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C. B. MACPHERSON

Do We Need a Theory of the State ?

1. The question clarified.

MY QUESTION is not whether we need a theoretical understanding of the political process in modern states, but whether we need a theory of the state in the grand manner of the acknowledged 'great' theories, ranging in modern times from, say, Bodin and Hobbes to Hegel and the nineteenth century juristic theories of sovereignty, and on to the less 'great', but in intention equally grand, theories of Green and Bosanquet and such twentieth century thinkers as Barker and Lindsay and MacIver.

There is, I assume, no question that in order to understand the operation of contemporary states we need theories of the political process in our own liberal-democratic states (and, if we are to be comprehensively informed, in Communist and Third World states as well). There is no lack of such process theory, especially of the liberal democratic state: that is where the bulk of the work of political scientists has been done for the last few decades, and it has given us a new understanding of the role of parties, pressure groups, and bureaucracies, the determinants of voting behaviour, and so on. The general theory that has come to prevail, which may be described as a pluralist-elitist-equilibrium theory, may be thought not entirely adequate even as a descriptive and explanatory theory—it has come under considerable fire by a number of radical liberal-democratic theorists (1), and W.J.M. Mackenzie has recently pointed out its failure to take account of political violence (2). But my concern here is not with an appraisal of that empirical theory, except insofar as the rise of such theory

(1) E.g., several of the contributors to three collections: Charles A. McCoy *and* John Playford (eds.), *Apolitical Politics* (1967); William E. Connolly (ed.), *The Bias of Pluralism* (1969); Henry S. Kariel (ed.), *Frontiers of Democratic Theory* (1970).

(2) In his *Power, Violence, Decision* (1975).

Arch. europ. sociol., XVIII (1977), 223-244. *Printed in France.*

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may throw light on the reasons for the decline of grand theories of the state.

My concern is whether we now need something more than theories of the political process. Do we need a theory of the state in the grand tradition? The hallmark of the grand theories is that they all tied the state back to supposed essentially human purposes and capacities, to a supposed essential nature of man. In doing so they were of course both descriptive and prescriptive or justificatory. They sought both to explain what the actual state was, and to show either that it was justified or necessary or that it ought to be and could be replaced by something else. But what I would emphasize is that they did relate the state normatively to supposed essentially human purposes. Do we again need such a theory of the state? To raise this questions is of course to assume that we haven't got an adequate one now. I make that assumption, and will support it as I go on.

An answer to this question depends obviously on who 'we' are. I take 'us' to be those living in late twentieth-century liberal-democratic societies, and especially those of us whose vocation is the study of politics. Do we, as so defined, need a new theory of the state? I shall argue that some of us do and some of us don't.

We may I think divide this whole constituency into distinctively different parts. I suggest that a three-fold classification is appropriate for the purposes of our question.

(1) In the first category I put those who on the whole accept and uphold the existing liberal-democratic society and state, with no more than marginal reservations or hopes that they can be made somewhat better, within the same framework, by for instance more informed citizen participation, or less or more welfare-state activity. This category includes the bulk of the contemporary empirical theorists and, at a different level, some normative theorists who may be called philosophic liberals.

(2) The second category is those who accept and would promote the normative values that were read into the liberal-democratic society and state by J.S. Mill and the nineteenth and twentieth-century idealist theorists, but who reject the present liberal-democratic society and state as having failed to live up to those values, or as being incapable of realizing them. This includes the bulk of contemporary social democrats and those socialists who do not accept the whole of the Marxian theory.

(3) The third category is those who reject both the idealist norma-

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tive theory and the present liberal-democratic society and state, and would replace both of them totally by Marxian theory and practice.

I would not claim that this classification is exhaustive. One might, for instance, make a separate category of those who take a philosophical anarchist position, who need at least a theory of the negative relation of the state of essential human purposes: they need a theory of the state in order to abolish the theory of the state. Nor would I claim that the lines between the three classes are entirely clear and sharp, but I think the classification makes some sense in the context of my question.

2. *Negative and positive needs for a theory.*

I shall now argue that those in the first category do *not* need a grand theory of the state, and that those in the second and third categories *do* need one.

(1) The first category, as noted, includes both most of the current empirical theorists and some normative liberal theorists. Their needs may be considered separately.

(*a*) The empirical theorists generally claim to have abstained from any value judgment about the processes they are analysing. But their theories usually have strong commendatory overtones. If they had really avoided all value judgment they would not only not need a grand theory of the state: they would be incapable of one, for such a theory is always normative as well as explanatory. But since a value judgment is at least implicit in their theories, one might argue that they do need a theory of the state after all: that they need to make explicit and to develop the values that underlie their theorizing (which would enlarge their empirical theory to the dimensions of a theory of the state).

