

**London School of Economics
and Political Science**

**Historicising the Global:
Capitalism, Territoriality, and the
International Relations of Modernity**

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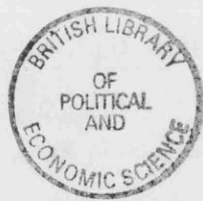


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Abstract of Thesis

The discipline of International Relations finds itself challenged by theorists who argue that processes of globalisation undermine the sovereignty of the territorial state, thereby eroding the basis for an autonomous science of 'the international'. This challenge assumes that traditional forms of state-centric IR theory were adequate until very recently, but need to be discarded now that a global society has replaced the territorial organisation of social life. This thesis argues that the assumption of a 'golden age' of state sovereignty is misleading as a description of modern international relations. Even before the current period of globalisation, states did not fully 'contain' society. The purpose of this thesis is to contribute to a theory of modern international relations that takes account of modernity's global aspects.

The first part of the thesis analyses various critiques of state-centrism and shows that their historicisation of the modern international system is problematic because of an ahistorical conceptualisation of the relationship between politics and economics. The second part consists of a reconstruction of the historical materialist theory of the transition from feudalism to capitalism, which shows that the territorialisation of states and the modern separation of politics and economic did not coincide either temporally or structurally. This leads to a reinterpretation of the 'Westphalian system' that stresses its pre-modern nature and shows how the competitive dynamic of this system contributed to the universalisation of capitalism at the beginning of the nineteenth century.

The third part inquires into the consequences of the emergence of capitalism within the context of a pre-existing system of territorial states. It shows how the entrenchment of the national state in the late nineteenth century mediates the contradictions of global capitalism. It suggests that the territoriality of modern political space has become 'internalised' by capitalism, though the relationship between national state and world market remains riven by contradictions. This requires a change of perspective in the globalisation debate: rather than to ask whether national sovereignty is undermined by globalisation, IR should inquire into the limits to global economic integration given the persistence of national sovereignty as the – currently - only effective way of regulating the economy and reproducing capital.

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INTRODUCTION: FROM THE INTERNATIONAL TO THE GLOBAL?

The Globalisation Thesis

The current wave of theories of globalisation suggests that the last 25 years may have witnessed the beginning of a new global age, in which society, for the first time in history, becomes a transnational phenomenon. A global economy has emerged which all but disregards national boundaries, in which 'space becomes annihilated by time'; some, indeed, have posited the end of geography. Others point to the deepening cultural and normative integration of global interactions. And even those who have pointed out the idealistic content of many of these theories of global culture, and who have questioned the benign character of global social movements, themselves stress the globalisation of class relations.

As the world seems to be moving from the 'interdependence' of national societies and economies towards a truly global form of existence, the state is increasingly downgraded as the form of organisation through which effective political authority is wielded. If the territorial organisation of exclusive territoriality was one of the fundamental pillars of the 'modern' international system which emerged in the post-feudal period, we now seem to be moving towards a 'postmodern' order in which the clear lines dividing the national from the international no longer seem to cut so sharply. If sovereignty is understood as a claim regarding the organisation of political authority, which posits that states are the main organisational forms of political power, then globalisation seems to imply the end of the world system based on sovereignty.¹

There are two basic forms of this argument. The first is based on the negative claim that global economic and social transactions have undermined the capacity of the state to govern or even just regulate 'their' national economies and societies. This may be called the thesis of the 'incontinent state'. The movements

1 Camilleri and Falk 1992, 2-6.

of goods, services, ideas and communications between states authorised by members of civil society are just too fluid for states to be able to control them. States thus become increasingly incompetent in the face of global transactions; their ability to fulfil basic state functions is thrown in question. Effective authority leaks away from the state; political power is consequently absorbed by other organisations, from formal and informal apparatuses of governmental coordination outside of state boundaries, to the organisations of civil society with which states are increasingly forced to cooperate, collaborate, and negotiate.

Most importantly, however, there seems to have been a transfer of power from the state to the market. Aspects of social life that had formerly been regulated by the state, are now seen to be increasingly governed by the market. The disempowerment of the state corresponds to the empowerment of the market. Some scholars see this process as signalling a blurring of the lines between public and private, as well as between politics and economics, as private actors take on public functions and responsibilities. This argument is expressed, in a paradigmatic form, by Susan Strange:

Where states were once the masters of markets, now it is the markets which, on many crucial issues, are the masters over the governments of states. And the declining authority of states is reflected in a growing diffusion of authority to other institutions and associations, and to local and regional bodies.²

For Strange, the territorial boundaries of the state become increasingly dissociated from the transnational or global organisation of social and economic life; as a consequence, the state is less and less able to fulfil the basic functions (those defined by Adam Smith) for which, according to Strange, it was created.³

The second argument goes further than these formulations in that it posits not just an undermining of the national state, but the emergence of a system of international authority, which has some degree of cohesiveness. There is not simply a fragmentation or even dispersal of political authority, but a re-integration of effective regulation and governance of the world economy. To some extent, the debate over this question is fought out on the terrain of traditional IR theory. Realists deny any process of global state formation, which alone they regard as having the capacity to change the fundamental logic of

2 Strange 1996, 4.

anarchical relations between sovereign states. In the absence of such developments, the insecurity prevailing in a world in which supra-state institutions cannot guarantee national security must reproduce sovereignty as the organisational principle of interstate interaction.

Liberals, of course, have increasingly accepted the problematique of anarchy as the starting point for International Relations and International Political Economy (IR/IPE).⁴ They are hence first of all concerned with showing that increasing interstate cooperation can indeed mitigate the consequences of anarchy. Institutions of global governance, they argue, allow states to overcome the zero-sum logic of anarchical politics. International politics is thus increasingly replaced by global politics, which accepts the interdependencies created by social and economic transactions and seeks to manage them with a view to stabilising the global system. But many of these theorists of global governance are quick to point out that the regulatory capacities do not match the sheer scale and fluidity of transnational interactions; there remains something of a 'governance gap'.⁵

There are other scholars, however, who suggest that important aspects of global governance have developed within global civil society; networks of the 'transnational managerial class', like the Davos Conferences, and their 'organic intellectuals' organised, for instance, in the Trilateral Commission are actively formulating a new 'common sense' which serves to circumscribe the parameters of 'sensible' public policy, and to coordinate domestic economic strategies with the requirements of global production and accumulation. The state, as Cox suggests, is thus transformed into a 'transmission belt', which adjusts national society to the imperatives of the world market – imperatives which are very much socially constructed (both materially and ideologically) - by these

3 Strange 1996, xii and 14.

4 Most of the argument presented in this thesis applies to both IR and IPE, especially in its state-centric mainstream versions. However, while IR is increasingly becoming a sub-discipline of IPE, there remain important ontological differences between the declining number of students of 'the international' who continue to insist on the autonomy of the inter-state system, and those who acknowledge that 'the domestic' and 'the international', as well as 'the political' and 'the economic', cannot be neatly separated and theorised in abstraction from each other. Where IR or IPE is used in this thesis without reference to the other, it relates to these ontological differences.

5 Cf. Zürn 1995, 153-54.

transnational elites.⁶ In this perspective, then, the ‘internationalisation of the state’ does not refer to a process of global state building, but to the reorganisation of the relationship between state and civil society. As civil society becomes global, states lose their character as ‘communities of fate’ and become organs of this world society – no longer as sovereign units which fragmented the world economy into ‘national economies’, but as subordinate elements in the system of governance of this global society.⁷

At the heart of all these contributions to the globalisation thesis is the notion that state-centric modes of theorising were adequate until very recently, but have been rendered questionable by the contemporary reorganisation of social life. Even neo-Gramscian theorists of IPE, who note the inadequacy of statist and pluralist conceptions of the state and who insist on the analysis of ‘state/society complexes’ rather than states, seem to agree that society was until very recently a nationally bounded realm, contained by the state’s authority and capacity to control and regulate social, economic and cultural interactions between the members of their societies.

In these perspectives, then, the present age is regarded as undergoing a crucial step in what seems to be an evolutionary dynamic that leads from national to global society, and from an international to a global economy. This reorganisation of social space, these theorists argue, must have momentous implications for the role and functions of states in the global political economy. And the social sciences, they propose, have to come to terms with a world in which the clear demarcation between domestic and international spheres is becoming highly blurred. This implies that the empirical foundations for a science of an autonomous sphere of ‘the international’ (with its own distinct laws and patterns) are vanishing.⁸

There is of, course, no shortage of critiques of this argument (or of some of its steps). The transformation of the international to a global economy, in particular, has been questioned in great detail, as has been the ‘footloose’ character of multinational corporations, and the uniqueness of contemporary ‘global’ finance.

6 Cox 1996a, 302; cf. van der Pijl 1998, 132; Gill 1990.

7 Cf. Shaw 1994, 19.

8 cf. Shaw 1994, 24-25; Scholte 1996, 48.

Others have noted that trends towards cultural universalisation are countered by processes of particularisation and re-nationalisation. But while these empirical (or even just statistical) objections are of great importance and need careful analysis, they tend to accept the underlying assumption, i.e. that social and economic globalisation must necessarily undermine the sovereignty of the state.

The prior question must be, then: how appropriate is this assumption itself? This question cannot be answered, it has to be stressed, by recourse to that favourite academic strategy which finds the truth between two 'extreme' positions, somewhere in the reasonable middle. Such a strategy, rather predictably, has already asserted itself given the contending claims regarding globalisation. Thus both 'hyper-globalists' and 'globalisation-sceptics' find themselves called to order by the sober 'transformationalists'; whereas the former posit a fully developed global economy, for instance, and the latter note that not much has changed at least in comparison to the pre-1914 period, these scholars seek to cut through the smoke of hype and denial by asserting that we are somewhere on the way between 'the international' and 'the global'. And so, it follows that while the state has lost *some* of its importance, it remains, for the time being, a crucial player in the *globalising* (rather than global) political economy.⁹ The notion of an inherent dichotomy of state and world society or world market, however, remains just as crucial to this perspective as to the more enthusiastic globalists.

Outline of Argument

The critical examination of the dichotomy of the national (and, derivative of that, the *inter-national*) on the one hand, and the global on the other, is at the heart of this thesis. Its exploration provides a powerful prism through which some of the most vexing issues that confront the discipline of IR/IPE in its attempts to come to terms with current transformations. Most crucially, it allows us to de-reify spatial arrangements by highlighting the historicity of spatial practices. The importance of historicising the spatial framework which IR (and

9 Held et al. 1999, 2-10.

even much of IPE) takes for granted has recently been stressed in an important article by John Agnew. According to Agnew, IR has been caught in a “territorial trap” by its propensity to regard the territorial form of organising political space as a timeless feature of social life. “Theorizing is thus put beyond history” by conventional IR’s geographical assumptions.¹⁰

The rejection of the ‘territorial trap’ is a crucial theme in the emerging challenge to the orthodox agenda of the ‘neo-neo-synthesis’ which focuses on the problematique of the conditions and limitations of cooperation under conditions of anarchy. Heterodox approaches to International Political Economy as well as critical theories of International Relations share the idea that international systems are inherently historical and related to broader social structures that are subject to transformation. In this perspective, it is the historical constitution and potential transcendence of the *modern* international system, and with it the nature of modernity itself, which becomes the substantive focus of IR/IPE. It is on this basis that innovative IR theory seeks to reconnect to social theory.

The purpose of this PhD thesis is to contribute to the emerging body of a critical social theory of international relations. But my starting point is quite different from that chosen by most heterodox IR theorists in one important respect. The latter suggest that IR has to finally emerge from the “territorial trap” in order to come to terms with the current move from the national/international to the global, thereby assuming that the phase of modernity which ended in the 1970s (which some regard as the end of modernity itself) was in fact determined by the territorial state. By contrast, I will argue in *chapter 1* that the modern world economy is premised upon social relations which are innately transnational. This argument is premised on Marx’s fundamental insight that capital is not a thing, but a social relation. Its implication is that a theory of international relations can never be a theory of the patterns of interstate relations alone, but has to interpret the relations between states in the context of the expansion and transformation of capitalism’s global society.

But Marxism suffers from serious problems itself, the problem of accounting for the exclusive territoriality of capitalist political space (given that capital is

10 Agnew 1994, 72; Cf. the penetrating analysis of the same issue in Youngs 1999, 34-50.

inherently transnational) foremost among them. In recognition of these problems, the latter part of the second chapter seeks to identify some requirements for a viable Marxist theory of the international relations of modernity. I emphasise the need for a radical historicisation of the categories through which Marxism seeks to construct a theory of modernity in order to overcome its tendency to explain the rise of modernity in an economistic and evolutionistic fashion. I also stress the need to overcome the base/superstructure model of social change and the ability to recognise and account for the differences between forms of capitalism itself. Finally, I argue that perhaps the biggest challenge for Marxism lies in developing a theory of the modern state as a national, or territorial, state, and to theorise the changes in the relationship between capitalist statehood and the capitalist world market.

Is it possible to (re-)construct an historical materialist approach which can address these challenges, or is Marxism necessarily reductionist? The next three chapters explore different Marxist attempts to overcome economistic tendencies. Each of them builds on some understanding of ‘totality’ (rather than on the causality of the economic sphere), but they differ with respect to the specific way in which they seek to relate the ‘superstructures’ to the ‘base’. *Chapter 2* starts by considering the structural Marxism of Althusser and Poulantzas, with its emphasis on the ‘relative autonomy’ of the capitalist state. This approach points to the interaction between the levels of base and superstructure, but in order to retain a central role for ‘the economy’ (if only in the last instance), it had to replace economic with structural determinism. It also suffered from its inability to bridge the gap between theoretical and empirical inquiry and its incapacity to account for change.

These concerns are fundamental, by contrast, to neo-Gramscian critical theory, which has become the most influential form of historical materialist theorising in IR/IPE. I will show, in *chapter 3*, that this approach is still based on the problematique of structural Marxism, whose limitations it seeks to overcome without being able to break from its basic assumptions. In the end, the neo-Gramscian perspective circumvents the problems of structural Marxism only by breaking up the unity of capitalist development into a number of self-contained ‘historical structures’. Moreover, while according more autonomy to the state

and reducing the economism of traditional forms of Marxism, these authors no longer have a theory of sovereignty or the capitalist market. They thus fail to engage with some of the most fundamental categories of IR, focusing on the variations within modern institutions rather than on the institutional structure of modernity itself.

The *fourth chapter* then presents a different solution to the twin problems of state power and historical legacies within an historical materialist framework. I will argue that E.P. Thompson's notion of capitalism as a 'structured process' provides an alternative to both the structuralist reification of capital and the neo-Gramscian dissolution of capitalism into a number of discrete 'historical structures'. In fact, Thompson's stress on the imbrication of the political, cultural and legal 'superstructures' of the capitalist economy points the way to a conceptualisation of capitalism which effectively overcomes the base/superstructure model which has marred historical materialism for so long. This argument is developed further by drawing on the most innovative and non-positivist forms of historical materialism: the 'political Marxism' of Ellen Meiksins Wood and Robert Brenner, and the 'open Marxism' of John Holloway, Werner Bonefeld and Simon Clarke (to name but a few).

A recent wave of historical materialist theorising of international relations, which I will critically review in the *fifth chapter*, draws extensively on these Marxist social theories. In particular, they take up the argument that capitalism involves the historical separation of politics and economics. But these theorists, I will argue, proceed too quickly from this argument to the historical form of state which has dominated the capitalist period, i.e. the *national* state. The interpretation of capital as a social relation which finds institutional expression in the institutionally differentiated spheres of 'the political' and 'the economic' does not explain why the capitalist political space is territorially segmented and governed by competing sovereignties. I will suggest that the exclusive territoriality of capitalist political space derives not from the inner nature of capital, but from the way in which capitalism came to be born into a pre-existing system of territorial states.

This argument is explored historically over the following two chapters. In *chapter 6*, building on an interpretation of the transition from feudalism to

capitalism that takes the radical distinctiveness of capitalist modernity as its starting point for the conceptual framing of this process, I will suggest that the emergence of capitalism should not be seen as the product of ‘long sweep of history’ which led up to this event by some inherent necessity. Indeed, I will argue that most of Europe did not experience a transition to capitalism in the early modern period. According to this view, territoriality of political authority is not only an outgrowth of the feudal logic of ‘political accumulation’; absolutist state formation also embodied a logic of process diametrically opposed to capitalist development as it was based on a fundamentally different property relationship, which, following Robert Brenner, can be understood as ‘politically constituted’. Politics and economics were not differentiated in absolutism. The logic of political accumulation had also been operating in feudal England, but it was short-circuited by the rise of a qualitatively distinct form of property relation; the English state came to express very different social relations of sovereignty from those embodied in the absolutist states of continental Europe, which relied on the empowerment of the property in things to mediate the appropriation of surplus. On this foundation, political domination and economic exploitation could assume different institutional forms.

Chapter 7 then considers the implications of this argument for our understanding of the absolutist international system, which, I will argue, should be regarded as fundamentally non-modern. More specifically, I will show that the pressures of international conflict did not translate into a ‘modernisation’ of the state and the economy; the ‘rationalisation’ it effected remained circumscribed by the particular rationality of absolutist property relations. It also shows how this rationality pervaded the dynamic of the international relations between these absolutist states. With the industrial revolution in Britain, however, the existence of the absolutist ruling classes organised as sovereign states became threatened. The nineteenth century saw successive waves of ‘revolutions from above’ through which these state classes tried to secure their internal and external reproduction by imposing capitalist property relations on their societies. The capitalist transformation of continental Europe thus took place within the framework of exclusive territoriality, which was reproduced despite a fundamental change in the nature of social space. But while capitalist politics is

very different from absolutist politics, sovereign territoriality continued to structure the social relations of capitalism.

The question of what the structuration of capitalism by the territoriality of political authority means for capitalist development is at the heart of the third part of this thesis. *Chapter 8* will seek to specify the consequences for capitalism's 'logic of process' in conceptual terms. I will argue that the non-coincidence of the spatialities of authority and accumulation presents a constant source of tension, as states strive to internalise the conditions under which they have to secure the reproduction of 'their' capitals. But while states are agents in the production and structuring of global space, their policies cannot be grasped in terms of some innate 'national interest'; they arise out of the mediation of class struggles and crises of accumulation. This is, then, a highly dynamic process which gives rise to changing patterns of international conflict, in which state strategies of competition and the competitive strategies of individual capitals can enter into different relationships. It also generates different 'spatial regimes' through which the relationship between the national and the global is constituted on a temporary basis.

In *chapter 9*, I will provide a schematic overview of some of the socio-geographical regimes which have characterised the history of capitalist modernity. I will also attempt to explain why, over the course of capitalism's development, there has been a clear tendency to nationalise the economic space of the world economy through the deployment of the territorial power of states. Thus, while exclusive political territoriality has its roots in pre-capitalist social relations, it has become more rather than less entrenched since the 1870s, and it has gone hand in hand with the increasing 'caging' of transnational relations. This tendency was expressed most clearly by the rise of the nation-state (to be distinguished from the more generic 'national state' of which it forms a particular instantiation). This process, I will argue, was a reaction both to the much more transnational organisation of the world market, centred on the British economy, in the preceding period, and to the transnational aspirations (and to some extent organisation) of the working class since the 1870s.

The result was a double segmentation of capitalism's global society, based, firstly, on the promotion of the state as an alternative 'imagined community' to

that of class; and secondly, on the incorporation (at least by tendency) of a part of the world economy into the political jurisdiction (and sometimes even the boundaries) of these national/imperial states. This implies a complication of the notion prevalent in the globalisation literature that there has recently been a progression from the national to the global. The 'national economy' was not the starting point of capitalist development, to be superseded now that communication and transport technologies have developed sufficiently to allow for a single global market to emerge. Nor was this national caging of capitalism's global society and economy ever more than a tendency, even at the height of the welfare state. The latter part of chapter 9 will highlight the transnational or global context of 'embedded liberalism'. I will argue that the postwar international order composed of national states and national economies was premised upon the increasing incorporation of further areas and social relations into capitalism's global society.

The turn towards increasing global economic integration during the 1970s thus appears less as a transition from the international to the global than as a rearticulation of world capitalism. This does not mean that the transformation is irrelevant – far from it. But the question remains how are we to conceptualise this transformation. In the extended *conclusions*, I will suggest that we should pose the problem of globalisation not so much in terms of the demise of national sovereignty (or even just autonomy) as a consequence of increasing international interdependence or a change in the nature of the world economy. Instead, the question which needs to be answered, in view of the reconstructed interpretation of capitalist modernity presented in the preceding chapters, is whether global economic integration is sustainable, given the fact that territorial states, arguably, remain the only available (though not necessarily effective) form of regulation and governance of the world economy and of capitalism's global society.

But, and this is crucial, if the national form of capitalist statehood should be reproduced in the current period of geo-economic integration, this is a *contingent* rather than a necessary aspect of capitalist development. Capitalism may exist politically in the form of a 'global state', and the concept of capital may in fact require the existence of global sovereignty to make possible the reproduction of capital at a certain level of development. This would suggest that if, contrary to

the *needs* of global capitalism, no such global state formation is in fact taking place, then the consequence may once again be a return to heightened geopolitical competition.

This is not a prediction of necessary doom, but reflects a methodological commitment to a non-reductionist form of historical materialism. Indeed, if there is one lesson to be found in the history of capitalist development, it is that global economic integration does not produce global political integration in any causal or functional sense. States have different possibilities to react to the 'spatialisation strategies' of economic actors. How they will use their territorialised authority will depend not simply on the requirements of capitalists (or the imperatives of the 'national interest'), but will be shaped in the process of mediating the contradictions of capital accumulation and class struggle, as well as the competitive pressures between states themselves. In the end, the spatialisation strategies of states may be as important for the socio-geographical patterning of capitalist modernity as those of economic actors – if not more so.

1. THE LIMITS OF SOCIETY: STATE-CENTRISM AND THE INTERNATIONAL RELATIONS OF MODERNITY

1.1. The Critique of State-Centric IR

No aspect of orthodox International Relations, whether in its traditional Realist form or its modified liberal-institutionalist guise, has proved more provocative than its commitment to the analytical centrality of the state and the interstate system in the study of world politics. Scholars engaged in the formulation of a critical social theory of IR/IPE argue that state-centrism takes as unproblematic two assumptions that simply can no longer be accepted in the face of recent transformations in the nature of world politics: the clear distinction between ‘the internal’ and ‘the external’, and the separability of ‘politics’ and ‘economics’. These analytical differentiations, they suggest, are not given by the nature of social life itself, but are the product of a particular historical period. When these historical arrangements begin to change, the usefulness of the concepts abstracted from such temporary realities begins to wane.¹ The contention of the critics of conventional IR is that we are in the midst of such a period of historical transformation, and thus challenged to develop new conceptual tools for the emerging order.

