human existence (cf. Figure 9.1). Theory formation may either reflect the hegemonic ideology (Cox then speaks of 'problem-solving' theory), or 'critical' theory. Under the influence of international hegemony, passive revolution (as one option in real time) is an ontological counterpart to problem-solving as a knowledge strategy, just as critical thinking may support counter-hegemony. Thus critical theory and the different forms of contesting or adapting to international hegemony feed into historical change as the comprehensive reality (since the achievement of hegemony is considered key in this approach, both the ontology and the historical consciousness that includes the epistemological aspect, in the figure are given in bold type).

**Figure 9.1. Neo-Gramscian Accents in Historical Materialism**



In his study on the role of private transnational consultative and planning bodies such as the Bilderberg Commission, the Trilateral Commission and the World Economic Forum, Gill conceptualises these networks as *organic intellectuals* of the ruling bloc (Gill, 1986; cf. 1990). This takes us to those authors who have investigated these networks in the context of classes and fractions organising the global economy.

### 3. TRANSNATIONAL CAPITAL AND CLASS FORMATION

Transnational corporations as the embodiment of the links that make up the world economy have been studied by business economists like Raymond Vernon and many others. A tradition that goes back to the late 19<sup>th</sup> century was to look at the actual officers of such companies and the networks of power and influence they established between different corporations, the state apparatus, and various social institutions such as universities.

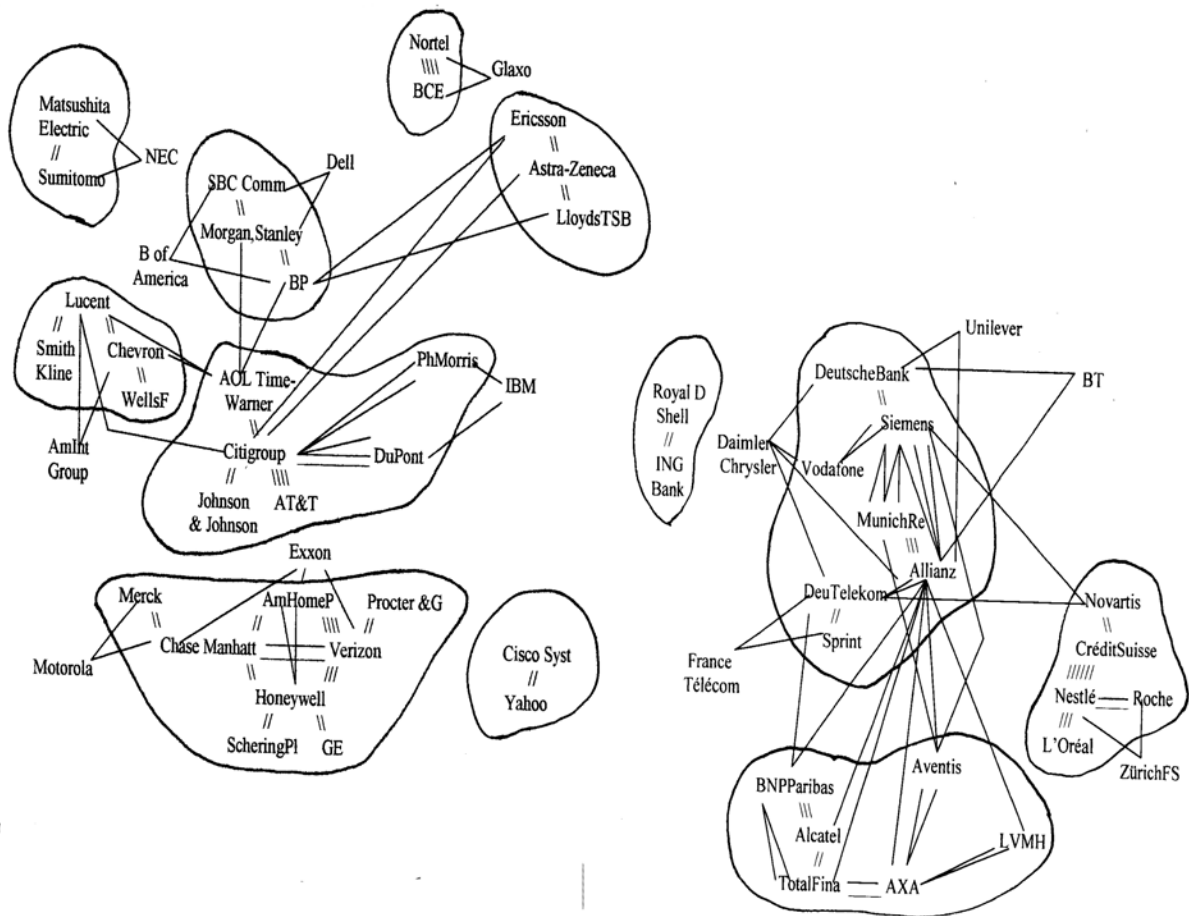
#### **Interlocking Directorates and Concepts of Control**