But they cannot afford to do this. Having rejected the 'classical' liberal-democratic model of John Stuart Mill and Green and their twentieth-century followers, with its humanistic striving —rejected it as unrealistic (that is, as beyond the capacities of the average twentieth-century citizen)—the empirical theorists cannot afford a theory which would tie the state back to some supposed essential nature of man. For to do so would be to reveal that they have reverted to a Benthamist or even Hobbesian model of man as possessive individualist. They have, it is true, come some

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distance from the Hobbes-Bentham model of society as a series of freely competitive market relations. They have been able to adjust their model of society to some of the realities of managed capitalism. But even managed capitalism presupposes maximizing market man, and they have accepted, even while they have refined, that concept of man. That concept of man has, I believe, become increasingly morally unacceptable in the late twentieth century. Thus for the empirical theorists to go on to a theory of the state would be to expose the inadequacy of their basic assumptions. It would endanger their position as the spokesmen for liberal democracy, since their model of man and society is becoming morally repugnant to increasing numbers of people within the liberal democracies, as well as in the world at large. I conclude that the empirical theorists do not need, at least in the sense that they cannot afford, a theory of the state.

(*b*) What of the contemporary normative theorists, the philosophers who have concerned themselves with the political, of whom the most influential and widely discussed at present are Rawls and Nozick (3)? They also are working with a market model of man and society. There is of course a sharp difference between them: Rawls is happy with the welfare state encroachments on unalloyed capitalism and can even contemplate their extension, whereas Nozick argues for a return to the minimal state. But they both endorse the fundamental relations of capitalist market society and its property institutions. And since they assume maximizing market man as the norm, they need not go behind that to inquire into the nature or potential of man and to relate that to the state. They need not be concerned with any necessary or historical relation of the state to society or to supposed essentially human purposes or capacities. They do not need a theory of the state, but only a theory of distributive justice, i.e. of the just distribution of 'primary goods' (Rawls) or of 'holdings' (Nozick), or a theory of liberty (i.e. of the allowable or morally desirable amount and kind of individual liberty). The state can be treated as simply an agent which does or should subserve the principles of justice or liberty which the theorist argues for.

It thus appears that the philosophic liberals, like the empirical theorists, do not need a theory of the state. It may even be suggested that contemporary philosophic liberals cannot afford to

(3) John RAWLS, *A Theory of Justice* (1971); Robert NOZICK, *Anarchy, State and Utopia* (1974).

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attempt one. The philosophic liberals of fifty or ninety years ago (MacIver, Barker, Lindsay, Green) could afford to, because, while they accepted capitalist society in its main outlines, they were far from accepting the market model of man. Having a broader vision of the nature of man, they could and did try to relate the state to it. But not much can be done, beyond what was done by Hobbes and Bentham, to relate the state to market man. An attempt to do so in any depth would reveal the time-bound quality of the basic assumptions about man.

Rawls, indeed, in the last part of his book, does go on to a different vision of the nature of man, as a creature who wants to maximize his 'primary goods' only as a means to realize a plan of life or concept of the good, or to develop his capacities to the fullest. But Rawls does not explain how this is consistent with the market model of man on which his whole theory of justice is based. He is thus left unable to go beyond a theory of distributive justice to a theory of the state.

(2) Turning to my second category—those who accept the humanistic values read into liberal democracy by Mill and the idealists, but who reject present liberal democracy as having failed to realize those values—it can readily be seen that they do need a theory of the state. For, believing as they do that the state should embody certain moral values which they find not now realized by liberal-democratic states, they are committed to a theory at once normative and explanatory, i.e. to a theory in the grand tradition which relates the state to human needs, capacities, and potentialities. It follows that they need a new theory of the state in the measure that the theory they have inherited from humanist liberals and idealists (ranging from Mill and Green to Barker, Lindsay, MacIver, etc.) is inadequate.

That the inherited theory is seriously inadequate is sufficiently evident from the ease with which it was eclipsed in mid-twentieth century by the empiricists' theories. Its eclipse was due chiefly to the fact that the explanatory or descriptive side of the twentieth-century traditional theories was demonstrably inaccurate. Citizens of the Western democracies did not behave like the rational, informed, and even public-spirited citizens postulated by the traditional theory.

The traditional theorists might have defended their position by pointing out that they were not trying to describe and reduce to operative principles the political process in those contemporary states commonly called democracies, but were trying to deduce

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the essential requirements of democracy from their vision of human needs and capacities. This gave them the concept of democracy as a kind of society and political system which would provide the equal possibility of self-development by all. To complete that defence it would only be necessary to argue, as they did, that people are capable of a degree of rational and moral self-development which would enable them to live in a fully democratic society and to participate actively in a fully democratic state.

But such a two-fold defence could not save their position. For while they were indeed seeking to show 'the essentials of democracy' rather than merely to describe existing democratic institutions, they did present the existing liberal democracies as having met the essential requirements in substantial degree. They did so, it may be surmised, because they were all more or less explicitly concerned to build a case for existing democracies *vs* existing or threatened dictatorships. So they had to argue that the existing Western democracies had the root of the matter in them. To do this they had to examine the existing system of parties, pressure groups, and public opinion formation, and argue that it did, however roughly, come up to the essential requirements. So they had to argue not merely that people were capable of the required degree of rational and moral self-development but that they had already reached it or nearly reached it.