The critique of orthodox IR is thus built on the notion of a recent watershed which separates a ‘Westphalian’ order in which states were the dominant actors, institutionally differentiated from the economic sphere, but nevertheless controlling social and economic transactions across their boundaries (and thus had clearly demarcated national economies which they were able to regulate independently and effectively), from a ‘post-Westphalian’ system in which all this no longer pertains. This understanding, however, is far too simplistic; it dramatises current processes of social and international transformation by

1 Cf. Cox 1996b, 89.

understating the ‘transnational’ or ‘global’ aspects of the first, and the ‘international’ features of the second. As Fred Halliday notes, the traditional “banishment” of globalisation as an historical tendency of modernity itself “has given way to promiscuity”, thereby obscuring the “continued adaptation of the global and the particular” which obtains today as it had at the beginning of the modern age, if not in the same form.²

In the theorisation of the relationship between the national state and the world market - which condenses the analytical distinctions between internal and external, national and global, as well as politics and economics – we can find surprisingly similar socio-spatial representations of modernity shared by orthodox IR theorists and their heterodox critics, based on the supposed dominance of national political and economic space. Instead of focusing on the issue under contention between these approaches, i.e. whether modernity (or at least its state-centric phase) has come to an end, I will attempt to provide some conceptual foundations for an alternative interpretation of contemporary transformations by rethinking the relationships of politics and economics, and between the national and the global, in modernity. In doing so, it will become evident that it is the concept of modernity itself which is in dire need of re-examination.

The purpose of the present chapter is to establish some initial plausibility for the claim that modernity is not only global (or transnational) in some crucial respects, but that it is premised upon transnational social relations and, indeed, a *global society*. Taking up the theoretical innovations developed by some Realists in their attempt to respond to the challenge of globalisation theory, I show how the sociological arguments to which they turn tend to undermine some crucial Realist assumptions, especially its implicit spatial premise - that society exists only within the boundaries of states. I then turn to historical materialism to gain a better understanding of the social relations underlying the modern world economy. That raises the question whether this theoretical framework provides an adequate basis for the theorisation of the role of the state in modernity, and

2 Halliday 1994, 2.

whether its value is ultimately limited by replacing state-centrism with economic determinism.

1.2. Realism vs. Globalism

Not surprisingly, some of the most insistent critiques of the globalisation thesis have been voiced by representatives of the Realist tradition in IR and IPE. There is no need here to invoke once again that favourite bogeyman of all the presumptive heirs of Realism, Kenneth Waltz; Realism has more to offer than his simplistic (or ‘parsimonious’) ‘science’ of the international system. Even though it remains ultimately limited by its fixation on the state, Realism continues to pose questions which other approaches ignore at their peril.

Many Realists have done little more than challenge the *empirical* account of the emergence of a global society and economy. They note that the current structure of the world economy is not too dissimilar from that which preceded World War I. According to Stephen Krasner, transnational flows cannot be regarded as new, as developed states have always relied on international trade and finance; nor is globalisation new as developments in one part of the world have for a long time affected developments in other parts.³

But Krasner also carries the Realist argument beyond this standard empirical critique, emphasising a systematic relationship between the consolidation of sovereignty and the increase in cross-border economic transactions. In an important article co-authored with Janice Thomson, the authors note that the historical period which first saw the emergence of interdependence (the last 200 years), was precisely the same period in which sovereignty was consolidated and states finally asserted a monopoly over the means of violence within their territories. Interdependence, far from implying the decline of sovereignty, in fact presupposes its existence and consolidation. The reason is that

High levels of exchange and market-rational outcomes (...) require stable property rights which, in a capitalist economic system, internalize costs and benefits. The only actors currently able to provide such rights are national-states. ... [I]n the modern world

3 Krasner 1994, 13.

consolidated national states are the necessary if not sufficient condition for stable property rights that internalize costs and benefits.⁴

International institutions, based on the hegemonic position of a particular state, have become increasingly important for the maintenance of international economic flows, but they remain based on the national sovereignty of the countries involved. At the same time, international transactions remain subject to the respective national jurisdictions of the states whose boundaries they cross. In the end, then, Thomson and Krasner conclude that “the commonplace notion that there is an inherent conflict between sovereignty and economic transactions is fundamentally misplaced”.⁵

Janice Thomson develops this theme even further, by expanding on the familiar realist distinction of sovereignty as state authority within a given territory, from effective state control. She argues that the activities over which states claim authority are not fixed but subject to transformation. In fact, Thomson suggests, this is an inherent aspect of what it means to be sovereign: the right to define what is to be regarded as ‘political’ and thus subject to state authority, and to relegate other activities to the ‘private’ realm of the economy, culture, civil society, etc. In this sense, sovereignty confers a ‘meta-political’ authority on the state, which allows it to define the social scope of its authority;⁶ at the same time, states recognise the right of other states to do the same within their territorial boundaries. Thus, if activities which states have defined as private become internationalised, it can hardly be claimed that this threatens the sovereignty of the state. On the basis of this argument, Thomson suggests, it may be more appropriate to understand current processes of international change not in terms of a decline of sovereignty, but as a process of redefinition of sovereignty involving “changes in the norms or rules delineating the legitimate forms of functional authority and means of enforcing those rules”.⁷

Such changes in character of sovereignty are not new: mercantilism, laissez-faire and embedded liberalism all expressed rather different relationships

4 Thomson and Krasner 1989, 197ff. On the weakness of sovereignty before the nineteenth century, see Krasner 1993.

5 Thomson and Krasner 1989, 198.

6 Thomson 1995, 222; cf. Krasner 1988, 87.

7 Thomson 1995, 225.

between the sovereignty of the state and the realm of 'private' activities. Sovereignty, thus understood, is not static, but subject to the occasional reorganisation of the nexus between state and society within the modern regime of sovereignty. By identifying one particular form of sovereignty with the essence of sovereignty we are misled into thinking that such a reorganisation means the transcendence of sovereignty as such. Against such tendencies in the globalisation literature, Thomson argues that contemporary processes of international transformation should be understood in terms of a reconstruction of the content of sovereignty and the redrawing of the line between the public realm of the state and the private realm of the economy and civil society. Thomson furthermore argues that this transformation, like earlier such processes, has its source in the attempts of states to strengthen their capacities to wage war and maintain domestic order.

States, in this perspective, *author*-ised interdependence in order to enhance their ability to reproduce themselves and their meta-political authority in the face of domestic and international challenges.⁸ As a consequence, whatever far-reaching implications interdependence and globalisation may have, they are unlikely to break up the long-term complementarity of state and market, even while modifying their concrete relationship. For ultimately, this complementarity is itself an expression of modernity and, more precisely, of the *modern* international system of sovereign states, which constituted the world economy as an autonomous social structure. As Thomson argues:

An economic realm of choice distinct from a political realm of coercion is not, as liberalism presupposes, natural and timeless but is a product of history and practice ... The contemporary differentiation between the state's realm - politics - and the economy is itself a product of the modern interstate system and the meta-political authority imparted to it by the institution of sovereignty.⁹

1.3. Sovereignty and Society: the State as 'Container'?

Thomson's conceptual elaborations impart to Realism an historical and sociological depth which it has often lacked in the past. In trying to come to

8 Thomson 1995, 216-217.

9 Thomson 1995: 222.

terms with the challenge of other approaches which posit a fundamental transformation of the international system, Thomson, like Krasner, challenges the “ahistorical” conceptualisation of the sovereign state in these approaches. Yet in so doing, she also pushes against some of the rigidities of Realism itself, accepting that those neo-realist theories which take sovereignty as given in fact provide “not a universal theory of global politics, but a theory of relations among modern states”.¹⁰ But it is only with the assaults of globalist theories that Realism seems to become aware of its own historical foundations, and Thomson’s work remains all too rare in self-reflexively tackling the theoretical challenges following from this admission. And, in the end, there are good reasons to doubt the ability of the Realist school to provide a satisfactory understanding of the modern international system and its dynamics. If taken seriously, the very issues raised by Thomson in order to defend Realism undermine the Realist framework even as a historicised theory of *modern* international relation. Two crucial Realist axioms, in particular, become highly problematic on the basis of her own argument.

Firstly, Thomson remains squarely within the Realist tradition with her insistence on the centrality of international imperatives not only to the actions of states, but also to their form of sovereignty. (Though she does note that social actors, too, influence the nature of the state’s sovereignty, this aspect remains underdeveloped.) But what Thomson fails to ask is what the implications of a change in the content of sovereignty are *for the dynamic of international politics*. The ‘dynamisation’ of the concept of sovereignty is thus conceptualised passively; the content of what states regard as falling under the sway of public authority remains irrelevant for the character of interstate competition. The latter seems to be determined by the form of sovereignty as such, not by its content. Modern international relations are thus portrayed as static in character, even while sovereignty itself is conceptualised as dynamic.

This mode of argumentation is of course familiar from historical sociology, on which Thomson relies heavily. But historical sociologists have in their turn appropriated the understanding of the international system as a static category

10 Thomson 1995, 218.

from unreconstructed forms of Realism or even from neo-Realism. It is precisely this aspect, however, which has come under increasing attack from those engaged in constructing a Weberian theory of IR.¹¹ According to these theorists, it is not just, *pace* Thomson, modern states which “are, in part, constituted by the international system”;¹² we have to be able, in turn, to think of the international system as constituted by states and the dominant state-society relations prevailing within them (or at least within the dominant states). A fully ‘structurationist’ perspective on the relationship between the state and the international system, which considers the dialectical relationship between agency and structure, is thus required.

But once this problem is posed - once we no longer take ‘war’ to be an independent and ahistorical variable which supposedly explains state-formation – the question of the societal processes which impinge on the constitution and reconstitution of sovereignty emerges as a focus of enquiry. For these processes, which Thomson herself does not deny but seems to regard as secondary, now have to be analysed from the perspective of their contribution of the dynamic of the international system itself.

Secondly, Thomson shares Realism’s view of the economy as a creature of the state; the economy is a source, ultimately, of state power and is managed and regulated by the state so as to serve its autonomous interests. She acknowledges that states are in rivalry with societal actors concerning the structuring of economy and that these private actors have interests which do not coincide with those of the state. This leads Thomson to claim that there is a non-coincidence between state and society inasmuch as the state is more than a mere concentration of social interests. Yet she seems to regard as unproblematic a fundamental (though implicit) assumption of all Realist theory, namely that state

11 Cf. Hobden 1999; Hobson 1998a and 1998b. The critique of the realist conceptualisation of the international system (and of its appropriation by historical sociologists, which Thomson re-imports into her sociological realism) has been taken up not least by a number of neo-Weberians concerned with a more sophisticated theorisation of ‘the international’. The problem with these approaches is, however, that they fail to take up Thomson’s crucial insight regarding the historicity of the separation of politics and economics, and instead fall back on a shallow pluralism of social spheres which are trans-historically applicable.

12 Thomson 1995, 221.

and society coincide in *spatial*, if not in social terms. Society exists *within* and is *contained* by the boundaries of the state.¹³

But the thrust of Thomson's own argument would seem to imply, at the very least, a complication of this assumption. For, those social activities that have been defined as non-political by the state are thereby also, in principle, uncoupled from the territoriality of political space. To be sure, they remain dependent on the regulatory mechanisms of territorial states (though not necessarily of the state from which they originate), and their spatial scope could, in theory, also be circumscribed by the boundaries of these states; but the fact remains that those social activities usually termed 'economic' have become organised across boundaries.¹⁴

Does this constitute a world society? Quite clearly, not every form of exchange across boundaries does have the power to do so. As long as we start from 'the economy' as an abstraction, this question can only be answered in the negative (or if we answer it in the positive, the 'society' and 'economy' will become universally coextensive). Instead of focusing on the supposedly general attributes of economic behaviour, therefore, we have to look at the particular *modern* form of organising production and exchange. Thomson introduces a moment of historicity in her approach when she defines the modern economy as a "realm of choice distinct from a political realm of coercion".¹⁵ But even this historical delimitation of the applicability of neo-classicism will not allow us to recognise the unique 'societalising' forces of the modern economy. These will become apparent only when we start to enquire into the historically specific presuppositions and dynamics of capitalism. It then becomes increasingly plausible to understand the world economy not simply as a system of material transactions based on the pre-social choices of free and equal individuals with given preferences, but as an inherently and eminently social realm. In this

13 On the state as 'container' of society, see Agnew and Corbridge 1995, 92-94; Taylor 1994 and 1995.

14 According to Anthony Giddens, "from its inception, the world capitalist economy was never just a vast commodity market. It involved, and involves, the commodification of labour-power in different regional settings. ... Whether they are small firms or large transnational corporations, most business enterprises are slotted directly or indirectly into economic relations stretching beyond the confines of any particular state"; Giddens 1985, 278.

respect, the capitalist world market is rather different from the one which preceded it:

Capitalism inherits a global world market – a system of commodity exchange and circulation – which it digests then regurgitates as the world capitalist system, a system of production. To achieve this, human labour power itself is converted into a commodity, reproduced like any other commodity according to specifically capitalist social relations.¹⁶

Capitalism now emerges as the crucial category. And capitalism is best understood as a system of power relations (the specification of which will be an important aspect of the first part of this thesis). *These* power relations, unlike the sovereign authority of territorial states, are not confined by boundaries.

Capitalism is a fundamentally transnational form of economy *and* society. Even during the age of imperialism and protectionism, or at the height of the welfare state in the postwar period, the nation-state arguably never contained the economy and society to the degree implied by the proponents of the globalisation thesis. As Michael Mann points out, while social relations became increasingly ‘caged’ by the nation-state and its inter-national relations since the mid-nineteenth century, this is only part of the story. For

the expansion of these national and inter-national networks always proceeded *alongside* the expansion of certain ‘transnational’ power relations, especially those of industrial capitalism and its attendant ideologies (liberalism, socialism).¹⁷

1.4. Modernity, Capitalism and Territoriality

What are the theoretical implications of this argument? Certainly *not* that sovereignty is of minor importance to the existence of a capitalist world market and society. In that respect, Thomson’s (and Krasner’s) arguments remain valid. What can no longer be accepted, however, is the Realist restriction of IR’s research object to the relations between states (even in the extended form suggested by Thomson, which looks at state-formation from the perspective of the international system). Instead, the expansion and deepening of transnational

15 Thomson 1995, 222.

16 Smith 1984, 61.

17 Mann 1997, 476. Mann develops a more general argument against the spatial equation of society with the state (not just for the modern period, but applicable to all of history), in Mann 1986, ch. 1.

social relations, and their changing relationship to the interstate system and its dynamics, have to become a central focus of IR.

Such a perspective would entail an important shift in the *problematique* which defines the core problems and questions with which IR as a (sub-)discipline is concerned. IR would no longer take its *problematique* to be the enquiry into the possibilities and limits of cooperation under anarchy, as in the joint research agenda of neoliberal institutionalism and neo-realism. Instead, it would be defined by the problem of modernity: to determine the role of the international system in the rise and development of modern society and to ask how this international system itself expresses the dynamics and contradictions of modernity.¹⁸

International Relations has to reinvent itself as a theory of *historical* international systems, and thus as a theory of international change. It has to concern itself centrally with the social forces which created the modern state and the modern international system, as well as with the transformations within the institution of sovereignty and the changes in the patterns of modern international relations. But in all of this, it can never simply strive to develop a theory of interstate relations, but has to be a theory of the international relations of modernity: of a historical society which is inherently transnational, yet is politically organised in the form of states claiming sovereign authority over the population of territorially delimited realms.

Far from implying that Realism continues to be valid in the present as the world has not changed, the arguments of Thomson and Krasner suggest, to the contrary, that Realism is inadequate even as a theory of the past.¹⁹ But this also implies that the current wave of critiques of Realism, and of the orthodox IR agenda more generally, is itself premised upon a historical perspective which accepts far too much of the conventional story. Its central claim, that sometime around 1970 there was a decisive break which saw the transcendence of national societies and the international economy by a global social and economic system,

18 Cf. Rosenberg 1994, 4.

19 According to Krasner, "If the fundamental problems of international politics and international political economy are enduring, so are the theoretical perspectives that we use to understand them. Although the theoretical tools have become more sophisticated, there has been no theoretical breakthrough, no paradigm shift"; Krasner 1994, 13f.

seems to confirm that at least until the 1970s, society *was* more or less contained by the state.

Martin Shaw argues in this vein that while the notion of a multitude of discrete societies may have fit the realities of the 19th century, it has now lost its relevance: “today the concept of ‘a society’ can only be applied fully and consistently ... to human society on a world scale”.²⁰ Andrew Linklater and John Macmillan similarly point out that the “wasteland between states ... is *now* pervaded with complex global economic and social linkages which suggest that Global Politics should replace International Relations”. For this reason, they argue, “International Relations can *no longer* be regarded as the analysis of the relations between clearly and securely bounded sovereign states responding to the challenges of an immutable anarchy”.²¹

But when could the international system ever be adequately understood in these terms? The notion of a golden age of sovereignty, whether in the postwar period or in the nineteenth century, in which states exerted full control over societies neatly delimited by territorial boundaries, is a myth which serves only to reinforce a crude conceptual alternative between sovereignty and globalisation. It is hardly surprising that, on the basis of this dichotomy, critical theorists tend to associate sovereignty and ‘globality’ with two different phases of historical development, in which sovereignty appears ultimately as the hallmark of modernity, whereas globalisation signals a move towards a postmodern age (or at the very least towards a new and qualitatively distinct form of modernity).

It is not the epochal form of theorising that is problematic, as both positivists and post-positivists of a postmodern inclination might object; indeed, the greatest significance of the globalisation debate is its stimulation of theories of historical change and social transformation which might challenge the dominance of

20 Shaw 1994, 129. Shaw recognises that a ‘global society’ did not emerge all of a sudden, but he argues that today, for “the first time since human beings inhabited this earth, it is possible to describe comprehensive networks of social relationships which include all people. We have not just some global connections - these have been developing for centuries - but the clear outline of a global society”; Shaw 1994, 3. For Shaw, this global society is characterised not just by processes of ‘systemic integration’, like the development of global production and exchange systems, global mass media and ‘world politics’ rather than international relations; he contends that there is also a definite process of global ‘normative integration’, with the appearance of common values and a global political culture emphasising human rights, democracy and minority rights (129).

ahistorical and positivistic methodologies in IR and the social sciences more generally. What is problematic, however, is the specific understanding of modernity which underlies the various contributions to the globalisation thesis. It implies that modernity was fundamentally dominated by and centred upon the territorial state, while the late or post-modern epoch is defined by the prevalence of global social and political relations. In as much as capitalism is regarded as an irreducible aspect of modernity, it is conceptualised as subordinate to the state and to its boundaries. The state, and the territoriality of political authority, thus become the defining elements of modernity.

But if, as I argued above, the modern state never contained the capitalist world society which emerged in the nineteenth century, the implication is that the reconsideration of those changes which are usually termed ‘globalisation’ require a reconsideration of modernity itself. Now, it is certainly correct that “[e]quating society with state is a basically modern view of the world”.²² Anthony Smith notes that the founding figures of the modern social sciences, especially Marx, Weber and Durkheim, all implicitly built on a “methodological nationalism” which regarded society as a territorially bounded phenomenon.²³ The further development of the social sciences enshrined this assumption by promoting the disciplinary separation of domestic and international politics. In this sense, there was a “nationalizing of the social sciences”, which was also marked by an increasing subservience of social studies to the concerns of particular states.²⁴

But even if we accept these observations, it does not follow that modern society *was* actually a national society in the sense suggested by its representation in the social sciences. To be sure, such representations have their own efficacy, and the nationalising of the social sciences certainly contributed to the nationalising of society since the final quarter of the nineteenth century. Yet this process can itself only be understood by reference (and, more specifically, as a reaction) to the simultaneous transnationalisation of social relations which had

21 Linklater and Macmillan 1995, 4 (emphases added).

22 Taylor 1999, 7.

23 Smith 1979, 191.

24 Agnew 1994, 69.

set in with the rise of a capitalist world market at the end of the eighteenth century.²⁵

Instead of taking the modern social sciences' representation of society as 'national' to be a faithful reflection of the reality of modern social relations, we would then have to ask whether the current understanding of modernity is itself an adequate one. It may be useful at this point to remind ourselves that not all the theories of modernity are in fact as much committed to some form of 'methodological nationalism' as Smith suggests. Most importantly, Karl Marx, while seemingly taking the 'national societies' of Britain, Germany or France as his starting point, developed a theory of capitalism which, according to Simon Bromley, "had no necessary national reference and his historical depiction of its emergence and consolidation was explicitly global in scope". In this sense, Bromley argues, Marx may even be seen as "the first significant theorist of globalisation".²⁶

Considering the prescient words of the *Communist Manifesto*, it is indeed hard to charge its authors with an excessive concern with states and borders. Their understanding of capitalist modernity is inherently global:

The bourgeoisie cannot exist without constantly revolutionizing the instruments, and thereby the relations of production, and with them the whole relations of society. ...All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses his real conditions of life, and his relations with his kind. The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere. The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country. To the great chagrin of the Reactionists, it has drawn from under the feet of industry the national ground on which it stood. ... In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations.²⁷

For Marx and Engels, the world is unified by capital. But capital is not simply a social class which acts, or a means of circulation which penetrates; it is a social relation. Only because the relations between people have become structured, through complex historical processes, in such a way that individuals have to compete with each other in the market, is it possible for money to become self-expansive – and thus to assume the historically unique form of *capital*.

25 Cf. Albrow 1996, 45.

26 Bromley 1999, 284.

27 Marx and Engels 1998, 7-8.

According to Marx, it is the 'capital relation' between the owners of the property in the means of production and propertyless wage-labourers which constitutes such a system of market dependence (on both sides of the relation!). Once constituted, capital can never rest, but has to penetrate new areas and more and more productive activities (including forms of cultural production formerly regarded as 'non-economic') in order to expand its value, and thereby to reproduce itself economically and socially.

The expansion of capital is never just the universalisation of exchange relations; it is also the expansion of capitalist social relations, generating a system of universal 'interdependence mediated by things'. Commodities moving across boundaries not only embody particular social relations, they also *socialise* the relations between those who are thereby brought into contact. Capitalism is constitutive not just of a world market in which goods cross boundaries, but of a global(ising) civil society as well.