The form in which capital constituted itself in late industrialising societies was 'finance capital' in the sense of Hilferding (Chapter 8): combinations of banks and industrial firms that operated, often with the state in the background, as larger formations pursuing a common strategy. To demonstrate that this was indeed what happened, the links between such corporations and banks was documented by identifying officers who occupied posts in more than one companies, 'joint directorates'. The age of imperialism produced a host of studies revealing such webs of director interlocks in national economies. In the crisis of the 1930s, there was another wave, notably in the United States, which had a distinct left political perspective; another wave of studies concerning interlocking directorates occurred in the 1970s. All of these studies were national studies or at best, comparative.

*Transnational* interlocks became the object of study towards the end of this period. Meindert Fennema's pioneering work in this area (Fennema, 1982) and the work of William Carroll and others which has continued to the present, is based on an empirical, materialist approach which leaves open the ideational aspect of class formation on the part of the multiple directors (Nollert, 2005). Below, such a network (from my 2006: 286,) is given by way of illustration. It depicts the clusters of corporations (defined as those connected by two or more joint directors) and their 'satellites' (corporations connected by two or more directors with clusters), for the year 2000 (in a forthcoming article with Otto Holman and Or Raviv, we also give the network for 2005, which documents a dramatic shift in

overall *centrality* to German corporations). Such centrality is taken as an indication that such a corporation is strategically placed in obtaining information (through the directors it shares with other corporations), just as its own strategy will reverberate across the widest possible circle of corporations.

**Figure 9.2. Clustered Joint Directorates, 150 Transnational Corporations, data for 2000**



Source: companies by assets, *Financial Times*, Global 500, 4 May 2000. Clusters of corporations linked by two or more directors and corporations linked by two or more directors to clusters. Data collected with the assistance of Stijn Verbeek.

The most strategically placed corporations, one would expect, would also be represented more than proportionally in transnational private consultative, planning bodies such as Bilderberg and the Trilateral Commission. This aspect has been investigated (and broadly found to apply) by Carroll and his associates ([Carroll and Carson, 2003](#)). Of course here one must also bring in the aspect of what the strategy is, how it functions, and how it can be related to the aforementioned notions of a political formula and hegemony discussed in the previous section ([Staples, 2006](#)).

Ries Bode, working with a group of scholars and students in Amsterdam, in this connection developed the notion of what he calls a *comprehensive concept of control* (Bode, 1979). A concept of control refers to a temporary conjunction between,

- an ascendant trend in the economy articulated by particular 'moments' or phases in the capitalist cycle (the financial, the productive, the commercial, the national or world market, etc.), each with its characteristic world view; and
- the capacity of a set of social forces operating in the context of one or several state(s) to translate this perspective into a general ('comprehensive') programme for society as a whole.

The managerial and political *cadre* (both the corporate elite and the political-ideological-media 'general staff') are the obvious executors of this enterprise.