They thus came up with a pluralist theory of society and of the democratic state. The democratic state was an arrangement by which rational, well-intentioned citizens, who indeed had a wide variety of different interests but had also a sense of a common interest or even a 'general will' (4) could and did adjust their differences in an active, rational, give-and-take of parties and interest groups and the free press. The empirical theorists were able to show that most citizens of liberal-democratic states were far from being such active rational participants, and were thus able virtually to demolish the traditional theory.

Perhaps the fundamental weakness of the traditional theorists was that they had unconsciously adopted the notion of the democratic process as a competitive market. They did not make the market analogy explicitly, as the empirical theorists were to do. That analogy implies a society made up of narrowly self-interested maximizing individuals, and this was incompatible with the tradi-

(4) R.M. MACIVER, *The Modern State* (1926), p. 342.

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tional theorists' image of man as a moral being whose essence was to be realized only in the self-development of all his human capacities. But their model of a plural society was a market model.

This in itself could not have led to their eclipse by the empirical theories, for the latter were openly based on the market analogy. But it has meant that late twentieth-century liberal attempts to revive the traditional theory have run aground. For they have adhered to the pluralist model, while the society for which they are prescribing has become increasingly less plural. As I shall argue (5), late capitalist society does still exhibit some measure of pluralism, but its amount has shrunk and its character has changed as the corporate-managed sector and the state-operated sector of the economy have encroached on and diminished the competitive market sector.

I conclude that contemporary theorists in my second category do need a new theory of the state.

(3) Turning finally to those in my third category, I think it is clear that they also need to develop a theory of the state. Marx's theory was certainly normative as well as analytical, and the role of the state was crucial to his whole theory, yet he did not provide more than fragments of a theory of the state. Lenin did rather more, but however appropriate his conclusions were when he wrote they are not adequate for the late twentieth century. It follows that contemporary Marxists do need a new or more developed theory of the state than they have inherited. And Marxist scholars in the West have in the last decade become very much aware of this and have plunged vigorously into the effort to provide it. There is already a substantial body of work, to mention only the almost simultaneous books by Poulantzas (*Pouvoir politique et classes sociales*, 1968) and Miliband (*The State in Capitalist Society*, 1969), the subsequent extended debate between them in the *New Left Review*, and independent discussions in Europe and America, which have taken the matter farther and in different directions, as in the Genoa conference sponsored by the Council for European Studies in 1973 (6), in the papers in the journal *Kapitalstate* (1973 —) produced by a joint editorial group now mainly in the U.S. but drawing on many West European writers; and in

(5) Below, pp. 240-41.

(6) Published in Leon N. Lindberg *et al.* (eds.), *Stress and Contradiction in Modern Capitalism: public policy and the theory of the state* (Lexington, Mass., 1975).

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seminal books by Jürgen Habermas (7) and James O'Connor (8). This work, still continuing, is in the tradition of grand theory.

A grand theory of the state, I have said, has to tie the state back to the supposed nature and purpose and capacities of man. At the same time it has to take account of the underlying nature of the society in which that state operates. The contemporary Marxist theorists do do both, though with varying emphasis on the two aspects. Indeed much of the dispute amongst them may be reduced to that difference of emphasis, some of them building on Marx the humanist and some on Marx the analyst of capitalist society. The two can be, and to a limited extent have been, drawn together by the recognition, growing since the publication of Marx's *Grundrisse*, that there is no dichotomy between Marx the humanist and Marx the analyst of capitalism. But there are still deep divisions on how or whether Marx's own position on the role of the state in capitalist society, which he never fully spelled out, can be applied to the relation between state and capital in 'late' or 'advanced' capitalism (9).

I cannot attempt here either to summarize this body of work or to assess it. But I think it is worth asking its relevance to those who are in my second category: what if anything can be learned from it by those who do not accept, or do not fully accept, the classical Marxian position, and yet do not accept the existing liberal-democratic society and state as morally adequate? I find the question worth asking because I place myself in category 2, and because I believe that some contemporary liberal theorists are inclined to move from category 1 to 2. So I shall in the rest of this paper preach to them. A preacher must have a message. My message is, learn from those in category 3.

3. *Contemporary Marxist lessons for liberal-democratic theory.*

I think there is a lot to learn from them. For they do see more clearly than most others that what has to be examined is the relation of the state to *bourgeois* society, and they are examining it in depth. In this they are repairing a great defect of the twentieth-century

(7) *Legitimation Crisis* (Boston, 1975), first published in German in 1973.

(8) *The Fiscal Crisis of the State*, New York, 1973.

(9) E. g. the controversy between Miliband and Poulantzas, and other controversies in the *New Left Review*, e.g. Gough (NLR 92) and Fine & Harris (NLR 98).

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traditional liberal theory, which accepted bourgeois society but did not examine the implications of that acceptance.