1.5. The Territorial State and the World Market (A First Cut)

At this point, we have to confront some old yet still depressingly pertinent questions about the ability of historical materialism to provide a theory of the international system.²⁸ So far, I have shown that Marx's understanding of capital allows us to excavate a system of global social relations beneath the institutional order of modernity. But can Marxism ever develop a theory of modernity as such, rather than of its economic structure? In particular, can Marxism account for the role of the state and the interstate system in modern history, or does it simply replace state-centrism with class-centrism or economic determinism and substitute a transhistorical evolutionism for the ahistorical theories still dominant in IR and sociology?

These questions are of central importance to the present attempt to develop a historical materialist theory of modern international relations by situating them in the broader perspective of the rise and development of capitalism. They become all the more pertinent if we remind ourselves that Marx's vision of increasing

28 Cf. Linklater 1996, 120; Mann 1988, 140; Giddens 1985, 26.

‘universal interdependence’ has not actually fared all that well during the 100 years since *Capital* was published. Despite the assertion of some Marxists that there cannot be much that is new about today’s ‘globalisation’ as Marx already described its fundamental aspects 150 years ago, it is clear that Marx himself expected this process to be much more linear than it turned out, anticipating it to be ruptured by a communist world revolution rather than to be transformed by the strengthening of nation-states and their boundaries.

While it is therefore necessary to insist on the transnational nature of capitalism, and to challenge the prevailing sociology which can only conceive of society in unitary terms, either as a bounded national society or a single global society, our understanding of capitalist modernity and its international system cannot be *simply* transnational. As Fred Halliday notes:

To stress the broader, capitalist, character of the international system is not to argue that the social relations are in any simple sense transnational. Marx in the nineteenth century and much apparently contemporary sociological thinking make the same mistake in assuming that the state was simply being swamped by transnational processes.²⁹

The structuration of capitalism’s social relations cannot be understood in abstraction from the (changing) role of the state in the spatial and social reproduction of capital. And the capitalist state, at least so far, only exists as a ‘national’ or ‘territorial’ state. But if this is the case, are capitalist social relations national or transnational? I suggest that in resolving this question we do not have to follow the globalisation thesis into positing successive stages in which either international or global aspects prevail; this would do justice to neither ‘stage’. Instead, capitalist social relations may be seen as *simultaneously* transnational *and* national/international.³⁰ The crucial theoretical and historical issue is then the dialectic of nationalisation and globalisation, which is, in different forms, present through modern history.³¹

29 Halliday 1994, 92.

30 ‘National/international’: for those who regard social relations as primarily ‘national’ in character, the ‘international’ is directly implied by this concept as an impoverished realm of non-society. No state was ever completely autarkic, but in as much as the relations between states are conceptualised as inter-national, the relations between state/society complexes are regarded as regulated by states. ‘The national’ and ‘the international’ are thus, in traditional IR theory, two sides of the same coin which both describe (or posit) the dominance of territorial states in social life.

31 Compare Linklater who emphasises the “dialectic of globalisation and fragmentation” in modernity; Linklater 1996, 120.

In this vein, Peter Burnham suggests that contemporary ‘globalisation’ may be seen as but one particular instance of the ongoing “national processing of global class relations”.³² Moreover, as the very possibility of capitalism is premised on the abstraction of political coercion from the process of production and surplus extraction, the national state and the world market are necessary social forms through which the capital relation is constituted. As Simon Bromley argues, “the historical spread and social reproduction of these new types of social relations ... accounts for both the national form and for the universal interdependence of global capitalism”.³³ But Bromley also adds that the development of global capitalism was uneven, stemming from both the universalisation of capital relations *and* the pressures of interstate competition, a process that Marx failed to theorise. Within this context, clearly, we have to situate the strengthening of state apparatuses since the late nineteenth century. Crucially, however, this process was itself part of the further globalisation of capital:

the growth of regulatory bodies and practices has, on the whole, served to provide the conditions for the expanded reproduction of capital on a global scale, thereby *underwriting* the sovereign form of political power that is the basis of the liberal capitalist states system.³⁴

But while these arguments accurately point to the close relation between the sovereign state and the world market in capitalist modernity, it is far from clear whether they are sufficient to establish the *necessity* of the capitalist state being a national state, and thus to explain why capitalist political space *is* and *needs* to be fragmented territorially. What is there in the capital relation, premised as it is on the separation of politics and economics, that *requires* ‘the capitalist state’ to be a territorially bounded, national state? Put differently, why exactly does the capital relation exist not only in the form of institutionally separated political and economic spheres, but also through differentiated internal and external realms? Marxists seem to focus on the former, while taking the latter for granted, thereby accepting too quickly that the capitalist state *has to be* a national state simply because the capitalist state *is* a national state. In this sense, Marxism, too, is caught in the “territorial trap”.³⁵

32 Burnham 1994,

33 Bromley 1999, 287.

34 Bromley 1999, 300.

35 Cf. Agnew 1994, 69.

1.6. The Case for 'Epochal Theory'

The globalisation thesis posits an alternative between national and global forms of society; it suggests that we are currently moving (or have already moved) from one stage to another, leaving 'international relations' behind. A historical materialist understanding of the nature of capitalism, I have argued, problematises the national/global dichotomy, as it highlights both the national and the transnational aspects of capitalism's historical existence.

For a Marxist theory of IR/IPE, this raises two fundamental problems. The first is to develop a theory of the different regimes of capitalist space produced in the 'national processing of global capitalism'. To insist that capitalism was always, *in some sense*, global (just as it always was national/international), is not to argue that it was always global (and national/international) in the same way. The point is that the real socio-spatial differences in the process of capitalist development cannot be grasped adequately through the national-global dichotomy, but require a more complex and differentiated conceptualisation of the distinct 'geo-economic' regimes in which the national and the global have become articulated in specific historical forms. This presupposes, secondly, that we have found an answer to the rather more fundamental problem, which is concisely formulated by Halliday:

why, if there is a world economy in which class interests operate transnationally, there is a need for states at all. What, in other words, is the specificity and effectivity of distinct states within a single economic totality?³⁶

Neither of these questions can be answered by narrowing our perspective to the explanation of 'international change'. They require a broad theory of historical transformation within which the emergence and development of the international system and the world economy can be situated. More specifically, such a theory has to be able to conceptualise capitalist modernity as, on the one hand, a distinctive (and perhaps even unique) form of organising social relations, and, on the other hand, to account for the spatial and temporal changes and variations within the institutions and dynamics of this historical epoch. Historical

materialism has from the outset aspired to provide such a theory of fundamental and conjunctural historical change. Yet its efforts have been marred not just by its inability to explain the existence of a capitalist international system, but by more fundamental evolutionistic and economistic tendencies, as well as its association with positivist models of ‘scientific’ research. Should we, therefore, turn to the alternatives to historical materialism, which according to their proponents provide the basis for non-reductionist historical sociologies of modernity?

Martin Albrow recently issued a call for a return to “epochal theory”, which recognises and theorises the ruptures between historical periods, such as the current break between ‘modernity’ and ‘globality’. While the equation of modernity with the ultimate dominance of the nation-state that underlies Albrow’s theory of globalisation is simplistic (and thus the particular historical break he identifies questionable), the need for “epochal narratives” is accurately identified. Though this may be seen as a reinstatement of naïve models of historical progress and teleology, the intention is exactly the opposite.

According to Albrow, it was Marx’s original theory of epochal transformation, based on a particular ‘science’ of history and a prediction of imminent social revolution, that provoked the elaboration of non-historical (and even anti-historical) theories of social development. Albrow traces this theoretical tendency, which stressed the continuity of the past in order to make plausible the expectation of *future* continuity, back to Max Weber. Weber rejected what he saw as Marx’s single-factor explanation of social change, arguing that social processes can have many different causes and that different spheres of society ultimately followed autonomous logics. But underneath the complexity of causal connections, Weber posited the “guiding thread” of the rationalisation of all spheres of social life, leading from Greek philosophy to, *inter alia*, modern capitalism and the modern state. In this perspective, “the future stretches out as a limitless expansion of more of the same, an intensification (*Steigerung*) of rationality”.³⁷ By the same token, the past is like the present, if not yet to the

36 Halliday 1994, 91.

37 Albrow 1996, 17. The ‘limitless modernity’ approach is brought to its logical conclusion in Michael Mann’s work, which sets out from the assumption that “[h]uman beings are

same *degree*. Thus, modernity is less a particular epoch than a “cultural condition of the West”; modernity became “limitless”, without a real beginning and without a conceivable end.³⁸ Albrow adds:

Effectively, then, it was social scientists, in tune with the times, sometimes following, sometimes independently replicating Weber, who promoted the limitless modernity notion. They responded to Marx by discarding his theory of epochal change, making their science into a study of the present as an unbroken continuation of the past.³⁹

But if Albrow emphasises historical ruptures, he rejects any return to the Marxist conceptualisation of historical development: the “impetus for change may originate equally in religion as in the economy, in disease as in ideas. To this extent, Weber’s multiple factor account remains intact”. Moreover, Marx misunderstood modernity when he reduced it to capitalism: “No age can be reduced to a single sphere”.⁴⁰ Modernity, Albrow points out, is “more than a production process, or even an economic system”.⁴¹ Unfortunately, Albrow himself remains within the parameters of the rationalisation model he criticises so eloquently when he conceptualises the transition from modernity to globality in terms of the ongoing process of rationalisation.⁴² Even more importantly, however, he never establishes an alternative to the rationalisation model to explain the rise of the sovereign, territorial state, and of the capitalist economy.

A Marxist perspective might provide such an alternative by starting from the observation that capitalism itself *cannot* not be understood as rational economic activity. Capitalism is not the rational pursuit of market opportunities. Capitalism is a system of power relations which impersonally compels people to reproduce themselves materially by selling commodities (including their labour power) in

restless, purposive, and rational, striving to increase their enjoyment of the good things of life and capable of choosing and pursuing appropriate means for doing so”; Mann 1986, 4. It is not surprising that on the basis of his methodological rationalism and individualism, Mann should reject not only the idea of a ‘postmodern rupture’ in connection with globalisation, but also to downplay the epochal significance of modernity itself; cf. Mann 1993, 11-12.

38 Albrow 1996, 18.

39 Albrow 1996, 18.

40 Albrow 1996, 20; this statement does not prevent Albrow from adding: “Moreover, if one sphere has exercised more of a defining quality, it has been the nation-state rather than the economy”; *ibid.*

41 Albrow 1996, 30.

42 The rupture which the transition to globality signals is defined, for Albrow, by the exhaustion of the state as the main promoter of rationality, due to the universalisation of

the market. Two implications should be highlighted here, though they will be developed theoretically and historically in later chapters. Firstly, capitalism cannot be 'a single sphere', for the very possibility of capitalist production and exploitation is a reorganisation of social power *in toto*. The explanation of how people become dependent on the market for their livelihood cannot be found in the economic sphere alone. For the economy to become an insulated realm in which the private control over *economic* forms of property (the 'means of production') mediates the appropriation of surplus, is only possible within a society of a new and very distinctive type: a capitalist society.

Secondly, the rise of capitalist society cannot be interpreted in terms of the increasing rationality of individuals, or the rationalisation of institutions which would allow individuals to achieve given economic ends efficiently. In explaining the rise of capitalist society, we can neither assume an autonomous economic sphere, nor an irreducible economic rationality. Consequently, those who, like Albrow, endorse Max Weber's multi-factor approach can no longer take the most crucial step in achieving a genuinely 'epochal theory' that would put a premium on the radical differences between historical epochs. For by accepting the notion that all social life is differentiated into autonomous spheres of politics, economics, society, culture, etc., they fail to address the implications of Thomson's crucial argument (and of an increasing number of social and international theorists, including historical sociologists like Anthony Giddens) that the separation of politics and economics, at least, is specific to modernity.⁴³

If this argument has any pertinence, then Weberian pluralism, just like the Marxist base/superstructure model, imposes the categorial framework of capitalist modernity onto pre-modern societies. A particular historical form of social organisation is thus 'ontologised', and historical analysis reduced to establishing the interaction or articulation of these structures. Whether such analyses are mono- or multi-causal, the histories they generate are essentially

43 statehood itself; but the end of the process of rationalisation has not, thereby, been reached; Albrow 1996, 37, 55 and 64.
Thomson 1995, 222; cf. Giddens 1985, 67; Elias 1976, 55; Polanyi 1957, ch. 4; Anderson 1974, ch. 1.

ahistorical and implicitly teleological.⁴⁴ Thus, much of Marxist analysis replaces the rationalisation model with the ‘dialectic’ of the forces and relations of production. This ‘basic law’ of historical materialism seems to posit precisely the independent economic logic which cannot be assumed *before* the rise of capitalism. In that sense, Marxism may be characterised by what Karl Polanyi has termed the “economistic fallacy”: under the impression of modern capitalism’s extraordinary productiveness, it has taken the unique dynamism of the insulated *capitalist* economy in modernity to be representative of *all* forms of society.⁴⁵

If Marxism is to overcome this limitation, it has to question the base/superstructure model of social change, to revise its understanding of historical change, and to put the radical historicity of capitalist modernity at the very centre of its theoretical and historical efforts. This may require a fundamental revision of the Marxist model of historical development as a necessary and predetermined succession of stages of development leading by necessity to capitalism – a model of social change, incidentally, that Marx appropriated from the mechanical materialist stages theory of classical political economy (adding the perspective of a transition to socialism).⁴⁶

The reconstruction of historical materialism also presupposes a critique of the positivist tendencies to which many Marxist approaches are prone. So far, I have sought to establish that Marxism does not necessarily have to be a ‘single-factor’ theory. This also entails an epistemological perspective which is very different from the causal one ascribed to Marxism by its critics. Max Weber, for instance, took issue with “the common materialist view of history, that the ‘economic’ is in some sense an ‘ultimate’ in the chain of causation”; this he regarded as “totally

44 According to Karel Kosik, the choice between mono-causal and multi-causal methodologies “is itself the consequence of a *particular* view of reality. This view has first extracted certain isolated abstractions from social reality, promoted them to ontological existents (factors), and then backtracked and introduced these metaphysical constructs into various contexts, interactions or causal dependences”; Kosik 1976, 64.

45 Cf. Block and Somers 1984, 63 ; Giddens 185, 33: Marx’s “mistake was to suppose that the West, prior to the origins of capitalism, was any more dynamic, or ‘progressive’ than other class-divided societies have been. It is only with the arrival of capitalism, more particularly industrial capitalism, that the pace of social change becomes really dramatic”.

46 Connell 1987, 146-55

worthless as a scientific statement”.⁴⁷ He also provides the inspiration to many of today’s ‘constructivists’, who claim that while “material interests” are of great importance to the explanation of social processes, only an inclusion of “ideal interests” could capture their full complexity.⁴⁸ According to Ruggie, Weber sought to avoid the pitfalls of both the

subjectivism of the German Historical School and the positivism of the Austrian Theoretical School (marginal utility theory) and Marxism. Although the latter two differed in many respects, both sought to reduce problems of social action and social order to material interests, and both embraced a naturalistic monism – that is, the belief that the natural sciences embody the only valid model of science to which the social sciences should, therefore, aspire.⁴⁹

Marx’s work is undeniably marked by deep ambiguities and even contradictions. The charges of positivism and economism can only stick because they can be backed up by textual evidence. Marx frequently invokes the ‘immutable’, ‘inevitable’ and ‘iron’ laws of capitalist (rather than general social) development. To be sure, these laws have a completely different epistemological status from those elaborated by positivists, in that they are not universally valid but only with a particular form of society, and only as long as individuals find themselves in those historical relations which produce as an outcome the patterns which Marx describes as laws. Yet they remain uncomfortably nomothetical in form, seemingly asserting that the ‘facts’ of capitalist development follow inevitably from unchanging causes. And even if the laws of the capitalist mode of production are to be regarded as the laws of a specific historical epoch, there remains Marx’s own notorious summary of his method in the Preface to *A Contribution to the Critique of Political Economy*, which clearly states laws of historical development. Here, he asserts the transhistorical primacy of the

47 Quoted in Mommsen 1985, 239. Gramsci noted laconically: “It often happens that people combat historical economism in the belief that they are attacking historical materialism”; Gramsci 1971, 163. This point unfortunately continues to apply today. John M. Hobson feels compelled to insist: “if a theory is not class-reductionist, then it’s not Marxist. And if it is class-reductionist, it’s flawed”; Hobson 1997, 226. But dogmatism is no preserve of Marxists, and the ritual chanting of ‘multi-causality’ no magic spell against its temptations.

48 Cf. Wendt 1999, 92-96.

49 Cf. Ruggie 1999, 219. It is not completely clear, whether Ruggie accepts this view of Marxism which he ascribes to Weber. It should be noted that, like Wendt, Ruggie’s own perspective, demonstrates a “continuing commitment to a unity-of-science thesis and the pursuit of a theory of international reality based on positivist basic assumptions”; George 1994, 127. Also compare Katzenstein, Keohane and Krasner 1999a, 35-38.

economic base over the political, legal and ideological superstructures; he specifies a model of law-like and necessary evolution of different ‘modes of production’; and he posits a mechanism of historical development driven by the contradictions between the ‘forces’ and ‘relations’ of production.⁵⁰

There are also, of course, numerous theoretical statements in Marx’s work (as well as the body of his historical and journalistic analyses),⁵¹ which point in the opposite direction and which suggest a much more radical anti-positivism (based on a form of dialectical reasoning) than his critics have been able to recognise.⁵² Thus, while Marx stressed the ‘natural laws’ of capitalism, he also made it clear that these laws only obtained as long as individuals were not the masters of the social order which forced them into relationships with each other that produced as their outcome these laws. While we do find Marx accepting, often too quickly, it is true, the laws of political economy as ‘surface’ phenomena, the intention was a critical one: to show that these laws are only natural as long as they are accepted as natural.⁵³ Their naturalisation was precisely the effect of the positivist social sciences (and certainly not one that has decreased in importance today), which do not inquire into the underlying historical system of social relations, but construct a relationship between ‘facts’ in a purely external way, as ‘factors’ influencing each other. It is not surprising that these social scientists, among which we may count Weber, have read Marx as if he was positing the same sort

50 Marx 1978a, 4-5.

51 At least according to Antonio Gramsci, the “claim, presented as an essential postulate of historical materialism, that every fluctuation of politics and ideology can be presented and expounded as an immediate expression of the structure [the ‘economic base’], must be contested in theory as primitive infantilism, and debated in practice with the authentic testimony of Marx, the author of concrete political and historical works”; Gramsci 1971, 407.

52 The social historian Jürgen Kocka, who ultimately remains closer to Weber than to Marx, notes that “whenever [Weber] focused on Marxism, he criticized a particular elaboration of Marx’s theory but essentially missed Marx’s own position, from which the contemporary historical materialists had transgressed” (1985, 135). The same may be said about many of today’s critics of Marxism; there is, however, less excuse for them today than there may have been for Weber, who did actually write in a period when Marxism had become heavily positivistic (under the influence, it should be noted, of the same neo-Kantianism which has also profoundly influenced Weber himself). Kocka concludes that there are important similarities in both approaches. Hayward Alker similarly argues that both Marx and Weber could be seen as “exemplary writers” in the tradition of a “interpretative/constructivist social science” (1996, 15).

53 According to Giddens, a non-positivistic interpretation of *Capital* can take its starting point from the observation that “for Marx the existence of capitalism is predicated upon

of laws (or correlations) that they were seeking to ‘discover’. But for Marx, social laws were not statements about the causal relationship between analytical abstractions under which specific ‘cases’ or ‘instances’ could be subsumed. Thus, as one Weberian historical sociologist notes perceptively:

It is true, for Marx, that history did not have an unlimited plasticity. However, the ‘eternal laws’ which Weber ascribed to him are not in Marx’s thought. When Weber accused the historical materialists of having an ahistorical and monocausal notion of law, he was not criticizing Marx, but rather those who interpreted him rigidly and non-dialectically. Of course, Marx didn’t always follow his own historical-dialectic approach, and above all Marx’s concept of the relation of the universal and the particular in history can be understood only on the basis of its origins in Hegelian logic. By the turn of the century and especially in the decades following, such concepts were interpreted by a public which no longer shared the assumptions and insights of Hegelian logic; even Weber may have succumbed to this type of misunderstanding.⁵⁴

Similarly, while Marx is adamant that idealism cannot yield an explanation of historical development, it should be noted that the ‘idealism’ he criticised was not one which asserts that norms, values or ideas influence social processes. Marx’s main point of reference was the Hegelian notion of the ‘Absolute Idea’ coming to an increasing self-consciousness of itself through the movement of history, realizing itself in progressive stages of materialisation. Thus, when he notes that it is not consciousness which determines being, but being that determines consciousness, he opposes mainly the idea that the empirical world is the product of mind, of a consciousness which increasingly develops towards ever higher stages of self-consciousness and self-realisation in an autonomous process of philosophical progress.

This consciousness is not the consciousness of individuals; it is “an independently-acting historical subject in its own right”. For Marx, by contrast, the subjects of history are “real, living individuals” endowed with a consciousness through which they seek to *come to terms* with the conditions in which human beings find themselves situated and gain their livelihood.⁵⁵ People gain consciousness of their world in experiencing the conditions under which

the prevalence of reification, such that the laws of the valorisation and accumulation of capital *appear* to have the status of ‘iron laws’”; Giddens 1981, 234.

54 Kocka 1985, 139-40. Note that dialectics is largely absent from today’s meta-theoretical debates in IR. Even were alternatives to positivism are recovered, as in Smith and Hollis’ valuable *Explaining and Understanding International Relations* (1991), the dialectical alternative finds scant attention (but see Heine and Teschke 1996).

55 Sayer 1989, 86.

they live - their possibilities and their limits - in the effort to transform these conditions. For Marx, every form of human praxis involves ideas through which people seek to make sense of their actions and the contexts within which they take place. But while their ideas and their consciousness will never be *independent* from their experiences, they are “not to be understood as an effect of ‘material existence’”, dictated by the economic ‘base’.⁵⁶

1.7. Conclusion

This chapter began with Realism’s response to globalisation and ended with Marxist epistemology. The link between both is the pressing need for theories which can come to terms with social and international transformations, as well as continuities. I have argued that this requires a re-engagement with the category of modernity, especially in as much as modernity is conceptualised as premised on the national caging of social relations. Highlighting the inherently transnational character of capital as a social relation, I have argued for a perspective which recognises the existence of a ‘global society’. But this capitalist global society cannot be understood as somehow prior and anterior to the states which structure it politically. Marxists have argued that sovereign states are the necessary political form of existence of global capital (just as the world market is its necessary economic form); they are unable to explain, however, why the capitalist state could not be, for instance, a global state.