Each 'moment' in the capitalist cycle mobilizes a particular strand within the broader class. Thus owners and their bankers, the financial cadre in the state apparatus etc. will be prominent in the 'financial' moment; industrial managers, labour relations specialists, and supply-line organizers will be more emphatically involved when actual production is at the centre of concern, and so on and so forth. For this sort of division, which is never fixed and static, Poulantzas as we saw uses the term *fractions* (class

fractions); Marx in *Capital*, vol. II and III, on the other hand uses the term fraction in connection with capital itself.

Capital is a comprehensive force, a *discipline* over society and nature but, in order to maintain the fundamental pattern of exploitative class relations that supports it, it requires a dynamic and responsive mode of imposing that discipline which is adequate in the shifting conditions. So the idea of a concept of control is not a conspiratorial device, but captures the idea that whilst discipline must be established (there is no natural capitalist economy on its own account), this still requires a social process of concept formation, programme writing, and the recruitment of allies in order to establish a coalition of class forces behind the proposed formula of the general interest.

The perspective of fractional differentiation, constantly recomposed in actual development, tries to capture this process. It makes it possible to relate processes of social production and reproduction to longer-term class formation and to the constitution of power and rule in society. It aims to overcome the lack of elaboration of the political sphere as a terrain of struggle by the French Regulation school, and its relative neglect of the transnational/international dimensions of political economy. Concepts of control aim to fill this void and 'open up' the state conceived by Aglietta and others as a machine of regulation, but also 'capital' itself.

The role of transnational private consultative and planning bodies allows us to conceptualize a level beyond the state, where economics and politics are synthesized in a dialogue among the corporate elite and cadre with the actual ruling class; whilst the concept of 'fraction' makes it possible to understand between whom the dialogue is actually taking place given there is a unifying need to reproduce capitalist discipline as such.

### **From Class to General Interest**

As Rudolf Hickel has argued, fractions of capital are the form in which capital as a collective social force made up of *competitive* units (in Marx's original terminology, 'particular capitals') seeks to achieve a degree of collectivity to be able to act as a class agency (Hickel, 1975). To that end,



firms and other forms of capital such as the private investor coalesce along lines of common practice and perspective as financiers, organizers of actual production, exporters, stock owners etc. Beyond property itself, however, 'interests' are not given but fluid, depending on the overall condition of the political economy (the balance of class forces, the business cycle, international relations).

For example, 'the economic perspective of ascendant fractions of capital' could refer to a conjuncture in which the financial world is gaining strength in terms of the share of the total mass of profits it controls. Simultaneously, building up in the pronouncements of sectoral interest bodies, employers' organizations, as well as actual politicians (preferably across parties), the idea begins to spread that society as a whole would benefit by, say, a strengthening of the currency through high interest rates and combating inflation. To the extent this perspective succeeds in taking hold beyond the sphere of its organic proponents like banks and insurance companies, and acquires the elusive quality of a 'truth', the owners and cadre of other fractions of capital (big and small industry, wholesale and retail trade, shipping and other transport etc.) start defining their immediate prospects in the context of the high interest/low inflation framework. Thus, industry may come on board the emerging bloc of interests by shifting from an export to a foreign investment strategy etc.

The framework of interest articulation that a concept of control refers to is not a step-wise ascent from an economic starting point. It feeds on public debates that may have no immediate connection with the economy at all, such as anti-immigrant sentiment or war-weariness. Such drifts in the public mood, whilst always part of the real configuration of forces and therefore never random quirks of fate, may link up with more economic themes, say, the need to weed out excess state expenditure; and through that connection meet the high interest/low inflation push emerging from the economically successful 'money capital' fraction and the fractions regrouping under its leadership. Here, economic determinations merge with general attitudes encrusted in the upper layers of society as well as in the population at large. What is established once a specific concept of control takes shape is always implicit rather than explicit, a framework for thinking rather than a positive programme. It is what Bourdieu calls 'a

field of the politically thinkable', a 'legitimate problematic' (Bourdieu, 1979: 465).