One characteristic of the grand tradition, if we take it from the seventeenth to the early twentieth century, is its move from a materialist to an idealist view of man and society. One cannot say that that move is the measure or the cause of the twentieth-century eclipse of the grand tradition: Hegel's theory of the state is, after all, rather more penetrating than Locke's or Bentham's, for Hegel knew that he was talking about the state in bourgeois society. But one can say that the later idealists increasingly departed from that insight, that they played down or virtually dismissed, or at any rate could not cope with, the fact that it was the bourgeois state, or the state in bourgeois society, that had to be dealt with. They sought to rise above that specific society, not by examining any inherent momentum in it which might be transforming it or leading to its supersession, but on the contrary by reaching for an archetype of all human society.

So they were led to what I have called a bow-and-arrow theory (10). This is rather like the economic theory which, seeking a similar level of generality, defines 'capital' so broadly as to cover both modern capital and the primitive hunter's bow and arrow. Such a concept of capital is formally intelligible: the bow and arrow and the capital of a modern corporation are both the outcome of their owner's abstinence from immediate consumption of some of what they produce or collect, or, if you like, are both the product of their investment decisions. But such a broad concept misses the difference between the two, a difference not just in degree but in kind, and so obscures some essentials of modern capital.

Here, as in theories of the state, the judgment of what are the essentials—the judgment whether the common features are more important or less important than the specific features—is a value judgment (though the theorists often fail to see that it is). For on this choice depends the extent to which the resulting theory will implicitly justify or criticize the specific modern phenomena. The bow and arrow gives you abstinence as the source of capital and so makes modern capital a wholly admirable thing. Similarly with the state. The common feature may be seen as provision for a human desire for the good life or the full life, or for community: in that case the state, any state, is a wholly admirable thing. Or

(10) Cf. 'Bow and Arrow Power', *The Nation*, Jan. 19, 1970.

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the common feature may be seen as the need for an authority able to hold in check the contentious nature of man: in that case, the state, any state, is still an admirable thing.

It is true that the twentieth-century traditional theorists for the most part offered a theory of the liberal-democratic state rather than a theory of the state as such. But they are still caught up in bow-and-arrow thinking insofar as their argument moves from 'the good state' to the liberal-democratic state, justifying the latter as the best or the nearest possible approach to the former.

In any case the twentieth-century traditional theorists have not given much attention to the specific nature of the state in capitalist society. It was easy for them to abstract from the capitalist nature of their society, since the one theory which made that central —i.e., Marxist theory—was, through most of the twentiethcentury, unsatisfactory in several ways. It was associated with dictatorships. It was doctrinaire. And it took so little account of twentieth-century changes in the nature of capitalism that it could readily be dismissed as less realistic than a refined pluralism which talked of 'post-industrial society', countervailing powers, and so on. This refined pluralism is not entirely wrong, but it does distract attention from the fact that the motor of our system is still capital accumulation (as should be evident from a glance at any financial paper). And the presumption must surely be that this is bound to have a lot to do with the nature of the state.

The new generation of Marxist scholars in the West has largely overcome the defects just mentioned. Their work is not doctrinaire, and it is mainly concerned with the changed and changing nature of capitalism in the late twentieth century. They are, that is to say, examining the necessary and possible relation of the liberal-democratic state to contemporary capitalist society, which has changed in significant ways since Marx, and since Lenin.

It seems to me that that relation is crucially important to those of us who want to preserve some liberal-democratic values. And I do not see anyone other than the contemporary Marxist scholars examining it in any depth. That is I think reason enough for us to try to learn from them. Let me draw attention to some of their main theses, and suggest some implications for liberal democracy.

1. They assume, with Marx, (*a*) that the human essence is to be realized fully only in free, conscious, creative activity; (*b*) that human beings have a greater capacity for this than has ever hitherto

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been allowed to develop; and (*c*) that a capitalist society denies this essential humanity to most of its inhabitants, in that it reduces human capacities to a commodity which, even when it fetches its exchange value in a free competitive market, receives less than it adds to the value of the product, thus increasing the mass of capital, and capital's ability to dominate those whose labour it buys.

This is the philosophic underpinning of Marx's whole enterprise. It is difficult for a liberal to fault (*a*) and (*b*), the assumptions about the nature and capacities of man: virtually the same position was taken by, for instance, Mill and Green. And it is short-sighted for the liberal not to give serious consideration to the validity of (*c*)—the postulate of the necessarily dehumanizing nature of capitalism—for that does not depend on the ability of Marx's labour theory of value to explain market prices (which has been the main complaint about his economic theory) but only on his path-breaking argument that the value produced by human labour-power (i.e. by its capacity of working productively) exceeds the cost of producing that labour-power, the excess going to the increase of capital. This position is more difficult to fault than is the adequacy of his price theory.

The present Marxist theorists of the state start from Marx's ontological and ethical position, and go on to consider where the state fits in to this depiction of capitalism and, given that, what are the prospects that late capitalism (which is supported, but also encroached on, by the state) may be transcended, as Marx believed capitalism would be. In pursuing this inquiry they are naturally concerned mainly with the analysis of late capitalism, taking as given the ethical dimension of the problem. Because of that concern, their work may not appear to be in the grand tradition of theories of the state—may appear, that is to say, not to be relating the state to a concept of essentially human needs and capacities. But this is an appearance only. Their work, no less than Marx's, is designed to serve the realization of the supposed essential nature of the human species. So if, in my ensuing description of some of their leading arguments, I appear to move out of the realm of philosophy and political theory into that of political economy this must not be taken to derogate from their role in the grand tradition.