To develop a historical materialist theory of capitalist international relations which would enable us to better understand the dialectics of nationalisation and globalisation inherent in capitalist development up to now, and its possible future, we have to tackle some fundamental problems with Marxism itself. In the face of rampant economic determinism of much liberal globalisation analysis, the challenge for historical materialism is today to vigorously develop the non-economistic, non-reductionist, and anti-positivist resources which the Marxist tradition provides. This task cannot be achieved by appealing to the authority of Marx. A viable historical materialism cannot be founded on a reinterpretation of

56 Kocka 1985, 138.

‘what Marx really said’, not only because capitalism has changed since the mid-nineteenth century, but because Marx’s work is itself always incomplete, often ambiguous and not infrequently contradictory.⁵⁷

Over the next three chapters, I will examine different approaches to Marxism with respect to their contributions to a reconstructed historical materialism, which in turn provides the basis for a Marxist theory of the modern international system. Each of the approaches surveyed starts from the rejection of economic determinism; each is concerned with the development of a historical materialist account of specific historical epochs, and thus with the distinctiveness of social orders; and each seeks to comprehend historical epochs as social totalities. Their answers are, however, very different. Engaging first with the highly influential attempts to achieve such a reconstruction of materialism through the emphasis on the *reciprocity* between base and superstructure (many of which, from Althusser and Poulantzas to Robert Cox, take their cue from Antonio Gramsci), I will suggest that a more promising way out of the economistic corner is that taken by those Marxists who emphasise the *imbrication* (E.P. Thompson) of the ‘superstructures’ in the ‘base’ itself. These latter approaches seek to transcend the base/superstructure model itself, rather than to render it more interactive.

57 Cf. Gouldner 1980, ch. 2.

2. THEORISTS OF THE SUPERSTRUCTURE: FROM GRAMSCI TO ALTHUSSER AND BEYOND

2.1. *The Gramscian Legacy*

No name is more firmly associated with the development of the non-positivist and non-economistic potentials of historical materialism than that of Antonio Gramsci. Having fallen into relative obscurity after his premature death in a fascist prison, his thought emerged at the centre of critical Marxist thinking in the 1970s. It seemed to provide the foundations for a historical materialism which could take account of the often decisive importance of ‘superstructural’ processes in historical development, especially the formation of hegemonic ideas and institutions in the political and social spheres, without denying the “decisive nucleus of economic activity” on which hegemony must be based.¹

For Gramsci, the key question for a historical materialism appropriate to the changed circumstances of the 1920s (and especially those prevailing in Italy) arose directly out of his experience as leader of a revolutionary communist party: how to explain the overwhelming failure of revolutionary aspirations in western Europe, following the one victorious revolution in backward Russia. He highlighted the role of the ‘superstructures’, among which he counted ‘civil society’, in strengthening the defences of the western bourgeoisies against revolutionary movements. This has two important implications, both of which became central concerns for those ‘neo-Gramscian’ theorists who, in the 1970s, built on Gramsci’s pioneering work. Firstly, Gramsci highlights the crucial role of religion, ideology, politics and other supposedly superstructural aspects of the capitalist mode of production in the *reproduction* of existing social relations. Secondly, the concrete form and content of these superstructures are not simply given by the ‘economic structure’, but can vary considerably. This in turn must

1 Gramsci 1971, 161.

have consequences not only for the way in which capitalism works, but also for the possibility of revolution in any particular historical situation.

These two lines of argument merge in what is, without question, Gramsci's main contribution to historical materialism: the theory of the 'extended state' that organises social hegemony. For Gramsci, the role of the state in the reproduction of capitalist class relations can hardly be captured if it is regarded as epiphenomenal to the development of the 'forces of production'; nor can the state be comprehended, in the time-honoured Marxist fashion, as simply an instrument of repression. If the bourgeoisie is still the dominant class, able to extract value and to limit the democratic and collective control of people over all the social conditions under which they have to maintain and lead their lives, then the explanation of this persistence in the face of class struggle and capitalism's internal economic contradictions must be looked for in some deeper mechanism of social integration. This mechanism is the extension of hegemony through successive 'passive revolutions'.²

This strategy is based both on 'economic-corporative' concessions to those classes which could challenge the reproduction of capitalism, and through the promotion of a cultural framework which generates legitimacy for this system by giving it the semblance of universality. The construction of hegemony, according to Gramsci, is not the work of the institutions of government alone, but is rooted in civil society. Indeed, in as much as schools, churches, parties, the media, and so on, are actively elaborating the common-sensical notions of what is possible and rational (and what is not), they should be seen as part of the state. This 'extended state' thus becomes an agent of hegemony whose ability to reproduce capital depends both on its control over the means of coercion and its role in the creation of social consent.³

The implication is, of course, that revolutionary strategy cannot simply be directed at gaining control of the government apparatus; at least where capitalism

2 Cf. Carnoy 1984, 76.

3 This formulation deliberately keeps the exact nature of the relationships between consent and coercion, state and civil society, as well as hegemony and dominance, underspecified. Perry Anderson has pointed out the vagueness of Gramsci's basic concepts and explored the diverging political implications in great detail; Anderson 1976.

has deep roots in civil society, the precondition for successful revolution is a general revolutionary consciousness which has left behind the existing common sense and established a new hegemony in civil society. The battleground of social transformation thus turns out to be a cultural one, as “it is on the level of ideologies that men become conscious of conflicts in the world of the economy”. The economy itself is determinative of historical development only “in the last analysis”.⁴ The historical process itself can never be a mere matter of progression from an initial stage to a pre-determined *telos*, as history does not move without conscious human praxis.

For Gramsci, this precludes the possibility of subsuming history under some ‘scientific’ laws of evolution. The challenge for historical materialism was thus not the explication of the ‘objective situation’ in which a swift revolution could be successful, given the objective laws of history, but to demystify the system of seeming ‘necessities’ which confronted men and women as apparently objective facts and unchangeable processes. Ultimately, the purpose was to contribute to the long struggle through which subordinate classes would regain consciousness of their own collective subjectivity, enabling them to become agents of a radical social transformation.⁵

The anti-positivist and culturalist aspects of Gramsci’s thought have proven most fertile to the Marxist tradition, even though Gramsci’s influence has waned considerably over the last 15 years as the antinomies and limitations of his approach have become clearer. As Germain and Kenny note:

While Gramsci did indeed reconceive and in some ways surpass classical Marxist understandings of base and superstructure, he did not provide a tight alternative model in their stead. Rather he moved towards a reading of the superstructure which took far more seriously the different levels and domains of social power, and which recognised culture and ideology as partly constitutive of identity and hegemony.⁶

Gramsci, in other words, did not transcend the base/superstructure model, though he made it more interactive. Germain and Kenny consider Gramsci’s “epistemological and ontological ideas as innovative and eclectic but ultimately problematic”, as his subversion of the ‘binary’ understanding of the material and

4 The former quote paraphrases Marx, the latter Engels; Gramsci repeatedly comes back to these two quotes throughout the Prison Notebooks; Gramsci 1971, 162.

5 Cf. Femia 1987, 76-80.

6 Germain and Kenny 1998, 12.

the ideal never really transcended the dichotomy itself.⁷ I will suggest in this chapter that the same is true for those Marxist approaches which have built in various ways on the thought of Antonio Gramsci.

A further, though related, problem is that Gramsci does not, in fact, provide a theory of the state *form*, as he focused exclusively on its concrete, historically defined functions, which he saw as deriving from the balance of class forces in any particular conjuncture. This leaves open some crucial questions about the relationship between the state, the economy and ‘civil society’ in a historical society in which surplus appropriation primarily takes a non-political form. It may be argued that Gramsci, by taking as his level of abstraction the concrete ‘historical situation’ rather than the structure of capitalist society, adds important considerations to Marxism, but that he also takes too many aspects of both capitalist modernity *and* the Marxist conceptualisation of capital accumulation for granted.

The systematic conceptualisation of the structure of the capitalist mode of production was, however, very much at the centre of the work of Louis Althusser, who shared with Gramsci the rejection of all forms of economism. Moreover, Althusser explicitly sought to theorise the peculiarity of the capitalist state as having “relative autonomy”, and further developed the emphasis on the importance of the superstructures for the reproduction of capitalism. In this connection, he also drew directly on Gramsci’s concepts of hegemony and the extended state, which appear in his work in the form of “ideological state apparatuses” (schools, media, unions, etc.).⁸ These institutions, whether the “repressive state apparatus” of the government or the ‘ideological state apparatuses’ of civil society, all contribute to the reproduction of the ‘structural whole’, and render irrelevant the question whether these state functions are provided by public or private institutions. The distinction between civil society and the state becomes redundant (though not that between politics and

7 Germain and Kenny 1998, 12; cf. Anderson 1976, 26-27.

8 Having established the relevance of the superstructural levels in the ‘sacred texts’ of Marx and Engels, Althusser argues that it was only Gramsci who pursued these arguments and contributed to their theorisation through the concept of hegemony; Althusser 1970, 114 and fn. 29. The Gramscian influence on Althusser and, especially, Poulantzas, is analysed by Carnoy 1984, 89-127 and Thomas 1994, ch. 5; also see Jessop 1982, 153.

economics, which Althusser regarded as distinct from this relationship and characteristic of capitalism).

Despite these direct and indirect links, Althusser was not, of course, a 'neo-Gramscian' in any straightforward sense. Indeed, Gramsci represented the historicist and humanistic Marxism that Althusser, above all, detested and sought to expunge as a corruption of 'true' Marxism and a mockery of the 'real' Marx. Yet it was the fusion of Althusserian and Gramscian elements which is, more than any other theoretical heritage, responsible for the various Marxisms and especially post-Marxisms which developed since the 1970s and continue to exert their influence today. When the reaction against the structural determinism, which Althusser had traded in for the traditional economic determinism, set in, it was to Gramsci that Marxist theorists turned. Poulantzas, especially in his later work, led the way by emphasising the role of "power blocs" in organising ideological consensus. In trying to account for the concrete development of capitalism in particular conjunctures, Poulantzas and soon after the theorists of 'regulation', hesitantly turned their back on Althusser's self-evolving structures, and began to emphasise that the ideological integration of capitalist social formations is a political project.

But while the re-engagement with Gramsci reinforced a new emphasis on the level of the 'conjuncture' rather than the abstract level of the 'mode of production', the parameters for the historicisation and periodisation of capitalism were still set by Althusser. In Poulantzas's later work, this leads to a tension between functionalism and voluntarism. Much of the development of Marxism since the late 1970s can be understood as an attempt to resolve this tension. I will argue in this chapter that this tension can only be eased, *within* the parameters of this perspective, by delinking the 'conjuncture' or 'social formation' from the 'mode of production'. Such a delinking has indeed been the dominant tendency within the Regulation School, which took its cue from Althusser and Poulantzas. It finds its conclusion in the work of Robert W. Cox, who finally takes 'historical structures' rather than 'modes of production' as the basis for the periodisation of world history.

2.2. *A Science of Structures: From Althusser to Poulantzas*

2.2.1. *History without Subjects: Louis Althusser*

By acknowledging the reality of the superstructures of a mode of production, and by relegating the economic level to a determinant of a social formation only “in the last instance”, Althusser was able to contribute to the revitalisation of a Marxism that had, in many of its forms, capitulated to the mechanistic ‘dialectic’ of the forces and relations of production. His approach also appeared to overcome the theoretical weaknesses of the other great current, Hegelian Marxism, especially the persistent voluntarism that was implicit in its core concept, the ‘expressive totality’.⁹ Against all forms of humanism and historicism, Althusser argues that Marxism is a science of structures. Structures, not the agency of any historical subject, have to be the focus of theoretical and historical analysis, as the qualities or properties of actors are always the functions of social structures.

The structure of the relations of production determines the place and functions occupied and adopted by the agents of production, who are never anything more than the occupants of these places, in so far as they are the supports (*Träger*) of these functions. The true ‘subjects’ (in the sense of constitutive subjects of the process) are therefore not these occupants or functionaries, are not, despite all appearances ... ‘concrete individuals’, ‘real men’ - *but the definition and distribution of these places and functions.*¹⁰

Social practices can be completely reduced to their role in the reproduction of the three structural ‘regions’ which exist in any mode of production: the political, the economic, and the ideological (even though it is only in capitalism that ‘the political’ becomes ‘relatively autonomous’). The historical content of these practices is determined by the prevailing mode of production. The latter can be thought of as a “structure of structures” which assigns the particular functions to

9 This concept sees the superstructural forms of society as expressing a single inner essence. The phenomenological forms of capitalist society, for instance, are the necessary forms in which the essence of this society, usually the capital relation, finds expression. Martin Jay, in his fascinating reconstruction of the ‘adventures of the concept of totality’ suggests that it was the exhaustion of the concept of ‘expressive totality’ which led Marxists opposed to the orthodox formulation increasingly to search for alternatives to ‘Western Marxism’. Althusser’s was but one solution, others included the scientific Marxism of de la Volpe and Colletti; Habermas’ post-dialectical critical theory may be seen as another such attempt; Jay 1984: 274-75.

10 Althusser and Balibar 1970, 180.

the structural regions through which the mode of production as a whole is reproduced. Practice, in other words, cannot but reproduce the whole.

The whole is the mode of production, but for Althusser, a mode of production cannot be conceptualised completely in terms of the economic structural region. It will always include ideological and political levels which are functionally necessary for the reproduction of the relations of production. In this functionalist sense, the economy determines the social totality “in the last instance”, not least by specifying a “structure in dominance”, while at the same time allowing for the “relative autonomy” of the superstructural levels.¹¹ This reproduction of capitalism through the structuring of practices related to different moments of the totality is necessary because economic appropriation has to be maintained politically and justified ideologically. An economic region in which the direct producers cannot appropriate all created wealth themselves cannot reproduce itself without political and ideological practices which the base generated in order to maintain the whole.¹² The determination between the economic base and the economic, political and ideological levels is thus one of structural causation rather than one of instrumental disposal of the state by economic classes.¹³

Simon Clarke notes that the functionalist principle operating in Althusser’s Marxism makes the Althusserian ‘decentred’ notion of totality rather ‘expressive’.¹⁴ However, this is only half the picture. So far we have been concerned with the level of theory, applied to the *mode of production* rather than

11 Althusser 1970, 111-12.

12 cf. James 1990, 149. James adds: “The *dominant* instance of a society is then that aspect of it which sustains the existing economic system by controlling and justifying its allocation of income and resources. And granted that particular modes of production will be more effectively legitimated by some practices than by others, the exact character of an economy will determine which instance is dominant”.

13 It is important to notice the twofold meaning of the ‘economic’. First, as a region of society, together with the political and the ideological. Second, and more fundamentally, the economy can also appear, not as a sphere, region or level, but as the ‘base’, the mode of production. These are different substantial meanings of the economy. This gets even more complicated as the economic region is also the *structure in dominance* of the capitalist mode of production. In other societies, other regions could be the structure which appears as socially dominant, i.e. the ideological in feudalism and the political in antiquity.

14 Clarke 1991a, 83 (fn. 18). Clarke also notes, that Poulantzas relaxes this functionalism, in that he sees a variety of superstructural forms as compatible with the needs of any mode of production.

the actually existing *social formations*.¹⁵ But never, in empirical reality, has a mode of production had any concrete existence; never has a society been determined solely by the basic contradiction within a mode of production. In capitalist societies, for instance, the contradictions arising from the capital relation are *overdetermined* in multifarious ways. The levels of a capitalist social formation are never just determined structurally by the needs of capitalism. The internal contradictions of 'the political', for instance overdetermine the contradictions of the economic structure. Moreover, even in capitalist social formations, other modes of production, complete with their corresponding regional structures, exist in subordinate positions. The political level may incorporate moments of the political structures of different modes of production. One might even think of a situation where the political or ideological levels of a social formation with a dominant capitalist economy are still predominantly 'feudal'.¹⁶

The structural levels of social formations thus have their own history and their own temporality; they can exist in contradictory relationships with each other and with the economic base. Every level has, consequently, to be conceptualised independently as well as in conjunction with the other levels in order to capture the real diversity and complexity of a social formation at any moment of its existence. To study the conjuncture means therefore to analyse the concrete *articulation* of the different levels and instances, their hierarchical relations and complex overdetermination, and their function in this decentred totality. Change, however, is not the result of social agency, but of the interaction of the various regions and levels of a social formation. At the same time, social change is not the result of the playing-out of the fundamental economic contradiction itself as this is always overdetermined, and cannot therefore be understood immediately

15 This distinction is elaborated especially in Althusser and Balibar 1970.

16 In a social formation in which the dominant mode of production is capitalist, it is thus perfectly possible to find that the ideological level is dominated by aristocratic values and ideas, which in turn will have severe consequences for the potential of the development of the economy, in which the feudal elements may fetter the development of the capitalist relations of production.

in terms of the general theory of the capitalist mode of production which Marx elaborated in *Capital*.¹⁷

The distinction between the abstractly determined mode of production and its laws, and the historical specificity of every conjunctural form in which the mode of production exists, seems to offer the possibility to insist on the primacy of the economic (if only in the last instance) while accounting for the obvious relevance of the superstructure. The promise of structural Marxism was its alleged ability to combine structural analysis with historical specificity, without lapsing into empiricism.¹⁸

Whether Althusser's Marxism can fulfil this promise must surely depend on its ability to specify the relation between theory and history in a way which lets the conjunctural level throw light on the structural, and vice versa, and so to "translate the determination of theoretical structures into the determination of historical structures".¹⁹ Yet it is precisely here that structural Marxism breaks down and issues into the most abstract speculation paired with the most empiricist description.²⁰ It constructs the structural determinations purified "of any contamination by the obviousness of empirical history", while the conjunctural level remains quite under-theorised.²¹ The abstractions of the mode of the production always remain abstract; they apply taxonomies derived from structural theory to empirical reality, but cannot absorb this reality. The real, concrete social formation, on the other hand, can only be understood in its singularity. The problem is thus not so much that Althusser neglects history, but that he neglects the relevance of history for social theory and vice versa. Structural Marxism consequently offers to historical materialism only the sharp "dualism between structure and history, absolute determinism and irreducible contingency".²²

17 Althusser and Balibar 1970, 207. In that sense, then, Althusser can state that "the lonely hour of the 'last instance' never comes"; *ibid*.

18 Thus Perry Anderson claims, against E.P. Thompson's critique, that the concept of the social formation is a not just a theoretical, but even a "*historiographic* advance"; Anderson 1980, 68.

19 Comninel 1987, 83.

20 cf. Wood 1995a, 51.

21 Althusser and Balibar 1970, 105.

22 Wood 1995a, 51. It may be noted that complete determination and absolute contingency are not necessarily all that different. The ability to taxonomically encompass this

This dualism is at the heart of this approach's inability to generate theories of social change and transformation. In order to account for change, it has to assume the existence, in a subordinate position, of the most developed mode of production in the most primitive social formation. History is then the inexorable rise to dominance of the capitalist mode of production. But even such evolutionism must, for want of agency that is not by necessity reproductive of existing arrangements, rely on the time-honoured Marxist (and liberal) conjuring trick of the development of the forces of production.²³ As soon as we turn from the *reproduction* of an existing mode of production in a complex social formation to the *creation* of a new society, structural Marxists have to promote the 'last' instance; the economy in its basest form, technology, is now the determining level. Althusserian Marxism only allows for description of social complexity and social change, not for its explanation. Comninel therefore concludes:

The inherent logical flaw of the articulation of modes of production framework is a function of its ahistorical nature: modes of production can be elaborated in all their structuralist particulars, but no *process* exists to link and bridge them. Locating the modes of production in historically detailed social formations, complete with complex 'articulations', in no way addresses what leads from one mode of production to the next.²⁴

2.2.2. *Lost Between Theory and History: Nicos Poulantzas*

While the further development of structural Marxism, especially in the work of Poulantzas, cannot pretend to solve this inability to theorise structural change, it may seem to offer the explanatory potentials at least for the analysis of conjunctural transformations within capitalism. By allowing for the transformative capacities of social classes within the limits of structural determination, he is able to question the automaticity of capitalist reproduction

complex overdetermined whole may be an advance over the economy-determines-everything type of 'explanation' of the orthodox Marxists; but the development of the actual relations between different levels of a society is, as we have seen, only understandable contingently; whatever happens will be 'explainable' by some complex application of the law of overdetermination, and can thus be understood in terms of the functionalist necessity of the changing articulation of the mode of production. Of course, to be able to explain everything is very much akin to explaining nothing at all.

23 Comninel 1987, 87.

which Althusser seems to take for granted.²⁵ For if the totality is decentred, if political, economic, and ideological structures do not necessarily coincide in any social formation, then producing a 'fit' between these structures becomes a precondition for the reproduction of capitalism.

It is the function of the state to produce such a structural correspondence which is able to sustain an economic structure. The state has to integrate the whole by maintaining the 'general interest', which is, as this is a capitalist society, the interest of the capitalist class. But Poulantzas adds a further complication here: as the capitalist class is divided into different 'fractions', the task of the state is thus to produce a 'power bloc' which defines what counts for the general interest in a social formation.²⁶ Thus, different capitalist class fractions have to struggle for hegemony and in the process may have to make concessions to subordinate classes, in so far as they cannot simply disorganise them with the help of the repressive and ideological state apparatuses.²⁷ The state becomes reconstructed on the basis of the 'general interest' as constituted by a specific power bloc; but the state, in order to be able to fulfil its integrative function, also has to be an active party in the formation of a power bloc.²⁸

For Poulantzas, the state is thus not external to class; it is a condensation of the balance of class forces. The *form of state* is rooted in the relations between social forces and their practice. Social practices thereby become divorced from the total structural determination they expressed in Althusser's work. Structure and practice are different levels of the social whole. Yet the synthesis which

24 Comninel 1987, 88. Comninel goes on to question the notion that historical process can be understood in terms of the progression of modes of production, especially if these are limited to Marx's five classical modes.

25 cf. Clarke 1991a, 86.

26 Clarke 1991b, 21.

27 Through the 'power bloc', dominant classes achieve hegemonic leadership of a temporary but firm alliance of social forces which define the concrete forms in which the state maintains the cohesion of society as a whole. In contrast to Althusser, who points mainly to the repressive and indoctrinating aspects of the extended state, Poulantzas argues that the consensual side of hegemony should not be underestimated.

28 In later works, especially, Poulantzas insists that the role of the state is not adequately understood as a reflection of the general interest as constructed in civil society. The state is an active structure which is the crucial active element in the creation of the power bloc in a particular conjuncture: the "state itself is present in the generation of class power; Poulantzas 1978, 45.

Poulantzas offers is an uneasy one.²⁹ He leaves no doubt that he sees the construction of power blocs as concrete expressions of the ‘relative autonomy’ that political and ideological spheres enjoy *within the limits of the structure* that determines these social formations in the ‘last instance’.