As certain classes of people are emboldened by the feeling that society as a whole is steering in a definite direction, while others are becoming disheartened, spaces are created for actual intervention by class-conscious (or should we say, 'fraction-conscious') intellectuals; from letters to the editor to smear campaigns, the launching of certain politicians as 'statesmen' and the disqualification of others as irrelevant, marginal figures. Thus the current 'greying' of the societies of the capitalist heartland is half public perception, half based on a strategy of insurance companies to further privatize the pension industry and reduce actual pay-out levels in the process. The simultaneous 'rejuvenation' of the population by immigration receives much less attention, except as the basis for launching political alternatives from the right in case neoliberalism further loses its shine.

As Bode crucially emphasizes, even the forces at the heart of the bloc that lends economic logic to a concept of control (in the example, a group of banks, brokers, insurers) have to pay a price for their private interest to be successfully presented as the 'general interest' of society as a whole. It is not a matter of 'what is good for General Motors is good for the US as a whole'. The guiding forces in fact can no longer pursue their private interests nakedly or directly because, in the build-up to a broader coalition in which ever more fractions of capital and segments of society become included, the immediate requirements of 'bank' profitability are at least partially suspended.

Control of money-laundering may be an aspect of the comprehensive concept, and as a result individual banks may not feel they are running the show at all. Or to take another example, a US world strategy built around long-term energy security and control of the Middle East cannot operate through private connections between a fraudulent energy company and the White House, but must actually clamp down on such 'weak links' at the heart of the configuration of forces supporting it, as the Enron affair testifies.

A concept of control hence captures

- the connection between the process of fractional and class realignment, highlighting the pivot around which it revolves in terms of fractions of capital (which can be an 'accumulation strategy', say, the mass production of consumer durables as in Fordism, but also, as in the case of neoliberalism, a tax revolt expressing the middle class refusal to continue to fund the welfare state); and
- the process of bringing on board other interests as the original vanguard strives for comprehensiveness, synthesizing or compromising with, and ultimately crowding out, other concepts.

Politicians and civic leaders have to establish this connection, so the quality of leadership is crucial, they are not mechanically produced by the 'objective' situation. In the end, they must fill the spot that is left open at the political and most volatile end of a concept of control striving for comprehensiveness, the moment of arousing the passions and deeper feelings of a majority that adds the necessary mass basis to a concept of control and makes it truly comprehensive; the ascendant bloc's ambition to guide society's course of development can always be deflected and disintegrate.

### **Applying the Method**

Cox's *Production, Power and World Order* of 1987 offers, among many other things, a 'cookbook' approach to setting up a research project in this tradition.

The steps to take are the following:

- Identification of the social relations of production (from peasant/lord to tripartite corporatism) which in a particular combination provide the ground floor of the social process, the patterns of work which together define which classes of people work for which others, by which means the exploiting classes obtain

their share in the social surplus product

- The profile, historical background (conditions of their rise) and mentality of these 'candidate ruling classes' and the particular conditions under which they reproduce the social relations of production under their control (with particular emphasis on the balance between coercion and consent)
- Identification of the historical bloc which is constituted in the political struggle, which class on the basis of which set of social relations of production leads the process, whether it is hegemonic (relations of production that depend on cooperation and a pattern of rule centring on consent) or not.
- Forms of transnational extension/interpenetration of the constitutive elements in civil society that allow one state/society complex to extend its influence over another
- Identification of the resulting world order as *hegemonic* (if the consent element in the transnational extension predominates) or *non-hegemonic* (if coercive elements preclude transnational civil society/hegemony) (Note: Realist hegemony would be an example of non-hegemonic world order by this standard)
- Investigation into the possibility/actual operation of something like a *counter-hegemony*, that is, the welding together of different strands of resistance/opposition into a potentially hegemony coalition of forces (capable of engaging in a 'war of position' strategy to gain power).