2. It is assumed that an indispensable job of the state in capitalist society is to maintain the conditions for capitalist enterprise and capital accumulation. This, however, does not imply that

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the state is the lackey or the junior partner of the capitalists. Indeed, for reasons that will be mentioned (11), the state is seen to have been moving away from being a mere superstructure and to have attained a significant degree of autonomy. The point is rather that, given a state's commitment to capitalist enterprise as the mainspring of the economy, the holders of state office must in their own interest maintain and support the accumulation process because the state's revenue, and hence the power of the state's officers, depends on it. Hence in a democratic capitalist society, although the electorate determines who shall hold office as the government, governments are not free to make what use they might like of their constitutional power. The government must stay within the limits imposed by the requirements of the accumulation process, limitations generally imposed on social-democratic governments through the mediation of the permanent bureaucracy and sometimes of the military.

3. The need to promote accumulation has, with the maturation of late capitalism, required the state to take on a new range of functions, the performance of which has raised new problems. The change has been from the minimal support provided by the classical liberal state (law and order, contract definition and enforcement, and some material infrastructure—roads, canals, ports, etc.), to what might be called maximal support.

Five areas of new or greatly increased support may be identified, all apparently necessary: (*a*) the whole apparatus of the welfare state, which, in providing cushions against unemployment and against the costs of sickness, old age, and reproduction of the labour force, takes some of the burden that otherwise would have to be met by capital, or if not so met, would endanger public order; (*b*) the Keynesian monetary and fiscal management of the economy, designed to prevent wide swings and to maintain a high level of employment; (*c*) greatly increased infrastructure support, e.g. in technical and higher education, urban transportation systems, urban and regional development schemes, public housing, energy plants, and direct and indirect state engagement in technological research and development; (*d*) measures to prevent or reduce the damaging material side-effects of particular capitals' search for profits, e.g., measures against pollution and destruction of natural resources. These, like the welfare-state measures (which are designed to prevent or reduce the damaging human side-

(11) Below, pp. 239-42.

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effects of particular capitals' operations) are increasingly required in the interests of capital in general, but do limit the profits of some particular capitals; (*e*) a large new apparatus of state-imposed marketing boards, price-support schemes, wage arbitration procedures, etc., designed to stabilize markets in commodities and labour and capital.

It is held that while all those new supports are required, they also in some measure undermine what they are intended to support. The extent to which, and the way in which, each does so is different.

The first does not directly undermine it, but since it has to be financed out of the profits of capital, it reduces accumulation (or at least appears to particular capitals to reduce it, though it does so only in comparison with a wage-capital relation that is now insupportable). And it may be said to reduce it by preventing capital driving such a hard wage bargain as it could otherwise do. The second appears to reduce it by limiting the very swings on which capital had relied to redress in the downswings the gains made by labour in the upswings. This reduction, like the first or even more so, is partly illusory: it leaves out of the calculation the loss of accumulation in prolonged periods of depression. The third, like the first, is very costly, and the cost must be met out of the profits of capital. This is not all loss to capital, since some of these state activities, notably technical education and research and development, do increase the productivity of private capitals. But the balance-sheet is hard to draw. The fourth is a clear interference with the freedom of particular capitals. The fifth is perhaps the most serious, in that it replaces freely-made market decisions by political decisions. Particular capitals (and particular segments of organized labour) are compelled to accomodate their conflicting private interests to public decisions. This erodes the ability of capital to make the most of itself, and reduces its accumulative freedom.

All five of these state activities, then, while they are necessary supports to capital in general, i.e. to the continuance and stability of a capitalist economy, are or appear to be opposed to the interests of particular capitals. And between them these activities may undermine the accumulation of capital in general: by enlarging the public sector, they take an increasing proportion of the labour force and the capital flow out of the operation of the market, and so may reduce the scope of capital accumulation. But this need not amount to a net reduction in private accumulation. It will not do so insofar as the state is thereby taking over unprof-

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itable but necessary operations and/or is absorbing the cost of looking after that part of the labour-force which technological change has made redundant.

4. The late capitalist economy is seen as consisting of three sectors: (*a*) the corporate oligopolistic sector, the firms in which are largely able to set their own prices and thus can both invest heavily in technological advances and afford high wages, so that the labour force in this sector is relatively advantaged; (*b*) the remaining competitive private sector of smaller firms, unable to afford either, so that they can neither accumulate through technological investment nor provide secure wages; which leaves its labour force relatively disadvantaged; and (*c*) the public sector, the labour force in which—blue and white collar and managerial—has its compensation set by political rather than market bargaining, and which is consequently relatively advantaged: if 40 % of the whole labour force is employed in the public sector, so is roughly 40 % of the whole electorate.