On the whole, class struggle is therefore reduced to a secondary role in social change. The reason why new hegemonies have to be constructed is still to be found in the primary development of the various levels of a social formation. The *disarticulation* of an existing *hegemonic fit* between structures, according to the inherent logic of capitalist development itself, requires the rearticulation of those levels which have to take on the newly emerging tasks regarding social integration.³⁰ The subject of history, in this approach, is still the structure, not any class or power bloc. But if class struggle can only reproduce the mode of production, then the possibility for structural transformation must be sought in the contradictions within the structure of the mode of production itself. But here, Poulantzas fails to specify any such inherent contradictions; these enter only at the level of practice. Practice, however, as we have seen, can only produce *conjunctural* changes in the articulation of the structural regions of a social formation. Fundamental structural change, as in Althusser’s work, remains a mystery, while conjunctural transformation remains a function of the structure.

The concept of ‘conjuncture’ expresses the limits of the possibilities open to the various classes engaged in a particular conflict. In the last analysis, political practice in a particular conjuncture determines how the structure will develop within limits which the structure itself defines. In principle the conjuncture may describe the transformation of the structure as a possibility defined by that structure.³¹

The fundamental source of many of the antinomies of structural Marxism as represented by both Althusser and Poulantzas is, as Simon Clarke suggests, its *ontological differentiation of material (economic) and social (political and ideological) structures*. While they reject the explanation of social development in terms of the dialectic of the forces and relations of production, both accept the

29 In fact, as Jessop notes, Poulantzas emphasised each of these sides in different works, swaying between voluntarism and reductionism; Jessop 1990a, 30.

30 cf. Bonefeld 1992, 95: “Class struggle played an important, but secondary role, determining the development and the particular configuration of the structure of the state in historically specific conjunctures. The systemic existence of the relatively autonomous entities followed objectively given laws of development. The class struggle was seen as subaltern to the structural configuration of capitalism”.

equation of the productive forces and relations with the ‘economic base’, of which the latter seem to constitute the defining element (but only, we have seen, if we exclude questions of structural transformation).

What are these relations of production? As the ‘social’ moments of politics and ideology have been *externalised* to ‘relatively autonomous’ regions, the relations of production can be nothing more than “the technical relations combining factors in material production”.³² But class cannot be defined so narrowly; it has to refer to property relations, which Poulantzas understands as the *social* relations of production. And here, it must be noted, moments of other structural regions intrude in any social formation in the concrete definitions of ownership which determine the *share* of property of the surplus that accrues to property owners. ‘Class’, understood as ‘social relations of production’, thus comes to refer to the social *relations of distribution*.³³ Production, in other words is a material, *asocial* practice/structure; the social element enters when we look at who gets what: here ideological and political factors enter and the chances of differently endowed classes to shape the economic region becomes relevant. If we accept this proposition, then class as the operative factor concerning distribution cannot, by definition, be relevant in the transformation from one mode of production to another. Classes necessarily remain ‘supports’ of the structure.

2.3. Althusser’s Rebel Sons: Regulation Theories between Structure and Conjuncture

The structural distinction between material and social spheres of society, and the attempt to integrate them as interacting levels of a complex totality, is a characteristic not just of the work of Althusser and Poulantzas. It also pervades the ‘post-structuralist Marxisms’ which seek to maintain the insights gained by stressing the relative autonomy of the superstructures while escaping structural determinism. These approaches have given increasing importance to the

31 Clarke 1991a, 96.

32 Clarke 1991a, 81.

33 Clarke 1991a, 90.

theorisation of the specific conjuncture; ‘social formations’ are thus promoted to a certain autonomous ontological status. It is on this basis that the “‘rebel sons’ of Althusser”, the authors of the various ‘regulation theories’ which emerged since the mid-1970s, have attempted to overcome the contradictions of structural Marxism.³⁴

As I will show in this section, the tension between instrumentalism and functionalism cannot be resolved in this way. Those regulation theories which, like Michel Aglietta and Alain Lipietz, retained the notion of a close link between the structure and the conjuncture reproduced this tension within their framework. Subsequent regulation theories have tended more and more to dissolve the connection between the conjunctural constellation and the mode of production.³⁵ The result is an increasing reliance on instrumentalist modes of argumentation. On the basis of their implicit distinction between the ‘material’ process of production and the ‘social’ (i.e. ideological, cultural, political, etc.) framework of production, these approaches have to rely on ‘social forces’ or ‘classes’ to impart to ‘the state’ and ‘the economy’ a particular social character. The state and the economy are now abstractions, their institutional differentiation no longer expressing a particular historical form of social organisation. Instead, post-structuralist Marxists have to point to the instrumental agency of particular social groups to ‘fill’ these categories with social content.

2.3.1. *Transcending Althusser: Aglietta’s Rebellion*

What distinguishes regulation approaches from structural Marxism is their problematisation of the reproduction of capitalism. Jessop argues that

Emerging in part out of Althusserian structuralism, but intending to overcome the latter’s assumption that structures somehow maintain themselves quasi-automatically without

34 Lipietz 1993, 98. Lipietz proclaims: “We ourselves are ‘regulationists’, in a way ‘rebel sons’ of Althusser”, who have “interiorised what has been transcended”; *ibid.*

35 Jessop distinguishes four types of regulation theory (depending on whether their spatial focus is national or international, and whether their substantial focus is on the economy or on socialisation), and seven different regulation schools. Cox does not adhere to any one of these ‘schools’; he adopts concepts, for his own purposes, from many of these approaches, often altering their original content in the process. Perhaps it is this which lets Jessop, rather comically, dump Cox together in one category with ‘regime theory’ (Keohane, Krasner); Jessop 1990b, 160-62.

effective social agency and without significant transformations, regulation theorists replaced the notion of 'reproduction' with that of 'regulation'.³⁶

The problematique of reproduction is, however, not actually *replaced*, but reformulated by that of regulation. The most influential of the regulation approaches, French Regulation Theory in the original form developed by Aglietta (and extended by Lipietz), thus poses the question how capitalism is reproduced through different 'modes of regulation', given that capital itself undermines its own reproduction. The main economic problem is the stabilisation of accumulation. But French regulationists start not with capitalist accumulation in general. Instead, they look at different historically developing 'regimes of accumulation'. A regime of accumulation can be defined as a particular macro-economic equilibrium of production and consumption.³⁷ Mass production, for instance, becomes possible only at a certain moment in the history of capitalism, when technology has developed sufficiently; but mass production requires mass consumption. Such an equilibrium cannot be assumed as in neo-classical economics; it has to be socially produced. A regime of accumulation, in other words, requires a corresponding 'mode of regulation' which aligns the wage relation, commodity relations, forms of monetary control (especially credit), and the forms of state intervention with the requirements of stable accumulation.³⁸ Together, the relation of mode of regulation and regime of accumulation can be understood as forming historically concrete 'modes of development' of capitalist societies.³⁹

Althusser's argument that the superstructural levels are in charge of securing the stability of the whole is clearly present in this approach. Yet for the French

36 Jessop 1991, 71.

37 These regimes can be understood as the particular macroeconomic principles which ensure the "fairly long-term stabilization of the allocation of social consumption and accumulation"; Lipietz 1987, 14. According to Lipietz, this implies that the conditions of production and the conditions of the reproduction of wage labour have to be brought into correspondence; this depends on the articulation of capitalism with other modes of production and reproduction (remnants of feudal forms of production, for instance, or household relations) and on the articulation of a "national economic and social formation" with the "outside world"; *ibid.*

38 Regulation does not solve the problems of capitalism; regulatory modes are contradictory reactions to the problems generated by the contradictory foundations of the mode of production itself. They are, as it were, temporary mobilisations of political resources against the tendential laws of capitalism.

39 see Lipietz 1987 and Boyer 1990; cf. Becker 1989.

regulationists, the reproduction of the whole can no longer be taken for granted. That the structural conditions emerge which sustain the base is a not guaranteed. The production of a structural correspondence which leads to a coherent mode of development is, as Lipietz notes, a “chance discovery” of the class struggle. *If* a new mode of development emerges, however, it must be understood as a historically specific articulation of the laws of capitalism.⁴⁰ It reproduces a “structural invariant”, i.e. the capital relation, which generates the pressures to accumulate economically; but how accumulation takes place cannot be inferred from the ‘logic of capitalism’. This logic, in other words, is subject to change *within* capitalism, expressed by the structural forms in which the capitalist mode of production exists in specific modes of development. These are, in turn, the results of class struggle. Aglietta therefore concludes:

The study of capitalist regulation ... cannot be the investigation of abstract economic laws. It is the study of the transformation of social relations as it creates new forms that are both economic and non-economic, that are organized in structures and themselves reproduce a determinant structure, the mode of production.⁴¹

These arguments imply a rather different understanding of the relationship between theory and history from that prevalent in structural Marxism. It rejects the opposition between theoretical and empirical realities. For the ‘mode of development’ is a theorisation of the conjuncture, which accords historical development an importance that goes beyond the variation of and deviation from pure theory. If these ‘modes of development’ constitute “successive stages of historical evolution” which manifest the fundamental laws of the overarching mode of production in different ways, if consequently the transformation from one mode of regulation to another “means rupture, qualitative change”, then history becomes inseparable and indispensable for theory.⁴² Such an approach, as Aglietta concludes, requires concepts which

40 Hübner 1990, 128-133. Hübner contrasts the structuralist concept of articulation with the post-structuralist one of regulation theory: “While this construct serves structural Marxism to differentiate between social formations in which the capitalist mode of production may be more or less dominant ..., regulation theory uses it to expose the combination of different structures within a given capitalist formation”; Hübner 1990, 127 (my translation).

41 Aglietta 1987, 16.

42 Aglietta 1987, 20 and 12.

are transformed by the characteristic interplay which constitutes the passage from the abstract to the concrete and enables the concrete to be absorbed within theory. Theory, for its part, is never final and complete, it is always in the process of development.⁴³

The concepts developed by French regulation theorists mediate between theory and history, rather than oppose one to the other. The static character of structural Marxism seems indeed to have been overcome without falling into economic arguments about social change.

It is thus rather surprising if social theorists as sympathetic to this conceptual framework as David Harvey claim that, “within the regulation school, [there is] little or no attempt to provide any detailed understanding of the mechanisms and logics of transitions”.⁴⁴ This incapacity comes down to the unresolved relationship between structural necessity and contingency, which in this approach has to be understood in terms of the requirements of accumulation and the vagaries of class struggle, respectively.

We have seen that the emergence of a mode of regulation corresponding to a regime of accumulation is a functional necessity for the reproduction of the capitalist mode of production. Regulation theorists are happy to admit to this functionalist argument which they regard as salvaged by their insistence that the emergence of a fitting mode of regulation is no necessity. But this ‘restrained functionalism’ takes as given the emergence of the regime of accumulation itself. It is the exhaustion of prevailing forms of production and accumulation which makes the emergence of a new regime of accumulation, based on more productive technologies and work organisation, and of a new mode of regulation necessary. The latter provides the adaptation of individual behaviour to the emerging accumulation regime, which thus appears as an ‘independent variable’.

The structural Marxist distinction between the material (or economic) and the social dimensions of society is reproduced in the analytical distinction between regime of accumulation and mode of regulation. It leads, here, to a similar *de facto* economism or even techno-determinism, as economic change is first reduced to its ‘material’ aspect before it is related back to the social levels of the system by emphasising the *social* framework which makes a regime of

43 Aglietta 1987, 15.

44 Harvey 1990, 179.

accumulation viable. The emergence of a ‘fit’ between the material and the social is, as we have seen, a question of the results of class struggles. Just why these theoretically indeterminate class struggles have led, historically, to a succession of different modes of development in which such fits were successfully generated remains open to question. Put differently, why is it that the autonomous state ends up fulfilling the functional requirements of capitalist accumulation in a particular stage of development? Arguably, those regulation theorists who posit the reproduction, in each specific period, of a ‘structural invariant’ which makes all these periods equally (if differently) capitalist, can only avoid overt functionalism by *assuming* that class struggles are necessarily reproductive of capitalism. But functionalism remains implicit in the shift of the problematique from reproduction to regulation.⁴⁵

2.3.2. *Hegemonic Projects*

Structural Marxism was incapable of explaining the structural transitions between modes of production. Aglietta does not even attempt to tackle this question. Rather, his aim is to produce a dynamic account of capitalist development which recognises the ruptures between different forms of this mode of production. It seems that he has little more to offer with respect to the transformations between capitalist modes of development than Althusser had on structural transition. Other regulationist approaches have, often in recognition of these limits, striven to reduce the functionalist element by expanding the role they accord to class agency. Whereas Aglietta understood the problem of social reproduction mainly in economic terms, with other levels coming in to support accumulation, these ‘societal’ approaches grasp this problem in terms of the reproduction of society as a differentiated whole with possibilities for crisis not restricted to accumulation (political, legitimation).

45 Cf. Becker 1989, 240-243. On the issue of the functionalist relation between regime of accumulation and mode of regulation, see Robles 1994, 77. Robles also notes that regulation theory’s emphasis on class struggle has the character of a “ritualistic affirmation”; *ibid.*, 78.

These dimensions are captured by developing the ‘Gramscian theme’ of hegemony which we have already seen in its Poulantzian incarnation.⁴⁶ Poulantzas’s idea that a structural fit between the moments of a totality may be produced by the hegemony of a particular class fraction which was able to universalise its interests becomes reformulated in a way which also leads beyond Aglietta’s understanding of the relationship between accumulation and regulation. For now we can see the struggle for hegemony not only (and against Poulantzas) as a struggle about the mode of regulation; we can also understand it (against Aglietta) in terms of the pursuit of different ‘accumulation strategies’.⁴⁷ Different ‘hegemonic projects’ correspond to a number of possible regimes of accumulation at any conjuncture, so that the emergence of a accumulation regime is no longer an objective given. Which accumulation strategy emerges as the dominant depends on the ability of the related hegemonic projects to integrate an ‘hegemonic bloc’. On the basis of such a ‘hegemonic bloc’ of social forces, it is possible to conceive of the correspondence between a regime of accumulation and a mode of regulation as a ‘historic bloc’, i.e. a “historically constituted and socially reproduced structural correspondence between the economic base and the political ideological superstructures of a social formation”.⁴⁸

But with these approaches, the economic focus typical of French regulation theory is by no means overcome; nor is its functionalist tendency extirpated. In the work of Joachim Hirsch, for instance, there is a curious mix of instrumentalist and functionalist elements. For Hirsch, the mode of regulation favoured by the hegemonic fraction is still simply an “expression of the material, socio-economic structure of society”.⁴⁹ The concrete historical content of the material structure is the result of class struggles (through accumulation strategies). But who are the struggling classes? The focus seems to be on the

46 Indeed, whereas Parisian regulation theory may be seen as a development mainly of Althusser’s Marxism, the ‘societal’ approaches to regulation take their cue from Poulantzas. There are, obviously, many intersections. It should also be noted that references to Gramsci, hegemony, and historic blocs are not absent from the work of Aglietta and Lipietz; they hardly constitute a developed theory, however, and remain of little importance in their actual studies of historical development.

47 the most important proponents of this strategy are Jessop 1990a; Hirsch 1995a and 1995b; van der Pijl 1984 and 1998.

48 Jessop 1990b, 179.

49 Häusler and Hirsch 1987, 654 (my translation).

different class fractions of the ruling class, not on the struggle between capital and labour. As with most other structuralist and post-structuralist Marxist approaches (and in direct contrast to their role in the work of Gramsci), the fractions of the working class are mainly seen as supports of different dominant fractions. In this sense, it is appropriate that Hirsch talks about class strategy, not class agency. Indeed, he admonishes:

the concept of 'strategy' must not be misunderstood as implying a theory of agency: the implementation of an accumulation, and hegemonic, structure is always the result of structurally determined and contradictory class and group action, and thus a 'process without a subject'.⁵⁰

Class struggle has, again, a rather limited role to play; and again there is no perspective for a conception of the reproduction of capitalism which would understand its dynamic as influenced by the potential of classes to disrupt the reproduction of capital. Structuralism and voluntarism still stand side by side without being reconciled.

However, the spectre of functionalism is finally overcome by the 'social structure of accumulation' approach (SSA) which argues that accumulation is only possible if the "general economic and social environment" provides "relative stability" and thus acts as an integrated 'social structure of accumulation' encompassing different institutions.⁵¹ The specific institutional structure reflects the balance of class power. This balance is, in turn, reproduced by the differential benefits which the market yields to dominant and subordinate classes through the influence which the social structure of accumulation has on prices. As there is no equivalent to the 'regime of accumulation', temporary crises are seen as the expression of social rather than economic contradictions. But these social contradictions are not an expression of the contradictions inherent in the capital relation, but result from changes in the balance between

50 Hirsch 1991, 13.

51 Gordon 1980, 12. The 'social structure of accumulation' corresponds roughly to the 'mode of regulation' in Aglietta's approach and is the form in which the contradictions internal to capitalism (struggles between capital and labour and competition between capitalists) become temporarily fixed in a set of mutually sustaining institutions which facilitate accumulation.

classes which determine the *relations of distribution* prevailing between them.⁵² Economic crises are consequences of social crises, as they lead to crises of profitability.⁵³ A new structure of accumulation may emerge through class struggles which are, however, conditioned by the existing, but decaying, institutional structure, with a particularly important role for the state which is the crucial mediating institution between classes and relations of distribution.

What gets lost in conceptual terms in this approach with its emphasis on class struggle is precisely that which has been overemphasised in French and German regulation theories: the *structural forms* in which capitalism exists.⁵⁴ The functionalism of the latter is overcome, but it reduces social struggles to pure power struggles, resulting in an impoverished conflict sociology, which abstracts from the specific capitalist character of these struggles and of the institutional forms within which they take place. The capitalist nature of the institutions within which this struggle takes place becomes a contingent aspect, theory is reduced to 'middle-range' considerations.⁵⁵ This may be part of the appeal of

52 Hirsch 1991, 13; as Hirsch notes, this explanation mirrors in curious ways the explanation of neo-liberal economists of the world-economic crisis of the 1970s and 1980s.

53 Jessop 1990b, 182-83. Where French regulation theories typically point to the exhaustion of the potentials of a regime of accumulation in their explanation of crisis, in the SSA approach it is the profit-squeeze through increasing demands by the working classes and the growing costs of political forms of stabilisation.

54 A similar development, however, is visible in recent Parisian regulation theory, especially in the work of Robert Boyer. Boyer moves beyond Aglietta's value-theoretical starting point, which focused on the different forms of the institutionalisation of the law of value and thus the different historical expressions of the economic laws characteristic of capitalism. Boyer argues, by contrast, that what exists are multiple capitalisms which cannot be understood by reference, even if historically broken, to the law of value. Still, it is crucial to notice that all regulation theories hold fast to the notion of capitalism as a particular structure of accumulation. What Boyer's move implies is a substitution of Aglietta's abstract concepts, which were to be enriched in the move from the abstract to the historical concrete which tries to understand the structural forms of a mode of development as the living forms in which capitalism and its laws exist historically. Instead, in the price-theoretic variants of regulation theory, the institutional forms themselves become emphasised. Different institutions characterise different capitalisms; Boyer 1990. What gets lost in this move is a clear conceptualisation of the relationship between the constant and variable elements of the socio-economic system called capitalism; cf. Hübner 1990, 212. The capitalist character of the institutional structure takes second place behind the determination of the functional or historical relations between the institutions of a 'social formation'. The reproduction of the 'structural invariant' over the span of various modes of development thereby becomes a secondary, almost incidental aspect of social change.

55 On the complex and problematic relationship between structural and institutional forms in French regulation theories, especially in the work of Aglietta and Boyer, compare Robles 1994, 78-80.

such approaches, but it comes with certain drawbacks: by *assuming* capitalism and its reproduction while focusing on the concrete institutional forms of capitalist development, capitalism as a historical phenomenon is rendered into a background condition whose historical specificity is no longer theorised.

Concluding this survey of post-structural Marxism, we can see that the attempts to resolve the tensions between functionalism and instrumentalism, which appeared as soon as Marxist theorists began to move from the ‘mode of production’ to the ‘social formation’, did not lead to satisfactory solutions. As long as these theorists tried to make a theoretical link between these two levels of abstraction, the tension remained.⁵⁶ If they avoided such a linkage, it led to structural-functionalism (as in Althusser’s original formulation), or to instrumentalism and voluntarism (in the Social Structure of Accumulation approach). But each of these ‘solutions’ entails not only a one-sided understanding of structure and agency, but also a divorce between the abstract and the concrete. Ultimately, the ‘conjuncture’ becomes independent of the mode of production and replaces this concept as the basis for historicisation. The conjuncture itself becomes the historical ‘unit of analysis’, as in Robert W. Cox’s ‘neo-Gramscian’ International Political Economy. Cox, in effect, takes the trajectory of ‘immanent revolt’ to its logical conclusion, while remaining, as I will argue in the next chapter, a true ‘rebel grand-son’ of Althusser.

56 But even this attempt remains problematic. Brenner and Glick conclude their historical critique of Aglietta by noting: “The general weakness of Regulation Theory, paradoxical though this may seem, is its failure to take adequately into account the broader system of capitalist social-property relations that form the backdrop to their succession of institutionally defined phases”; Brenner and Glick 1991, 105.

3. HISTORICAL STRUCTURES OF CAPITALISM: NEO-GRAMSCIAN IPE

3.1. The Althusserian Detour

‘Neo-Gramscian’ theory began to flourish in IR/IPE just when it lost its sway among social theorists. The contribution it made to the methodological and substantive reorientation of the discipline cannot be overestimated. In particular, Robert Cox’s ground-breaking articles of the early 1980s have retained all the force which enabled them to challenge the ahistorical and positivist dogmas of IR so successfully; more than any other contribution, they provided the openings which allow critical theories of IR and IPE (including this thesis) to flourish on the barren grounds left by Morgenthau and his successors. While Cox’s work is influenced by many other theorists, among them Karl Polanyi and Fernand Braudel, the central role of his Gramscian conceptualisation of hegemony to his overall approach is quite obvious.¹ What is less obvious is the Althusserian lineage which continues to shape it. Cox himself adamantly distinguishes his historicist approach from structuralist versions of Marxism

There is a Marxism which reasons historically and seeks to explain, as well as to promote, changes in social relations; there is also a Marxism, designed as a framework for the analysis of the capitalist state and society, which turns its back on historical knowledge in favor of a more static and abstract conceptualization of the mode of production.²

Embracing the former (‘historical materialism’), Cox rejects the essentialism, scientism, and functionalism of Althusser and Poulantzas. Their focus on the structure of the capitalist mode of production, he argues, makes it impossible to see the always concrete and historically constructed nature of society, in which human nature and social structure are transformed by the agency of ‘social forces’ on the basis of existing social relations. This interplay of structure and agency, Cox argues, can best be conceptualised in a ‘historical structure

1 The influence of Polanyi and Braudel is also strong in many regulation theories; cf. Hirst and Zeitlin 1991, 18; Hirsch 1993, 197.

2 Cox 1996b, 97.

approach' that conceptually captures historical change and allows for the identification of structural contradictions and potentials for collective transformative action. The structuralist legacy which sees social actors as mere supports of structures has, here, finally been overcome. No longer is the importance of class agency reduced to the determination of the concrete forms in which *structural necessities* deriving from the mode of production would be expressed historically in the appropriate political and ideological structural forms. Social forces are no longer seen as inevitably reproductive of an underlying essence. The problematic of social change is thus redefined and radicalised.

Yet if Cox goes further than most other post-structuralist Marxists to recover the historicist and subjectivist side of Gramsci, his work may nevertheless be best understood as a further step in the trajectory of historical materialist theorising that we have followed in the preceding chapter. This trajectory is marked by the reaction against structural-functionalism. I have tried to show that as long as the 'economic base' is taken to be a 'material', 'asocial' realm which gains its historically concrete political, ideological, cultural and social content only through its interaction with (or constitution by) these various 'superstructures', this reaction predictably takes the form of an increasing dissolution of the conceptual link between the 'mode of production' and the 'conjuncture'. In this sense, Cox's neo-Gramscian approach can be understood as the most radical negation of Althusser's original starting point (and therefore as part of a continuum which has Althusser as one pole and Cox as the other), which yet remains tied to it by its acceptance of the material/social distinction.

In spite of the welter of concepts which Cox appropriates from Althusser and Poulantzas,³ as well as from their rebel sons and fellow grandsons (especially the SSA theorists), the argument of this section is definitely *not* that Cox is a representative of structural Marxism.⁴ What I hope to show in this chapter is that

3 Among these concepts is the 'mode of development', the distinction between 'synchronic and diachronic' readings of structures, and the 'social relations of production' (which in Cox's work assumes a deeper ontological status in his taxonomy of 'modes of social relations of production'); Cox 1987, 1, 6, 11-15, 129, 406 (fn. 7).

4 Gärtner 1993, without much ado, brands Cox's approach 'Poulantzian'; but the obvious similarities between Cox and Poulantzas are superficial, as similar concepts assume a different role and meaning in Cox's work.

some of the *limits* of Cox's reconstruction of historical materialism, especially its instrumentalist tendencies, are a product of the problematic foundations it inherited from Althusser's appropriation of the Gramscian legacy.

3.2. Social Forces and Hegemonic Practices

Cox rejects those theories that seek to periodise history on the basis of the concept of the mode of production. Instead, capitalism should be seen as a particular 'mode of development', which is defined not by a particular relation of production (the 'capital relation'), or by even by private property, but instead refers to economies in which "reinvestment is geared to profit-maximisation in a market context".⁵ Understood as a mode of development rather than production, capitalism can be seen to entail very different production relations:

the capitalist mode of development has spawned several distinctive modes of social relations of production. To bracket these all together as a single capitalist mode of production confuses things that are significantly distinct.⁶

But actual capitalist societies will not be organised economically by just one 'mode of social relations of production'. The Althusserian notions of articulation and overdetermination are clearly present when Cox goes on to suggest that concrete capitalist societies will combine 'modes of social relations of production' in different ways and will also incorporate modes of social relations of production which have emerged in other (non-capitalist) modes of development.⁷ Each of these modes can be analysed ideal-typically on its own terms, each with their respective social relations of production, and then be regarded in its real historical relations with others.⁸ Ultimately, Cox argues, these real historical relations can be analysed not just at the level of individual states,

5 Cox 1987, 407 (fn. 7).

6 Cox 1987, 406 (fn. 7).

7 André Drainville correctly notes that the way in which Cox sees the construction of neoliberalism is reminiscent of Althusser's concept of overdetermination; Drainville 1994, 114.

8 According to Cox, twelve distinct modes of social relations of production are still present in the contemporary world economy; they give rise to the following social production relations: subsistence, peasant-lord, primitive labour market, household, *self-employment*, *enterprise labour market*, *bipartism*, *enterprise corporatism*, *tripartism*, *state corporatism*, communal, and central planning; Cox 1987, 32. Those modes highlighted are generated by the capitalist mode of development

but also as integrated globally: “The social map of the world can be plotted as a hierarchy of interconnected modes of social relations of production”.⁹

How are these hierarchical relationships constructed historically? According to Cox, it is the “social context of production”, shaped decisively by the state, which determines what is produced and how.¹⁰ This social context will also determine the patterns of relations between the modes of social relations of production. For Cox, the

hierarchy established among types of production relations (which ... is one of the tasks undertaken by the state) constitutes a structure of accumulation. The extraction of surplus flows from the subordinate and weaker levels of production to the dominant or stronger.¹¹

The ‘structure of accumulation’ refers, in Cox’s categorial framework, to the way in which surplus is distributed, rather than to the form of its creation.¹² Accumulation has to be distinguished analytically from production in order to avoid ahistorical abstractions.

How the economy is structured is thus not to be derived from certain qualities inherent in production in general, or even capitalist production more specifically. While Cox accepts the theoretical centrality of production for the understanding of societies, he argues that no economic determinism can be inferred from this proposition. Production has a “certain logical precedence”, but not a *historical* primacy over the state and civil society. Indeed, it is the organisation of political power rather than the development of production that constitutes the *dynamic* element of social life.¹³ Yet the heuristic focus must be on the ways in which

9 Cox 1989, 40.

10 Cox 1987, 11 and 17ff. Indeed, Cox argues that “the principal structures of production have been, if not actually created by the state, at least encouraged and sustained by the state. ... In historical time, production has been more shaped by the state than shaping of it”; Cox 1987, 5.

11 Cox 1987, 5. Similar to the SSA approach, Cox’s structure of accumulation denotes the “social and political power context of production”, which determines who gets what of the surplus product. Curiously, the concept of the social structure of accumulation is not developed to a comparable standard as in the SSA approach. In particular, the intricate institutional set-up which SSA theorists analyse in order to show precisely *how* the economy is socio-politically regulated, is underdeveloped in Cox’s work. It is as if hegemony leads directly to an efficient functioning of a new structure of accumulation.

12 International hegemony is thus always to be seen as a structuring of the relations between various forms of production which privilege some more than others, and as these forms of production are not equally distributed in space they have differential consequences for people not only according to their social position but also to their geographical location in a given world order.

13 Cox 1987, 5 and 399.

political power is used to organise the economy. Politics, for Cox, is not the abstract pursuit of power for its own sake; it is the *politics of production* which is at the centre of his theory. The relationship between power and production is reciprocal: Production “generates the capacity to exercise power, but power determines the manner in which production takes place”.¹⁴

For Cox, it is the ‘social context’ of the global structure of accumulation which serves as the basis for periodising history. This social context can be represented as a nexus of three structures: social forces, state/society complexes, and world orders. Each of these structures, which Cox understands as “persistent social practices” can in turn be thought of as constituted by an interrelated set of ideas, institutions and material capabilities. But social practices, unlike in Althusser’s structuralist theory, are not necessarily reproductive of the structure; structures *condition* and *shape*, but do not *determine* practices. Social actors, therefore, are no mere ‘supports’ of structures, they are conscious and purposive agents, whose identities, ideas and capacities cannot, however, be grasped on the basis of methodological individualism.

Predictably, Cox’s approach has been reproached, from a Marxist perspective, for falling into “Weberian indeterminacy”.¹⁵ According to Peter Burnham, the relations between various structures, the ‘spheres’ of politics and economics in particular, appear in neo-Gramscian IPE as contingent and mechanic, i.e. as externally related parts of an empirical whole with no underlying unity. Yet Cox does not accept the crucial Weberian notion that the spheres or structures of society are autonomous, operating according to immanent principles, yet combining to generate specific historical processes. How the economy and the polity relate to each other, for instance, is determined by the conscious agency of social forces:

In periods of fundamental changes in global and national structures, the conventional separations of politics, economics, and society become inadequate for the understanding of change. ... Fundamental changes have to be grasped as a whole. This whole is the

14 Cox 1987, 1.

15 Burnham 1991, 77. Ironically, Cox has also been attacked, from a Weberian perspective, as an orthodox, class-reductionist Marxist; cf. Hobson 1998b, 356-57. The Weberian aspects of Cox’s work have been subjected to incisive scrutiny by Mittelman, who highlights especially the limitations of the ideal-type for a critical theory of international transformation, and of the individualistic foundations of Weber’s approach; Mittelman 1998, 82ff.

configuration of social forces, its economic basis, its ideological expression, and its form of political authority as an interactive whole. Antonio Gramsci called this the *blocco storico* or historic bloc.¹⁶

The structures of society do not possess distinct logics which derive from the ‘nature’ of the economy or the timeless laws of international politics. The state is not conceptualised as an irreducible unit which acts on the basis of some inherent *raison d’état*; nor can it be reduced to either the ‘logic of anarchy’ or the ‘logic of capital’. The state is a historically changing structure with specific functions and aims, which are inscribed into the state by those social forces which have managed to universalise their particular social purposes and to present them as the ‘common sense’ of their epoch.¹⁷

It is in ‘civil society’ that social classes become conscious of their aims and interests, and in which they struggle for hegemony. It is here, that they create (often shaped by the state itself), a new historic bloc of social forces, which redefines the “limits of the possible” for the state, other social forces, and individuals. The ‘historic bloc’ thus constitutes the “structure of structures”, through which the ‘structure of accumulation and the ‘form of state’ are integrated in a mutually reinforcing way, and linked to the political and economic structures of world order.¹⁸ At this point, Cox makes his most important contribution to post-structuralist historical materialism. Whereas the French regulation theorists have, by and large, taken the national state to be the locus of economic regulation, and the national economy to be the relevant object of regulation, Cox attempts to show that national economies are integrated into larger, international structures of accumulation constituted by international hegemonic practices.¹⁹

But how do we conceptualise the political constitution and regulation of the world market in an international system where there is no uncontested authority

16 Cox 1993b, 259.

17 Cox 1996b, 105-107. The social institutions and the ideologies of an epoch “will be universal in form, i.e., they will not appear as those of a particular class, and will give some satisfaction to the subordinate groups while not undermining the leadership or vital interests of the hegemonic class”; Cox 1993a, 58.

18 Cox 1987, 395.

19 For French regulationist attempts to include international dimensions of accumulation and regulation, compare the rather neglected work of Jacques Mistral, especially Mistral 1986; also Lipietz 1987. For an excellent overview of the different strands of regulation theory, see Robles 1994.

to impose such regulations? For Cox, international hegemony is not simply based on the pre-dominance of a particular state. To begin with, he insists that international hegemony is always premised upon aspects of consensus and ideological incorporation, through which the particular national interests of the hegemonic state assumes some degree of universality. Moreover, international hegemony has its roots in the domestic ‘historic bloc’ of the hegemonic state: it is the “outward expansion of the internal (national) hegemony established by a dominant social class”.²⁰ Hegemonic practices will thus reflect not simply a desire for imperial aggrandisement, but are to be related to the social purposes of the ‘historic bloc’. In this sense, hegemony has always to be conceived of as hegemony *for* a specific project of capitalist accumulation which reflects the balance of powers between classes domestically, and between states as well as transnational classes internationally. According to Cox,

Hegemony at the international level is ... not merely an order among states. It is an order within a world economy with a dominant mode of production, which penetrates into all countries and links into other subordinate modes of production. It is also a complex of international social relationships which connect the social classes of the different countries. World hegemony is describable as a social structure, an economic structure, and a political structure; and it cannot be simply one of these things but must be all three. World hegemony, furthermore, is expressed in universal norms, institutions and mechanisms which lay down general rules of behaviour for states and for those forces of civil society that act across national boundaries - rules which support the dominant mode of production.²¹

With this perspective, Cox effectively subverts the orthodox agenda of IR/IPE, in which hegemonic states appear as facilitators of cooperation between sovereign states. The point of reference for Cox’s theory of international hegemony is no longer the problem of cooperation under conditions of anarchy, but the hierarchal relations in the world market and the interstate system, constituted through the internationalisation of a specific historic bloc. It is at the level of world order that Cox finally attempts to periodise world history as a succession of ‘historical structures’, each institutionalising different ordering principles and each constituting a ‘framework for action’ with different implications for the patterns of conflict and cooperation between individuals,

20 Cox 1993a, 61. The application of the concept of hegemony to the international realm is questioned by Germain and Kenny, who argue that a Gramscian theory of hegemony would presuppose both a global civil society and a ‘global political society’ i.e. some international form of state; Germain and Kenny 1998, 14-17.

21 Cox 1993a, 61-62.

classes and states. Different historical structures also constituted the world economy in very different ways, which yielded benefits mainly to the hegemonic state/society complex and its co-opted social and political allies.

3.3. Regaining Historical Specificity: The Concreteness of Capitalism

The publication of Robert Cox's seminal 1981 article, which outlined his 'historical structure' approach, not only highlighted power relations beyond the state (without neglecting the domestic and international agency of states), it also put the problem of international transformation firmly on the agenda of IR/IPE.²² Yet in certain respects, the greater sensitivity to structural transformation, which Cox achieves by emphasising the ruptures between 'historic blocs', also entails a narrowing of the questions that a critical social theory of IR/IPE would have to pose in order to historicise international relations. For Cox, it is the great advantage of his approach that it does not start from 'abstract' categories like capitalism or modernity. Against John Ruggie's emphasis on the transition from the middle ages to modernity, he insists on the need for greater historic specificity:

For Fernand Braudel, a historical structure is the *longue durée*, the enduring practices evolved by people for dealing with the recurrent necessities of social and political life and which come by them to be regarded as fixed attributes of human nature and social intercourse. But, particularly with regard to the world system, how long is the *longue durée*? Ruggie pointed to the breaking point between medieval and modern world orders, but have there been other breaking points since then? What is the proper periodization of world orders? I am inclined to answer yes, there have been further breaking points, and to suggest a succession of mercantilist, liberal (*pax Britannica*), neo-imperialist, and neo-liberal (*pax Americana*) orders.²³

But are these 'breaking points' between historical structures of the same nature as the rupture between the Middle Ages and modernity (or, in a Marxist perspective, between feudalism and capitalism)? Cox himself indicates that these historical structures are different forms of the capitalist 'mode of development'. If this is the case, then it would seem imperative to conceptualise the

22 Cox 1996b was first published in *Millennium: Journal of International Studies*, Vol. 10, No. 2, 1981, 126-155.

23 Cox 1996c, 55; cf. Ruggie 1983a and 1993.

fundamental institutions and dynamics of capitalism beyond their periodical variation in historical structures.

The importance of this problem becomes obvious when we consider the neo-Gramscian interpretation of current processes of globalisation as leading from a Westphalian to a post-Westphalian system, and thus to a world order no longer based on sovereignty.²⁴ The implication is that the institution of sovereignty extends over all the historical structures of the capitalist mode of development at least up to the period of hyper-liberal globalisation. Moreover, sovereignty is not a transhistorical background condition, but a socio-spatial form of organising political authority that is clearly of historical origin. But in this case, we cannot limit ourselves to analysing the changing functions of states in the context of different historical structures. The historicisation of the sovereign state cannot be fully achieved by showing how the interests and functions have been constituted by changing hegemonic blocs; if we think of social institutions as 'petrified practices', then we also have to excavate the social practices and relations which underlie and sustain sovereign statehood as such. Put differently, it is insufficient to distinguish between different *forms of state*; we have to theorise and historicise the *state form*, too.

Precisely because Cox posits the transcendence, rather than just the re-articulation of sovereign statehood and the Westphalian state system, we have to conceptualise the fundamental institutions of capitalist modernity as historical institutions. In this sense, Cox refusal to locate the transition to modernity and the transformation between historical structures on two different levels of abstraction, obscures the fundamental historicity of sovereignty, as well as of capitalism or modernity more generally, even while contributing to their concretisation. Simon Bromley points out the self-limiting implications of this approach for the development of a critical social theory of IR/IPE:

the neo-Gramscians have singularly failed to develop a *theoretical*, as opposed to a descriptive, specification of the principal structures of the international system. For no amount of discussion of such themes as 'hegemony', 'historic blocs' and 'transnational capital' adds up to a theory of the modern states system or of the world market.²⁵

24 Cox 1992, 142-44.

25 Bromley 1995, 232; cf. Boyle 1994.

Does that imply that we have to return to the iron laws of capitalism and conceptualise capital as an essence which imposes itself on society? On the contrary: what is necessary is an extension of Cox's concept of the historical structure to capitalism itself. If capitalism is, as Cox argues, "driven by the opportunities for realizing profits in the market", then we have to ask how the general 'framework for action', which makes it possible for the pursuit of market opportunities to hold sway, is socially constituted. For it seems that it is this framework for *capitalist* action which allows a capitalist rationality to emerge; which makes people seek profits through sales in the market (rather than through investments in the means of coercion which in pre-capitalist societies offered much more effective and lucrative access to wealth); and, finally, which allows money to expand its value in the process of production and circulation. In other words, Cox's understanding of capitalism as a mode of development, in which considerations of profitability determine investments, begs the question what kind of social relationship constitutes the political and economic framework which makes the capitalist market possible, and which leads individuals to pursue profits by investing in the means of production.²⁶

The theoretical consequence is that the emergence of capitalism or modernity has itself to become the crucial point of reference for our attempt to historicise the international system, and capitalist modernity more generally.²⁷ Moreover, in conceptualising the transformations of historical structures within the capitalist mode of development, we have to explicitly theorise the relationship between the 'framework for action' which constitutes capitalist accumulation as a historical possibility and tendency, and the concrete 'historical structures' which link particular structures of accumulation to particular forms of state through the

26 Cf. Cox 1989, 40: "In capitalist development, investment and output are determined by anticipations of what the market will make profitable. In redistributive development, these decisions are determined by politically authoritative redistributors according to political criteria and priorities. The accumulation processes in each of these two modes of development in practice work through distinct yet changing clusters of production-relation modes".

27 Cox does in fact provide an account of the transition from feudalism to capitalism as a gradual build-up of capitalist elements taking place between the twelfth and nineteenth centuries; Cox 1987, 51. Yet this account is heavily teleological and relies on the orthodox pluralist model of economic expansion and political consolidation, (with each process reinforcing the other), and the odd 'bourgeois revolution' thrown in for good

agency of social forces. But this would once again raise the whole set of problems regarding functionalism which the regulation theorists, who pursue just this project, were unable to overcome.²⁸

Cox is only able to avoid this problem because he severs the link between capitalism and its ‘social formations’ or ‘conjunctures’; in this way, the conjuncture itself becomes the ‘historical structure’. He has not developed a conceptual vocabulary which allows us to understand historic blocs as forms in which capitalism becomes concretised or instantiated. Cox refers to Braudel’s distinction of the historical times of the *longue durée*, the conjuncture, and the event. Situating the historic bloc on the level of the *longue durée*, he begs the question as to which historical time then refers to capitalism (or modernity). This raises the problem of the appropriateness of Cox’s understanding of historical times. For Braudel, the *longue durée* is the time-span which encompasses the life-span of civilisations, those tectonic movements in cultural and material life which last centuries. This is the “infrastructure” of society: “All the stages, the thousands of stages, all the thousand explosions of historical time can be understood on the basis of these depths, this semistillness”.²⁹

But is this the same historical time which Cox’s historical structures capture? None of the periods of historical development which he develops last more than a few generations, belonging to that level which Braudel seems to exclude categorically from the “time of societies” – and thus from social science proper -

measure which made sure that political impediments to further capital accumulation would be overcome were necessary; Cox 1987, 117-18.

28 This problem is present, it will be remembered, in the work of Joachim Hirsch. His critique of the price-theoretic variants of regulation theory is nevertheless poignant and to some extent applicable to Cox, too: “If the statement that ‘every society has its own crisis and conjunctures’ (Boyer) is to be taken seriously, and yet the construction of a reasonably stringent relationship between general capitalist structural and developmental determinations on the one hand, and the historical formations with their transformation processes on the other, remains elusive, then theory of history, indeed, is replaced by historical description. Then, room remains, at best, for spatially and temporally limited middle-range theories”; Hirsch 1990, 29 (my translation).

29 Braudel 1980, 33. Indeed, for Braudel the *longue durée* is all but beyond history, not itself a historical timeframe at all; it underlies and is only marginally affected by history; compare p. 75: the “*longue durée* is the endless, inexhaustible history of structures and group of structures. ... This great structure travels through vast tracts of time without changing; if it deteriorates during the long journey, it simply restores itself as it goes along and regains its health, and in the final analysis its characteristics alter only very slowly”.

as “belonging to the time of man, of our own brief, transient lives”.³⁰ Even allowing for the historicity of time-spans themselves, it is hardly conceivable how, for instance, the three decades of the *Pax Americana* can be described in terms of Braudel’s concept of the *longue durée*. Cox’s historical structures would be much better located at Braudel’s conjunctural level of cycles and rhythms not quite as slow as those of the *longue durée*.³¹

The problem here is not really Cox’s questionable adoption of Braudel’s concepts. After all, there are good reasons to depart from Braudel’s particular conceptualisation of different historical times: it exhibits a structuralist form of argumentation which completely reduces individuals and social groups to structural determination; the *longue durée* appears as a prison from which no escape is possible. There is no role for purposive action as a determinant of history. The real agents of history are its structures which are reified into forces external to society.³² So it is only reasonable to avoid much of the content of Braudel’s abstractions.

30 Braudel 1980, 12. It is remarkable that this formulation, which equates ‘social time’ with the *longue durée*, is already a mitigation of his formulation in his work on *The Mediterranean and the Mediterranean World in the Age of Philip II*. There, he related the levels of structure, conjuncture and event to geographical, social and individual time (quoted in Santamaria and Bailey 1984, 79). The life-span of an individual, in this perspective, would thus be part of the history of events. Stephen Gill seems to refer to the earlier distinction when he equates the *longue durée* with ‘social’ rather than ‘geographical’ time; Gill 1993, 44. But even within this time-span “sometimes, a whole century lasts but a moment”; Braudel 1980, 12.

31 The conjuncture itself refers to the expansion and contraction of material conditions and the concomitant social, cultural, technological, and political situations; Braudel 1980, 75. It pertains, particularly, to the ups and downs of Kondratieff-cycles, underlying which is the long-term tendency of growth since the 17th century, which Braudel understands as a succession of world economies; *ibid.*, 80-82. Cox’s periodisation of modern history on the basis of world order and state structures corresponds well to these long cycles of conjunctural development.