5. The combined effect of the increase in the role of the state, and the fragmentation of labour and capital into the three sectors, has been a considerable alteration in the classic capitalist relations of production and the relation of capital to state. The economy has become politicized, reverting in this respect to the pre-capitalist pattern. Yet the state now relies, for its own power, on maintaining capitalist accumulation. And since the state is now democratic it faces two new difficulties: it must reconcile the requirements of accumulation with the demands of the electorate, and it must extract an increasing revenue from capital to finance its support of capital and its response to the electorate.

Consideration of these difficulties has led outstanding contemporary Marxist scholars to develop theories of crisis. Habermas writes of the need for the accumulation-supporting state to legitimate itself to the electorate: this is the 'legitimation crisis'. O'Connor finds a contradiction between the state's need for expanded revenues and the maintenance of capital accumulation: this is 'the fiscal crisis of the state'.

'Crisis' suggests either the impending breakdown of capitalism or, if capitalism is to survive, the breakdown of democracy. Either of these is evidently now possible, but I shall suggest not necessary. Certainly the late capitalist state has a legitimation problem which the earlier capitalist state did not have. Earlier, when the market, not the state, was and was seen to be responsible for the economy and all the recurrently damaging effects of depressions, and when

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the market allocation of rewards was thought to be either fair or inevitable, the state had no great difficulty about legitimating its existence and its performance of its minimal functions. But now that the state takes, and is seen to take, heavy responsibility for the economy and its side-effects, the state has a serious legitimation problem. And as the state takes on more (and more expensive) support functions, it does run into a series of fiscal crises which could lead to the breakdown either of democracy or of capitalism. The outcome of the legitimation and fiscal crises is indeterminate, since it depends not on objective forces alone but also on conscious political action.

I have touched on only some of the main points in the contemporary Marxist analyses of the state. But it is already evident that there are suggestive lines that should be followed up. The prospect of any measure of liberal-democratic values surviving, and the question of the possible means of assisting such survival, are more complex than indicated so far. In the following section I want to suggest some amendments and extensions of the Marxist analyses sketched above which may carry us a little way towards a more adequate view of the liberal-democratic problem.

4. *Ways ahead?*

I want now to argue (1) that as a result of the changes set out in paragraphs 3 and 4 above, the nature of the legitimation problem has already been altered; (2) that the same changes have set up a new kind of pluralism, a pluralism in reverse; (3) that the possibility of saving any liberal democracy depends on a change of consciousness, which depends on a public awareness of the real nature of the new pluralism; and (4) that this sets an agenda for a useful theory of the state in the late twentieth century.

(1) The legitimation problem has changed. For the advanced capitalist state can fairly easily legitimate itself to three very large sections of the public.

(*i*) The whole personnel of the public sector, who owe their relative job security and relatively higher wages to the state. It is true that increasing numbers of public employees, both blue and white collar, have recently unionized (and some have become quite militant) in order to protect their position against government retrenchment policies, from which they would otherwise be among the first to suffer. But they are still more secure and better paid than employees in the competitive private sector.

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(*ii*) The recipients of welfare-state benefits. These also, especially those most in need, are taking to organizing, in welfare rights groups, tenants' organizations, and community coalitions of various sorts, to secure the benefits that are theirs on paper or to demand further benefits. This makes them seem adversaries of the state. But they are still clients, and the more they win the more dependent they are.

This is not to say that they are inert dependants of the state. No one would doubt that the rise of the elaborate welfare-state in all the Western democracies was due to the political strength of organized labour, whether expressed in trade union pressure on established parties or in the rise to power of social-democratic and labour parties. But to say that it was their power which created the welfare-state, and which requires its continuance, is not to deny that they, as well as the unorganized and redundant labour force, all of whom are its beneficiaries, are now dependent on the state for the continuance of their benefits. The relation is reciprocal: they created the welfare-state, but now they are its creature.

They still indeed have the potential of turning out a government which fails to give them what they have come to count on, but since the failure will have been due to the fiscal crisis of the state this will not improve their position as long as they accept the need for private capital accumulation. So, to the extent that they are kept by the state they will keep the state.

(*iii*) The strongly-organized part of the labour force in the private sector. They can see quite well that they owe their relatively advantaged position to the state's support and subsidization of their employers' operations, and they consequently can readily accept the legitimacy of the state which so serves them.

Against this it may be argued that they, along with the employees of the public sector, are the first to bear the brunt of the now apparently endemic wage and price controls, and that they have shown by their strenuous opposition to such devices no great affection for the state which imposes them. It must be granted that in the measure that such controls are permanent the state will have more difficulty in legitimating itself to them. But realistic trade unionists in the advantaged sectors can see that in spite of this their gain from the continuing state support and subsidization of their employers outweighs their loss from what they hope will be temporary wage controls.

These three categories together make up a substantial majority

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of the electorate. As long as the state can find the money, it will have no great difficulty legitimating itself to them.

But what about (*iv*)—the holders and operators of capital? Is not the real crisis of legitimation, now, whether the state can legitimate itself to them, rather than to the electorate? To speak of this as a problem of legitimation is to stretch the concept of legitimation considerably beyond its original and its current Marxist usage. There, it has been a matter of the state, or of a virtual merger of state and corporate capital (which merger is seen as parasitic on the body politic), having to legitimate itself to the body politic by mystifying its true nature.