32 Clark 1990, 182-85; Santamaria and Bailey 1984, 80. According to Clark, Braudel is no less structuralist and deterministic than the Althusserian Marxists: but he is a positivist where they are essentialists. His historical studies are “relentlessly descriptive and taxonomic” and he neglects political history as part of the history of events or, at best, conjunctures, instead relying on evolutionist and teleological arguments about economic, social and cultural development; Clark 1990, 192-95. Gerstenberger notes that Braudel relies mainly on economic modes of explanation of social change, especially the rise of productivity. She identifies an underlying modernisation-theoretical perspective which takes for granted the direction of history towards modernity and the overcoming of forms of life uncondusive to modernity. Teleology displaces explanation; Gerstenberger 1987, 125. Gerstenberger concludes her excellent critique of Braudel by claiming that his ahistorical universalisation of the dynamic of the forces of production renders him a “brilliant metaphysician” who turns typological

The real problem with Cox's usage of the concept of the *longue durée* is that it fosters an understanding of historic blocs as discrete chunks of history, each embodying a petrified structural constellation. No 'meta-structure' exists on which capitalism as a mode of development could be located. These structural chunks seem to be capitalist as a matter of fact; transitions between historic blocs do not lead beyond the capitalist mode of development. The question, surely, is why that should be so. In other words, any theory of social transformation which tries to explain structural change and yet accepts that certain elements in the basic constitution of these societies are not themselves subject to these transformations, has to pose the problem of the relationship between continuity and change. If such continuity is accepted, then it is a theoretical *sine qua non* that the reproduction of the continuous elements is problematised in conceptual and historical terms. Cox does not provide the necessary framework for these problems.. As a mode of development, capitalism disappears almost completely in theoretical terms, while being all-pervasive empirically. Most crucially, it has no theoretical purchase in the explanation of the transitions from one capitalist historic bloc to another. As a category, capitalism remains theoretically vacant.

The consequence is that Cox has to tacitly restrict the problematic of structural change to the transformations *within* capitalism. With any consideration of a 'structural invariant' excluded from the theorisation of social change between discrete totalities, Cox has in fact undertaken a simple promotion of 'social formations' or 'conjunctures' of capitalism (in Althusser's sense) to historical structures in their own right. While the structuralised entities of the regulationists had still provided intermediate concepts between the mode of production and concrete reality, they have lost this role in the neo-Gramscian perspective. But by usurping the place of the mode of production, they have not actually bridged the gap between abstract and concrete; they have simply replaced one abstract concept, i.e. capitalism, with a another, albeit historically more limited one. Indeed, by *structuralising the conjuncture*, this approach runs into similar difficulties regarding the explanation of *change between historic blocs* as

condensations of statistical regularities into causalities while rejecting to formulate causalities in explicit form; *ibid.*, 132 (my translation).

structural Marxism had with the explanation of *transformations between modes of production*.

In a way, Cox has replaced the *grand structuralism* of the capitalist mode of production by a *structuralism en miniature* of the ‘historic bloc’, without satisfactorily accounting for the processes of transition between structures. Cox insists that these processes can only be explained by close empirical study, guided by hypothesis derived from the study of earlier transformations. A number of theorists have, however, highlighted the voluntarist and instrumentalist tendencies of Cox’s approach.³³ Globalisation, in the neo-Gramscian perspective, seems to be a product of the will of ‘transnational capital’ and its allied private and public bureaucracies in the leading states. The explanation of the demise of the ‘embedded liberalism’ of the postwar period and the rise of a global, neoliberal order relies on an instrumentalist argument, pointing to the new “*bourgeois conquérants*”³⁴ which imposes its interests in the form of a new set of economic, political and world order structures.³⁴ The role of the state in this process is that of perpetrator and victim at the same time; the results of its restructuring are to the benefit of some, especially transnationally orientated, class fractions and to the detriment of others.

This voluntarism of the dominant class is also the only way in which Cox’s approach can gain a leverage for *critique*. His critical theory of world order has to focus on the manipulative activities of the *bourgeois conquérants* or other fractions of the dominant class, because it is its disposition over power and distribution, which (though involving some concessions to subordinate classes) determines the force with which the market will impose itself upon the subordinate classes. Both the sovereign state and the (world) market are, in this approach, “content empty”, as Peter Burnham puts it. The economy, in particular, is ‘neutral’ prior to the imposition of specific social purposes on its operation through the creation of a structure of accumulation.³⁵ This instrumentalist account is necessary because it is only in this way that Cox can elucidate how the

33 Cf. Drainville, 1994; Germain and Kenny 1998, 18.

34 Drainville 1994, 114; on the “*bourgeois conquérants*”, see Cox 1996a, 297.

35 Burnham 1991, 89.

economy benefits some classes or class fractions more than others. For it is only through the 'social context' that 'the economy' becomes *socialised*.

3.4. *Conclusions*

We have noted at the beginning that for Cox, in contrast to structural Marxists and regulation theorists, social agency is not necessarily reproductive of social structures. Consequently, Cox's neo-Gramscian perspective seemed to be able to avoid structural-functionalism. Yet following the discussion so far, this claim can no longer be maintained without qualifications. Indeed, its bias towards reproduction seems to be all the greater in the neo-Gramscian perspective as it is banished from its problematique. Only because Cox *presumes* the reproduction of capitalist social relations in different 'modes of social relations of production', can he reject the attempt to understand changes in the 'social context' of production as a reaction to the functional requirements of the mode of production or the economic sphere.

But by taking the 'modes of social relations of production' as his starting point, Cox not only defines the specific 'social relations of production' in a concrete form, he also presupposes capitalist production relations as an *attribute* of these different modes. Precisely because Cox treats these 'modes of social relations of production' as 'monads' with their own internal dynamics, which presume the existence of capitalism and capitalists, he can sacrifice the conceptualisation of capitalism as a historical totality concretised in different forms. Capitalism in this account becomes, to some extent, naturalised, its continued existence assumed rather than explained.³⁶

By focusing on the *reconfiguration* of the structures of production, states and world order, Cox leaves unproblematised some of the most fundamental

36 Cox's historicisation of social development has consequences for our understanding of emancipatory potentials in the present. The potential which Cox locates are not those which point to any perspective beyond capitalism. Structural transformation refers now to the change of the form in which the economy is embedded in society, in which the inclusiveness of the historic bloc is enlarged. It is not the search for emancipatory potentials which transcend capitalism, but for change within capitalist society. This is obscured by the abandoning of the category of capitalism and the tacit equation of socialism with the 'self-defence of society against the market'.

categories of IR and IPE. The consequence is a seeming incapacity to account for the fundamental institutions of modernity themselves, rather than their variations. Moreover, by obscuring the difference between fundamental and less far-reaching transformations, by placing the transition from feudalism to capitalism at the same level of abstraction as that between, for instance, the *Pax Britannica* to imperialism, Cox blurs rather than highlights historical specificity. Moreover, the periodisation of history based on a 'historical structure' suffers from the under-theorised relation between the abstract and the concrete, between 'mode of development' and 'historic bloc'.

The point here is not that capitalism is always the same, or that we can develop an abstract theory of capitalism which ignores its different historical forms. The thrust of the argument is, instead, that by focusing directly on the concrete forms of capitalism we tend to take too much about capitalism for granted. There can be nothing more sterile than the alternative between theorising capitalism in the abstract or in its concrete historical forms; patently, we have to do both. That we are confronted with such a presumed alternative, however, is precisely the legacy of Althusser and the resulting inability to bring together the concrete and the abstract without falling into structuralism and functionalism or instrumentalism and voluntarism.

The challenge to develop a historical materialist framework, which does not construct the concept of capitalism in a static and deterministic way, which recognises that the 'mode of production' can be structured politically and culturally in distinct ways that cannot simply be 'read off' the 'base', and which is able to theorise the relationship between capitalism in the abstract and capitalism in the concrete – this challenge has not been met fully by any of the structuralist Marxists or their increasingly rebellious descendants. This would require a different way of overcoming the base/superstructure model, which does not accept the idea that the economy is social only insofar as social actors have consciously structured its *modus operandi*. This is precisely the task which a diverse number of Marxist theorists have set themselves. They have in common that they seek to overcome the limitations of the base/superstructure model without framing their alternative within the parameters set by Louis Althusser.

4. BEYOND BASE/SUPERSTRUCTURE: RENEWING HISTORICAL MATERIALISM

4.1. Capitalism: Structure, Historical Structure, or Structured Process?

The Marxist notion of history as a succession of ‘modes of production’ has lent itself to structuralism, as well as to technological and economic forms of determinism, and underpinned the worst excesses of teleological theorising. It has thereby served as much to squeeze history into a theoretical straitjacket, elaborating general historical laws in ahistorical grand theories, as it has helped to illuminate the historical specificity of the periods it distinguishes. But if the modes of production framework is a problematic tool for the analysis of historical societies as well as structural change, this does not imply that capitalism cannot be conceptualised systematically.¹ Nor does it mean that we are faced with the alternative of either establishing the immutable laws of capitalism, working themselves out historically with iron necessity, or dissolving the notion of capitalism into some more historically specific concepts with their own set of laws or regularities.

The alternative lies in the conception of capitalism, not so much as a structure but as *process*. For E.P. Thompson, the conceptualisation of historical development as process allows us to understand history as

open-ended and indeterminate eventuation - but not for that reason devoid of rational logic or of determining pressures - in which categories are defined in particular contexts but are continuously undergoing historical redefinition, and whose structure is not pre-given but protean, continually changing in form and in articulation.²

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- 1 The concept of the ‘mode of production’ may indeed be most useful with regard to capitalism. After all, it was from the study of this historical society that it derived, only for its fundamental aspects to be abstracted from their historical determinations and elaborated into a transhistorical model of social organisation. The reason for its potential usefulness in the analysis of capitalist societies is that only here are forces and relations of production the dynamic elements of social process; see Comminel 1987.
 - 2 Thompson 1978a, 84. This section draws strongly on E.P. Thompson’s reformulation of historical materialism in Thompson 1978b; compare also Holloway 1991, 239ff and Clarke 1991a, 1991b and 1991c. Clarke argues that “capitalist production is not a

Capitalism, understood in this sense, has to be conceptualised as a *historical category* capable of absorbing the development and transformations of this society into its concept. This alternative retains the categorial emphasis on capitalism while embracing the neo-Gramscian caveats against its ahistorical and static conceptualisation. We have to take seriously Marx's acknowledgement (more seriously, perhaps, than Marx himself did), that "the present society is no solid crystal, but an organism capable of change, and constantly engaged in a process of change".³

But a processual theory cannot be constructed by freezing history into structural models representing the development of capitalism at a specific conjuncture. Such ideal-typical constructions, even if the 'synchronic' account of the functional fit between structures is accompanied by an emphasis on their 'diachronic' dislocations and class conflicts, may narrow the distance between the abstract and the concrete. Yet they do not mediate the gap itself; worse still, they do not even allow us to theorise the gap, as it is itself concealed.⁴ As a result, "Cox's taxonomic innovations", which combine Marxist and Weberian elements, have yielded a "more static and comparative framework rather than a fully dynamic and historical materialist" approach.⁵

Instead of ideal-typical concept formation, the development of the notion of capitalism as process has to be saturated by the analysis of the actual history of this form of society. But a social theory of capitalism cannot simply be a historiography of the endless variations and permutations of modern societies. We not only have to analyse the concrete actuality of capitalism in all its manifold appearances, but to uncover its abstract and generic existence in the

structure with a given foundation, it is a *process* whose reproduction depends on its reproducing its own foundations"; Clarke 1991c, 190. I will return to the problem of reproduction at the end of this chapter.

3 Marx 1977, 93.

4 Cf. Bonefeld et al. 1992, xvi.

5 Mittelman 1998, 83. Thompson's notion of 'structured process' is directed not only against those approaches which set structure against process, but also, as Wood notes, against those which see structures undergoing processes. "This distinction reflects an epistemological difference: "on the one hand, a view of theoretical knowledge - the knowledge of structures - is a matter of 'static conceptual representation', while motion and flux (together with history) belong to a different, empirical sphere of cognition; and, on the other hand, a view of knowledge that does not oppose structure to history, in which theory can accommodate *historical* categories, 'concepts appropriate to the investigation of process'; cf. Wood 1995b, 79.

concrete, without in the process reducing the latter to the necessary products of the former. The abstract concept of capitalism can never be an 'independent variable', directly and causally linked to the concrete. The concrete is always, to some extent, contingent and irreducible. And yet, concrete 'facts' cannot be understood as isolated data, related to each other *only* by coincidence. Their meaning and relevance arises only within particular historical totalities, to which they have to be related in thought.

For Thompson, the infinity of variations of capitalism has always to be understood within the confines of an epochal context characterised by the dominance of a specific "logic of social process".⁶ In the modern period, this "logic of capitalist process has found expression within all the activities of a society, and exerted a determining pressure upon its development and form".⁷ But instead of a determination of historical development by the 'laws of motion' of capital, the notion of a logic of social process suggests determination in terms of the exertion of pressures and the setting of limits. The history of capitalism can thus be understood as a "structured process", subject to determinate pressures yet only partially determined.⁸ Such a theory would not understand the 'limits of the possible' as constituted by specific historic blocs and embodied within particular historical structures. Instead, it asks how the capitalist logic of social process *itself* sets limits to the particular forms in which capitalism exists and, indeed, *can* exist, without assuming that the concrete existence of capitalism is directly given by the requirements or internal dynamics of capital.

The question then is: what generates these pressures which structure historical process? Thompson does in fact locate the fundamental social dynamic of capitalism in its 'mode of production'. Conceptualised by Marx as an "integral structure", this concept is taken by Thompson to explain the *possibility* and *necessity* for capital to expand, but also for capitalist social relations to be reproduced in the process of capital's self-valorisation. In this sense, the mode of

6 If we can still speak of capitalism as a 'system', this is "because of (a) conformities in the ways in which the parts are related to the whole, giving a totality informed by characteristic concepts, and (b) because of an identity in the logic of social process"; Thompson 1978c, 357.

7 Thompson 1978a, 62.

8 Thompson 1978a, 98.

production specifies the “rules of capital” which structure the process of capitalist development.⁹ But Thompson is adamant that a “capitalist mode of production is not *capitalism*”.¹⁰ The development of capitalism, for all the pressures exerted by capitalist social relations, for all the limits posed by the capitalist mode to the development of social institutions and the realisation of social ideals within societies organised on its basis, cannot be understood directly in terms of the unfolding of capital according to its inherent conceptual logic.¹¹

If, as Thompson insists, historical materialism nonetheless has to pursue knowledge of capitalism as a totality, then this totality can only be theoretically reconstructed through close empirical and historical study. This has to show not only how the mode of production impresses itself on all aspects of social life, but also how capital and its particular dynamic itself is reproduced *and* continuously reconstituted through these social relations, and for that reason itself forever changing and mutating. But if so, then society cannot be understood as a conglomeration of spheres and levels, each interacting with the other, yet always externally related to each other. How could law, for instance, be confined to a ‘level’ when, historically, it was present “at *every* bloody level; it was imbricated within the mode of production and production relations themselves (as property-rights, definitions of agrarian practice)”?¹²

What can be discerned in these remarks, and in the historical work of E.P. Thompson more generally, is a conception of historical materialism which points beyond the base/superstructure dichotomy, without reneging on the idea that class relations are the dynamic centre of any class society. For these arguments make it plain that the key to capitalism, as to any other form of society, lies not in giving prominence to ‘spheres’ other than the economy. It lies in recognising that the ‘superstructures’ constitute the ‘base’ itself. The ‘material base’ consists of all those social relations which together constitute the mode in which production

9 Thompson 1978a, 153.

10 Thompson 1978a, 154. The problem, according to Thompson, is the “move from the circuits of capital to *capitalism*; from a highly-conceptualised and abstracted mode of production, within which determinism appears as absolute, to historical determination as the exerting of pressures, as a logic of process within a larger (and sometimes countervailing) process”; Thompson 1978a, 163.

11 Cf. Wood 1995a, 58f.

12 Thompson 1978a, 96.

and distribution are organised in a historical form of society. Derek Sayer argues, consequently, that the ‘base’ must be understood as

comprising the totality of social relations, whatever these may be, which make particular forms of production, and thus of property, possible. These social relations are simultaneously forms of material relation of human beings to nature. This totality is Marx’s ‘groundwork of society’, and its extensiveness indicates why he could plausibly treat material production as being synonymous with production of ‘the society itself, i.e. the human being in its social relations’.¹³

If this argument is accepted, then we have to stop talking about an ‘economic base’ as opposed to political, ideological, juridical ‘superstructures’, with the former determining the latter directly or in the last instance, structurally or through class strategy.

4.2. The Separation of Politics and Economics

The historical materialist perspective developed so far provides the basis for a conceptualisation of capitalism that rests neither on a mono-causal economic determinism, nor on the vacuous and ahistorical methodological pluralism of much of IR and social theory. But how does this perspective allow us to understand the historical specificity of capitalism?

I have argued in chapter 1 that the recognition (by Janice Thomson and John Ruggie, among others) that political and economic spheres are only separated in modernity is crucial to the historicisation of the categories through which we conceptualise the origins and development of modern society. It is the precondition for a non-evolutionistic interpretation of the rise of capitalist modernity. It makes it possible to see, as Anthony Giddens points out, that

the emergence of modern capitalism does not represent the high point (thus far) of a progressive scheme of social development, but rather the coming of a type of society radically distinct from all prior forms of social order.¹⁴

13 Sayer 1989, 77. Thompson similarly notes that the ‘base’, if we want to use this term at all, is “not just economic but human - a characteristic human relationship entered into involuntarily in the productive process”. While he does want this to be taken as a denial that “the ‘economic movement’ has proven to be the ‘most elemental and decisive’”, he goes on to argue that “social and cultural phenomena do not trail after the economic at some remote remove; they are, at their source, immersed in the same nexus of relationship”; Thomson 1978a, 194.

14 Giddens 1985, 31-32.

But many of those who might readily agree with Giddens that capitalist modernity is indeed radically different from all other forms of society would nevertheless reject the idea that politics and economics are separable in all periods of capitalist development. They would follow those who, like E.H. Carr, maintain that by the 1920s, at the latest, the “illusion of a separation between politics and economics – a belated legacy of the *laissez-faire* nineteenth century – had ceased to correspond to any aspect of current reality”.¹⁵ Cox similarly argues that the separation of politics and economics had its ideological foundations in the hegemony of the historic bloc that underpinned the *Pax Britannica*. This separation became “blurred” when states assumed, with the rise of Keynesianism, “a legitimate and necessary overt role in national economic management”.¹⁶

For Giddens, by contrast, the separation of politics and economics is not just a discursive or ideological construct; nor is its analytical value restricted to the liberal period of European development. Conceptually, it should be understood to refer not to the non-intervention of the state in the economy, as “based in the capitalist labour contract”, but as designating the institutional “insulation” of these two spheres, “whereby relations between capital and labour are kept ‘non-political’”.¹⁷ Therefore:

The insulation of the economic and the political should ... not be equated with competitiveness in labour and product markets. Such a view has often been taken by those influenced by classical political economy, even where in other respects they have been critical of it. The classical economists tended to identify the sphere of the ‘economic’ with the competition of independent and autonomous capitalist firms, in which any form of state intervention breaches the division between economy and polity. This not only greatly underestimates the ways in which the existence of an insulated ‘economy’ depends on the state in the first place, it suggests a decline in the scope of the ‘economic’ with the increasing state intervention in productive activity. But what is usually termed the ‘intervention’ of the

15 E.H. Carr 1981, 117. According to Carr, “Marx was dominated by nineteenth-century presuppositions” when “writing as if economics and politics were separate domains, one subordinate to the other”. Like those who insist on the primacy of the political, he failed to understand that “Economic forces are in fact political forces”; Carr 1981, 116.

16 Cox 1996b, 104. Elsewhere, Cox suggests somewhat contradictorily, that politics and economics are generally separated in hegemonic phases (including, presumably, the *Pax Americana*), while this separation breaks down in non-hegemonic periods and in times of transition; Cox 1987, 107. It is thus unclear, whether the separation of politics and economics is a product of one particular hegemony, or characteristic of all hegemonic phases.

17 Giddens 1981, 128

state may have the consequence of actually protecting the insulation of the economy – in fact, it may even be its necessary condition.¹⁸

The implication is thus not a liberal understanding of state market relations, but a particular understanding of the *underlying unity* of politics and economics even in the most liberal periods. Even when the state does not intervene strongly in the economy, or when hegemony does not prevail, the institutionally separated spheres of the political and the economic are *internally* related to each other, in that their very separation is a consequence of the commodification of labour and the establishment of absolute private property.¹⁹

Capitalism is unique, then, in that here - and only here - the analytical distinction between political and economic structures or spheres corresponds to their institutional separation. Only in capitalism do these 'spheres' acquire something like a dynamic of their own and appear to follow some innate laws, which seem to stem from the nature of the pursuit of wealth or power themselves. There is no need to accept early-nineteenth century *laissez-faire* ideology for reality; even the most liberal 'night watchman state' was strongly involved in economic development. Yet for all the interventions of the state in the economy, for all the economic restrictions placed on political action by economic interests and resources, in short, for all the reciprocity between economic and politics, these spheres assume an autonomy which they do not have in non-capitalist societies. In fact, it was only in capitalism that a concept of the economy could emerge. In a very real sense, pre-capitalist societies did not have 'economies', as Karl Polanyi pointed out.²⁰

But did people not always produce, trade, and exchange goods? Have they not always striven for wealth? Polanyi certainly overstates his case when he suggests that only since the nineteenth century have people begun to put the pursuit of wealth at the centre of their lives. The crucial point, however, is that only with the insulation highlighted by Giddens does something like a self-referential realm emerge in which productive activities are governed, to a large extent (but never exclusively), by considerations of profitability. The control over property in the

18 Giddens 1985, 135-36.

19 Cf. Giddens 1981, 122; Giddens 1985, 211.

20 Polanyi 1957, 44-46.

means of production, rather than the possession of political authority, is here the decisive aspect in the dynamic of productive and commercial development.²¹ Capitalism, and with it the separation of politics and economics, emerges when the control over objects becomes the regulating instance of the “allocative” dimensions of social life, and the control over people is relegated to a socially delimited sphere of ‘the political’.²²

For Giddens, this argument provides the basis for a critique of Karl Marx’s theory of history in that it allows us to see that it is only in capitalist societies that allocative resources drive societal change. Before the rise of capitalism, the control of, and struggles over authoritative resources was much more important for the process of social change. This also implies that class conflict cannot be the ‘prime mover’ of history, as class (which Marx defined by the relation of people to the means of production) necessarily refers to the control of allocative resources (which for most of history was less important than the control of authoritative resources). An essential aspect of the uniqueness of capitalism is, therefore, that class only assumes a central role in this society, both in terms of the organisation of production and exploitation and with regard to its general developmental dynamic; only capitalism is a “class society”, whereas pre-capitalist societies were only “class-divided”. Classes existed, but their conflicts did not form the central axis of social organisation and transformation.²³

Giddens’ critique of the Marxist understanding of pre-capitalist societies, and of their discounting of the fundamental differences between pre-capitalist and capitalist societies, is highly pertinent. In as much as Marxists take class relations to be ‘productions relations’ in all historical forms of society, they are in danger of radically misunderstanding pre-capitalist history, including the transition to

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By contrast, in feudalism “social labour is ... mobilized and committed to the transformation of nature primarily through the exercise of power and domination - through a political process. Hence, the deployment of social labour is, in this mode, a function of the locus of political power; it will differ as this locus shifts position”; Wolf 1982, 80. In capitalism, on the other hand, “the social allocation of resources and labour does not, on the whole, take place by means of political direction, communal deliberation, hereditary duty, custom or religious obligation, but rather through the mechanisms of commodity exchange”; Wood 1995c, 29. The separation of politics and economics, understood in this way, is also implicit in Robert Cox’s definition of the capitalist ‘mode of development’; cf. ch. 3, fn. 26.