I do not mean to deny the realism of this position. To have seen the problem of legitimation in this way was a substantial step forward. But I suggest that the problem I have put is also a problem of legitimation. For the state, whether or not it is seen as jointly parasitic with capital, is still sufficiently different from corporate capital to have to justify its activities to the latter. If the state cannot do so, capital can go on strike: can make impossible, or severely reduce, the state's operation of all the mechanisms which now legitimate the state to (*i*), (*ii*) and (*iii*), and can thus accentuate the legitimation problem. This seems to me to be the central problem of the advanced capitalist state. But I think it not insoluble.

The state may be able to legitimate itself to (*iv*) in either or both of two ways. (*a*) By persuading particular capitals that the state's support of the interests of capital in general is more to their long-term benefit than would be the state's leaving particular capitals to their own devices. This persuasion is not impossible: it has succeeded at least once within recent memory: after sustained opposition to Roosevelt's New Deal, particular capitals finally admitted their benefit from it. A similar persuasion, at the higher level that would now be required, might succeed again.

(*b*) By making each of the particular capitals (and the particular segments of organized labour) conscious, if they were not already sufficiently conscious, that each of them, separately (not firm by firm, but industry by industry) owes whatever prosperity it has to the state's continuing subsidization and regulation. In all those industries in which the state has become an indispensable subsidizer (which includes virtually the whole of the big corporate sector), the state has considerable leverage: it can hold them separately to ransom by threatening to reduce or withdraw its support. Hog producers, wheat producers, steel producers, auto-

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mobile and tank producers, textile producers, armaments producers, (and their unionized labour forces), and so across the whole of the organized private sector, all of them may be more or less *bought* by guaranteed prices, guaranteed purchases, tariff protection, government contracts, tax concessions, or other preferential treatment.

(2) This treating of particular capitals separately is, I suggest, the heart of the new pluralism of the late twentieth century. The new pluralism both is narrower than the received pluralist model, and embodies a reverse pluralism. Its difference from the presently received pluralist model is evident. It is not the give-and-take between the government and a myriad of voluntary associations and interest groups, which was supposed to give every alert citizen, ranged in one or more of those associations, a fair share of influence on government decisions. The received model was, indeed, never entirely realistic. For, while treating the democratic political process as something like a market (which it was), it abstracted too far from the capitalist nature of the society. It did not recognize that the requirements of capital accumulation set limits to, and set the direction of, the state's response to the plural pressures. And it was inclined to treat all pressures as eliciting from a neutral state responses proportional to their size. But at least the received pluralist theory was, for the era of full market competition, fairly accurate in one respect: the state acted upon pressures, but did not itself do much to interfere with those pressures.

This, I suggest, is what is now changing. The pressures which now operate effectively on the state are those of particular organized capitals (and particular segments of the organized labour force) each of which depends upon the state for the security and preferential treatment it enjoys. This is what has given the state such relative autonomy from capital in general as it now has. Pluralism, in this respect, has gone into reverse: the state now pluralizes capital, by its ability to reduce or withhold favours to separate particular capitals.

There is indeed some measure also of what might be called reverse-reverse pluralism. Multi-national corporations can play off particular national states against each other for favours, because of their ability to move their capitals. And in federal nation-states, capitals can play off different levels of the state, i.e. of governments and bureaucracies. But the national state's ability to pluralize capital is still significant.

It is true that the whole range of interest groups celebrated

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by the received pluralist theories is still alive, and that it comprises not only corporate producers' interest groups and various levels and segments of organized labour, but also many others—professional groups, women, ethnic minorities, scientists, banks, universities, the performing arts, even publishers, not to mention all the ethical groups concerned with such issues as abortion, capital punishment, marijuana, and privacy. They all engage in lobbying. Their voices are heard, but are they heeded? It is a reasonable presumption that all of the demands of these other interest groups which would cost money will get increasingly short shrift as the fiscal difficulties of the state increase. The interest groups that will remain at all effective will be those organizations of particular capitals (and the parallel labour groups) who can show that the state's continuing support of them is essential to the maintenance of the capitalist economy. And these are the ones that the state can separately hold to ransom. The undoubted fact of increasing concentration of capitals in particular industries does not affect this: the greater the concentration in any one industry—steel, textiles, wheat, oil, cement, communications—the stronger their lobbies become, but the more they are dependent on the state's favours, and the more they can be held in line.

The new pluralism, then, is a two-way affair: the new element is the ability of the state to pluralize capital. The pressure groups that will continue to be effective are those corporate and labour groups over which the state has a stranglehold, if it wishes (or is financially compelled) to use it. And it is likely to have to do so increasingly.

There is a historical parallel to this state pluralization of capital. Just as the capitalist state from the beginning expropriated the communal life of earlier society, atomized it, absorbed the powers people had exercised together, and used those powers to rule the people in the interests of capital in general (12); so now, in advanced capitalism, the state has to add a parallel operation—it absorbs from particular capitals some of their powers (i.e., some of their revenues, and hence of their ability to accumulate) and uses that power, still in the interests of capital in general, to make particular capitals dependent on the state.

It is probable that this reverse pluralism, and the relative autonomy of the state, will increase as the state gets more deeply

(12) Cf. Alan Wolfe, New Directions in the Marxist Theory of Politics, *Politics and Society* (1974), pp. 145 sqq.

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involved in the management of the economy, the stabilization of markets, and the subsidization of production and prices. And the relative autonomy of the state from capital will also be aided as the public sector expands and moves more of the whole labour force and capital force from market determination to political determination.

There are, however, clear limits to any such increase in relative autonomy, *as long as the electorate continues to support, i.e. not to reject, capitalism.* So long as capitalism is thus maintained, the state is still dependent on the accumulation of private capital: even with the enlarged public sector, the state must still operate within the limits of maintaining capital accumulation in general, however skilful it may be in manœuvering between particular capitals. The state in a capitalist society cannot be a neutral uncle: it must serve the interests of capital.

(3) What becomes of the relative autonomy, how it will be used, depends now, I suggest, on whether, or how rapidly, the public becomes conscious of the real nature of advanced capitalism and is moved to political action to alter it. The relative autonomy of the state, or the reverse pluralism, will not be the spark of any such new consciousness: the spark can only be an awareness of the incompetence of advanced capitalism and of the state which supports and tries to manage it: the relative autonomy of the state is merely the conduit in which the spark may ignite.

There are already some indications of such a new awareness. There is a growing disbelief in technology as the cure-all, in view of the damaging uses to which managed capitalism puts it (pollution and ecological destruction). There is a growing restiveness within the labour force over its subordination to organization and technology (wildcat strikes and shop-steward militancy). And as the state runs into deepening fiscal difficulties, there is likely to be increasing restiveness among some of those sections of the public who were said earlier (above, pp. 237-38) to be fairly easily persuaded of the legitimacy of the state as long as the money held out, i.e. (*i*) workers in the public sector, as expenditures on hospitals, schools, etc., are cut back, so reducing or cancelling their relative job security, and (*ii*) some of the recipients of welfare-state benefits, e.g. the unemployed, as budgeting provision for them is reduced.

Such disenchantments with the capitalist state are important, for the maintenance of capitalism requires not only all the legal and material supports which the state now supplies, but also a

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general acceptance of the rightness of the system, or at least a belief that there is no acceptable alternative. In the earlier days of capitalism, *competition* was presented as 'the natural system of liberty', beneficial to all. In advanced capitalism, *organization* takes the place of competition as the universal benefactor: the 'post-industrial', technological, managed society is presented as the solution to all problems and contradictions (13). In the measure that this belief in organization crumbles, there opens up a possibility that political action can put human purposes above capital purposes.

This is indeed no more than a possibility. The belief, reinforced as it is by the ubiquitous presence of the corporate sector in our channels of political socialization, may not crumble. And the inherent tendency of the Western party system to obfuscate basic issues (14) works to prevent a public consciousness of the real nature of the political economy of capitalism. But there is at least the possibility that reality will break through.

(4) It is here that a realistic and normative theory of the state can contribute, by delineating both (*i*) the necessary and necessarily changing relation of the state to capitalist society, and (*ii*) the limits of the possible relation of the capitalist society and state to essential human needs and capacities. The contemporary Marxist theorists are doing a good job on (*i*), but in most cases to the relative neglect of (*ii*).

To reinstate the tradition of grand theories of the state, further work on (*ii*) is now needed. The theory of the state does have to come back from political economy to political philosophy, though it can only come back effectively in the measure that it has probed political economy. It also needs more empirical and theoretical work on human needs, wants and capacities (15), and a full re-assessment of the behaviouralists' findings about the present processes of political socialization from childhood through adulthood (16).

A euphoric vision is that all this can be done co-operatively, or in friendly rivalry, by the adherents of my categories 2 and 3.

(13) Cf. Ernest MANDEL, *Late Capitalism* (1975): 'Belief in the omnipotence of technology is the specific form of bourgeois ideology in late capitalism' (p. 501).

(14) Cf. my forthcoming *The Life and Times of Liberal Democracy* (Oxford 1977), ch. III, sect. 3.

(15) Cf. the essays by various authors in Ross FITZGERALD (ed.), *Human Needs and Politics* (New York, Pergamon, 1977).

(16) A striking beginning has been made in Alan WOLFE's article cited above. Cf. his forthcoming *The Limits of Legitimacy* (Boston, Beacon, 1977).

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This is not impossible, for some of the contemporary Marxist scholars whom I have placed in category 3 have been led by their analyses to doubt the present relevance of the classical Marxian revolutionary prescription, adherence to which was the main thing that separated category 3 from 2. A still more euphoric, even utopian, vision is the coinciding of a merger of 2 and 3 with a significant shift of theorists from 1 to 2. If that were to happen, the political theory profession could be said to have entered the late twentieth century.

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