22

Giddens 1981, ch. 9.

capitalism. At a minimum, Marxists have to be able to accommodate this aspect of Giddens' critique. Does this mean that they have to give up on the idea that pre-capitalist societies were 'class societies' and that class struggle is central to fundamental historical change?

Perhaps not, but this presupposes that the Marxist concept of class is redefined. Class relations may be better understood as 'property relations' than as 'relations of production'. *Pace* Giddens, we should not regard 'class' as inherently 'economic', expressing differential access to *allocative* resources; the reason is that *property* itself only became an economic category in capitalism. Giddens' transhistorical identification of property with 'allocation' (control over things, and ultimately over nature), and of political power (control over people) with 'authorisation', effectively allows the separation of politics and economics to creep back into his framework.²⁴ This prevents Giddens from developing an account of the transition to capitalism which does justice to his demand for a 'discontinuist' interpretation of history, as he continues to rely on the traditional model of economic commodification and political rationalisation.

It may be more fruitful, instead, to historicise the category of class itself by pointing out that the *forms of property* through which surplus is appropriated vary from society to society.²⁵ In feudalism, for instance, it was the *property in the means of violence* rather than *production* which gave access to socially produced surplus. Only in capitalism is the form of property that mediates exploitation 'economic', pertaining to the control over things rather than people; only in capitalism is surplus appropriated within the process of production itself; only in capitalism, therefore, are class relations also 'relations of production'.

The crucial point here is that, in capitalism, social power does not enter the sphere of 'material production' from outside, to give the relationship between humanity and nature a concrete social purpose. The existence of a separate economic realm presupposes the reorganisation of social power, which leads to the privatisation of the power to extract surplus. As Ellen Meiksins Wood argues, the transition to capitalism can be conceived as a "long process in which certain

23 Giddens 1981, 92.

24 Giddens 1981, 46-52.

25 The argument of this paragraph draws on Brenner 1985b; Wood 1991 and 1995b.

political powers were gradually transformed into *economic* powers and transferred to a separate sphere”. This process, at the same time, left the political ‘sphere’ devoid of any *direct* implication in the process of appropriation.²⁶ In that sense, “capitalism represents the ultimate privatization of political power”.²⁷ The privatisation of some forms of political domination in the economy is paralleled by the reconstitution of the impoverished political dimension as a ‘public sphere’. This abstraction allows the capitalist state to represent itself as the embodiment of the ‘general interest’, even as its very existence is premised upon the privatisation of the power to exploit and its relocation to a ‘private’ sphere of ‘economics’. According to Wood,

The state - which stands apart from the economy even though it *intervenes* in it - can ostensibly (notably, by means of universal suffrage) belong to everyone, producer and appropriator, without usurping the exploitive power of the appropriator.²⁸

4.3. *Modi Vivendi: Towards a Theory of Capitalist States and Markets*

The discussion so far has highlighted the inadequacy of supplementing the ‘economic’ base with the social ‘superstructures’ and softening some of the more deterministic and economistic tendencies of orthodox Marxism. The process through which capitalist class relations emerged was simultaneously the process through which relations of domination, rooted in the control of authoritative resources, were abstracted from processes of exploitation and allocation. In this sense, the very autonomy of the ‘purely political’, public capitalist polity, and of the private economy based on a market system are both understandable as ‘social forms’ of the ‘capital relation’.

The challenge for historical materialism is to develop a conceptual vocabulary that allows us to combine in thought the very *real* autonomy of the political and the economic in capitalism, and the fact that this autonomy is only *apparent* in

26 Wood 1995c, 36.

27 Wood 1995c, 40.

28 Wood 1995c, 40. This is not to suggest that the public sphere has to be democratic in every capitalist society. That this is not the case has been amply demonstrated by history. But it points to the *possibility* of liberal democracy in which abstract citizenship in the public sphere is made possible by the abstraction of ‘economic’ relations of

light of their underlying unity. Bertell Ollman seeks to capture this duality by developing the Hegelian notion of an ‘internal relation’ between these ‘forms of appearance’. In this perspective, politics and economics do not simply interact with each other ‘externally’, as spheres with an independent ontological reality; they are not simply “elements-in-relation”, but are differentiated “elements-of-relation”, whose meaning cannot be understood by abstracting them from this relationship, as they could not exist outside of this relation.²⁹

Ultimately, these arguments lead us to conceptualise institutional orders like the state and the market *as* social relations, and even, more specifically, as production relations. In this perspective, the capitalist state, like the capitalist market, are to be understood as social forms *assumed* by the capital relation, as organisational loci, in which particular aspects of this relation become petrified. They are the institutional products of the abstraction of coercive power from the process of surplus appropriation.³⁰ But while these forms are the *forms of appearance* of capital, they are also its *modes of existence*.³¹ The capital relation is not an economic relation; it can exist only in and through differentiated social forms, such as the ‘political’ state and the ‘economic’ market.

Having started from the argument that political, social and cultural structures must be shown as operating within the base, it becomes possible - now that we have found the social relations which appear in petrified form as institutions or structures - to reformulate this notion. For the relations of production which are at the ‘base’ of society must encompass all those structures and institutions which we have discovered to be social relations. In that sense, capital as a social relation encompasses not only the market, but also the state. To go even further: the autonomous political form of the state *is a relation of production*.

The concept of production which is implied by these arguments can, of course, no longer be defined economically in a narrow sense. In the process of producing

domination and exploitation from political control. Giddens 1985, 207; Giddens 1981, 210-13 and 220-229.

29 On these concepts, see Ollman 1976, 26-40. As Thomas notes, to ground particular relationships between politics and economics in the ‘fits’ generated by hegemonic blocs is insufficient, as it does not recognise that their relationship is an internal one even if it is not mediated by hegemony; cf. Thomas 1994, 135.

30 cf. Holloway and Picciotto 1991, 114ff.

31 cf. Bonefeld, Gunn and Psychopedis 1992, xv.

commodities, human beings in definite social relationships also produce and reproduce the social relations which make capitalist production possible; society itself has to be understood as *produced*.³² Production refers not just to the production of material goods, but to the production of the social relations, institutions and ideas which make it possible for material goods to be produced in a specific historical form, in particular social relations and which, in turn, are reproduced through 'economic' production. Capitalist relations of production are not something confined to the economic 'sphere', nor can the state and the market be understood in abstraction from the social relations which produce them as distinct institutional orders.³³ These are the social relations by which capitalist society is produced and reproduced. Clarke therefore argues that

the economic, in the narrow sense, the political and the ideological are not defined abstractly as frameworks within which relations of production are subsequently to be defined, as politically and ideologically constituted and reproduced relations within which material production takes place. Rather, *the economic, political and ideological are forms which are taken by the relations of production*. Political and ideological relations are as much relations of production as are strictly economic relations within which production takes place.³⁴

Social form, in the sense developed by Clarke, can be understood as "the *modus vivendi* of antagonistic relations", and its development as "the way in which contradictions are reconciled' (Marx)".³⁵ This cannot but be a dynamic, conflictual process. Consequently, social forms have to be conceived of as "form processes", not as static and unchangeable things: "The determinate forms of capital are not only the forms of existence of capital, but the form-processes through which capital is reproduced".³⁶ In other words, social forms are not the modes of existence of capitalist relations of production by virtue of some structural set up of capitalist society; they do not 'express' class relations as a matter of fact. As Simon Clarke argues:

32 Karel Kosik comes to the same conclusion by accepting 'the economy' (but not the 'economic factor') as the material base, while expanding the meaning of the 'economic': "Economics is not only the production of material goods; it is the totality of the process of producing and reproducing man as a socio-historical being. Economics is the production of material goods but also of social relations, of the context of this production"; Kosik 1976, 115.

33 cf. Wolf 1982, 21.

34 Clarke 1991a, 84-85; cf. Sayer 1989

35 Bonefeld 1992, 105.

36 Holloway 1991, 239.

The separation of the economic and the political is not an objective feature of a structure imposed by the logic of capital, it is an institutional framework which is only imposed on capitalist relations of production through a permanent class struggle, a framework which is accordingly a constant object of class struggle, which is only reproduced and transformed through that struggle.³⁷

Capitalist social relations could not exist apart from these forms and they could not exist only 'economically'. This should not be taken to mean that the relations between social forms engendered by capitalist relations of production are simply functionally complementary. On the contrary, these relations are deeply contradictory precisely because they are constituted as parts of the 'ensemble of social forms' of capitalist society which are yet autonomous (and not just relatively). Capital can indeed only be reproduced through all the forms which this social relation takes. It cannot be reproduced as a purely economic phenomenon through the 'circuits of capital' alone; capital does, in particular, require the state to reproduce the property rights and the ability for capital to be reinvested profitably.

Even if we add the caveat that this does not mean that the state actually fulfils these 'functions' (or even always tries to), this argument may seem to re-admit an orthodox class-reductionism. It should be noted, however, that while the capitalist state and the capitalist market are ultimately forms of the capitalist class *relation*, the very autonomy of the political sphere in capitalism prevents us from understanding *state policies* as determined by class strategy, even if the latter is understood in terms of the construction of hegemony rather than immediate instrumental control. Grounding the capitalist nature of the 'modern state' in the capital relation allows us to interpret capitalist political processes as taking place within the 'limits of the possible' set by capitalism's logic of social process, without claiming that state actions are directly given by instrumental or structural causation, or by functional requirements of capital. This step, clearly, takes from historical materialism some of the explanatory powers which positivist and deterministic Marxism claimed for itself. But, given the

37 Clarke 1991b, 46; cf. 1991b, 61 and 1991c, 190. Bromley notes that "in the political sphere, the sovereign form of the polity must be actively maintained by the subordination of state activities to the rule of law and money and through the bureaucratic exclusion of the people from the means of administration"; Bromley 1995, 240-41.

weaknesses of the explanations produced on this basis, the move towards an interpretive historical materialism entails only limited costs.

It has to be noted, however, that the emphasis on the concept of social form can easily lead into static modes of analysis. This may find expression either as a 'deep sociology' of modernity which, similar to Althusser's structuralism, is incapable of bridging theory and history. Or it may find expression in an approach in which the institutions of capitalist society assume quasi-personal character and petrify into things, and which reifies them into unchanging building blocks which motor around in history according to their inbuilt dynamic conferred upon them by 'capital'. In short, there is the danger of *formalism*. History may indeed be understood as the movement of the forms of capitalist social relations of production. But this movement of the forms must not be allowed to become a substitute for the real history of the production, reproduction and reconstitution of these forms by 'real, living individuals'.

The social forms in and through which capitalism exists do not exist apart from human *praxis*. To understand capitalism as a 'form process' with a particular logic of social process is impossible without a conception of agency that recognises, as Thompson puts it, the "crucial ambivalence of our human presence in our own history, part subjects, part objects, the voluntary agents of our involuntary determinations".³⁸ Thompson refuses to reduce human *praxis* to a narrow conception of rational action (which effectively takes the 'rules of capital' as given and presents them as having their sources within individuals). His arguments for a historical materialism that conceives of social being and social consciousness as dialectically related rather than as locked in a deterministic, uni-directional relationship, point to the ways in which cultural and ideological forms of capitalist society can be conceptualised: as attempts to

38 Thompson, quoted in Trimberger 1984, 221. Cf. Wood 1995b, 92. Also see Kosik 1976, 119: "Marxism is no mechanical materialism that would reduce social consciousness, philosophy and art to 'economic conditions' and whose analytical activity would entail revealing the earthly kernel of spiritual [*geistige*] artefacts. Materialist dialectics on the contrary demonstrates how a concrete historical subject uses his material-economic base to form corresponding ideas and an entire set of forms of consciousness. Consciousness is not reduced to conditions; rather, attention is focused on the process in which *a concrete subject produces and reproduces a social reality, while being historically produced and reproduced in it himself*". On Kosik's understanding of the economic, see above, fn. 32.

make sense of a world, and of their places in a world, in which the objects and social forms which they produce gain power over their lives as if they were independent of them, seemingly following laws of their own.

Thompson insists that the cultural mediation of social being has to consider the existing cultural resources which people mobilise in order to understand what is happening to them in their 'material lives'. Forms of consciousness cannot be read off the 'material base', as in the mechanical materialism of Feuerbach against which Marx argued so vehemently. Ideas and concepts do not reflect production (to be understood in the wide sense outlined above) in a passive way; they arise from the *active* appropriation of life in thought.³⁹ By the same token, 'the material' is not a pre-social realm; production is always premised on specific class relations. In addition, however, it has to be recognised that "the activity of material production is conscious activity".⁴⁰ Thus, while consciousness does not have an existence independent from 'modes of production', neither can the development of the latter be understood in abstraction from the conscious praxes of historically situated men and women.⁴¹ We therefore have to ask not only how being finds expression in consciousness, but also how the conscious praxis of real human beings becomes a moment of the 'material base' of capitalist society itself and shapes the way in which the dynamic of capital permeates society as a whole. Culture and ideology can hence no longer be understood as levels which may or may not fit the dominant economic structure; the point is rather to understand how 'culture' is an aspect of the material production and reproduction of capitalism (of the struggles for and against its reproduction).

Have we, after all, ended up with the old concept of the 'expressive totality'? For it seems that here, too, it is proposed to understand capital 'in the totality of its relations'. But the concept of totality suggested here is not quite Lukacsian: rather than to take the forms merely as the 'expressions' of capital I argue that we should understand social forms as *constitutive* of the concrete existence of capital. The capital relation is constituted by the internal relation between state and market, and the development of the social forms of capitalist society, as well

39 Kosik 1976, ch. 1.

40 Wood 1995a, 67.

41 Sayer 1989, 86-93.

as their concrete historical relation to each other, reconstitute the capital relation itself. The social struggles which *re-form* the state and the market also *trans-*form the nature of capital within the limits of the capitalist logic of social process.

The perspective outlined here also implies a need for a much more historical approach to the mental construction of the totality of capitalist social relations. While the emergence of the social forms organising the capitalist logic of social process does indeed mark a fundamental rupture in the flow of history, this cannot be taken to mean that *all* the institutions (or all aspects even of, say, the state form) of the modern epoch have been produced by - and are specific to - capitalism. There is a very real danger in any approach which starts from some notion of totality or system that it reifies empirically existing institutions as a *necessary* moment of the historical nature of a given social totality. The present approach, by contrast, not only enquires into how capital finds expression in particular social forms, but also how these forms in turn constitute the capital relation. This also implies that we have to ask how those aspects of, for instance, the capitalist state that have their origins in *pre-capitalist* history themselves become constitutive of capital's concrete existence.

Capitalism, then, is never capitalist in all its aspect. The social forms in which capital as a social relation manifests itself often carry "historical legacies".⁴² What Marx observed of mid-nineteenth century Germany may still be true today, though not to the same degree: "We suffer not only from the living, but from the dead. *Le mort saisit le vif*".⁴³ These aspects may add to the contradictions of capitalism and become the focus of concrete conflicts and struggles. Human praxis is therefore "*not only the production of [the] new but also a - critical and dialectical - reproduction of the old*".⁴⁴ Moreover, the cultural resources which concrete individuals are able to mobilise in their attempts to come to terms with the reality they confront, may partly have developed in circumstances which long preceded the present, under different conditions of capitalism or, indeed, in pre-capitalist societies. As Karel Kosik notes,

42 Wood 1995c, 26.

43 "The dead man clutches onto the living"; Marx 1977, 91.

44 Kosik 1976, 85.

The society which gave birth to the genius of Heraclitus, the era in which Shakespeare's art was generated, the class in whose 'spirit' Hegel's philosophy was developed, have *irretrievably* vanished in history. Nevertheless, the 'world of Heraclitus', the 'world of Shakespeare' and the 'world of Hegel' continue to live and exist as living moments of the present because they have enriched the human subject *permanently*.⁴⁵

4.4. *Conclusions*

The point of historical materialism is not the establishment of general laws of the determinations between the different spheres of society, but the attempt to find answers to the question why, in capitalist societies, spheres of action seem to be fragmented. By developing a historical and sociological argument, in which history and theory are dialectically related rather than opposed as different levels of analysis, a historical materialist approach would be able to make visible the historical and social content not just of the various structures of capitalist society, but of the separation of structures itself. It has been argued that this separation is a form of social power, one which has to be understood before we can analyse the mutual relationships between political, economic and other structures.

The crux of this argument is that the heuristic pivot of analysis should not be the ways in which the political sphere *intervenes* in the economic in order to create stability, provide legitimacy, and secure the profitability of capital. To make sense of modernity, both the institutional separation of politics and economics, their structural interaction, *and* their co-constitution in the capitalist labour contract *all* have to be combined in thought. To focus on just one of these aspects of modernity is to mystify its historical nature, and tends to universalise it in different ways.

The consequence of the argument that politics and economics are separate in capitalism is not the re-affirmation of the ideological representation of the relationship between the 'night-watchman' state and the 'free' market of classical

45 Kosik 1976, 85. Cf. Sayer 1989, 96: "Societies exist in time, and cannot be made sense of otherwise. *Erscheinungsformen* equally have an historical dimension, even if it is never independent of people's 'materialistic connections'". It is this historical dimension which specifies the limits under which 'people make their own history ... under the given and inherited circumstances with which they are confronted'. Sayer therefore suggests: "Amongst these 'given and inherited circumstances', ... the cultural legacy of the past must be reckoned a powerful material constituent of the present, framing present experience, informing 'phenomenal forms'"; *ibid.*

liberalism. It is, most emphatically, not that politics and economics can be adequately studied by different disciplines, each of which abstracts specific social processes from the totality of social relations. On the contrary, the form of historical materialism outlined in this chapter does not, as Ellen Meiksins Wood emphasises, recognise any strong disjunctures between politics and economics. Indeed, it sets out from the notion that “the ultimate secret of capitalist production is a political one”.⁴⁶ Capitalist production presupposes capitalist relations of production. The emergence and reproduction of these relations, which take the form of separated institutional orders, can be understood in terms of a privatisation of political power in the ‘economy’ which is yet internally related to the political, legal, cultural, and other forms which make such private production possible.

The reproduction of capital is thus inseparable from the reproduction of the distinctiveness of its social forms. This does not imply that capital is always the same; on the contrary: social praxis changes the forms of capital and thereby constantly reconstitutes the ‘laws’ of capital and the ways in which the imperatives of capital impinge on social individuals. But as long as the capitalist relations of production are reproduced in these processes, the ‘logic of process’ of capital cannot be suspended completely. This logic of process is socially produced; it is not unchangeable, not working according to iron laws. But its imperatives are the products of the relations in which people enter involuntarily and there is a limit to how far these imperatives can be transformed and modified without threatening the underlying social relation itself.

46 Wood 1995c, 21.

5. THIRD TIME RIGHT? 'OPEN MARXISM' AND THE INTERNATIONAL SYSTEM

5.1. The Problem of 'the International'

Non-reductionist Marxism is possible, I have argued in the preceding chapter, if we take 'the economy' to be, not an a-social sphere of 'material' relations, but a particular form of social organisation that emerges, along with other specifically capitalist social forms, when capitalist class relations come into existence. While this approach *does* locate the very possibility for an 'autonomous' economy and an equally 'autonomous' state to exist in particular class relations, it *does not* maintain that everything about the economy or the state has thereby been said. It certainly does not imply that particular economic or political processes can be explained directly by reference to the interests of the dominant class or 'hegemonic bloc'.

This qualification also applies to foreign policy and the patterns of international relations in the modern period. In this respect, too, historical materialism cannot reduce international politics to capitalism's 'laws of motion' or the agency of capitalists. However, it can and must provide an account of how the relations between capitalist states mediate the dynamics and contradictions of capitalist society. The first step in the development of a historical materialist theory of the international is to find an answer to a question which orthodox IR/IPE theorists do not even pose, namely how to account for the existence of an interstate system in a historical period in which the social relations of surplus extraction are essentially non-territorial. The challenge is here to decode the system of sovereign states exercising political authority over territorially delimited realms as a form of existence of the capital relation.

This may seem not much of a theoretical challenge given that we have already shown that the separation of politics and economics is the basis for the existence of the abstractly political state of capitalist modernity. Even though the form-theoretical renewals of Marxism that we have surveyed in the preceding chapter

appear to assume that 'the capitalist state' exists in the singular – or at least do not explicitly problematise the fact that the capitalist state exists only as part of a system of states – we may yet be able to simply extend the argument to the international sphere.¹ In fact, this assumption that theories of 'the capitalist state' can provide the basis for the theorisation of the *multiplicity* of capitalist states underlies the 'third wave' of historical materialist theories of international relations that emerged in the 1990s.²

These theories draw heavily on the 'capital relation' approach of Bonefeld, Clarke, Holloway and Picciotto, on the 'political Marxism' of Brenner and Wood, and on the 'internal relation' approach of Ollman, to ground the modern international system in capitalist social relations. They all take the specifically capitalist separation of politics and economics (or, more precisely, the social relations which give rise to, and find expression in, this separation) to be central to theorising the modern international system.³

In order to better understand the contribution and the distinctiveness of the 'third wave' (which, while far from being homogeneous, is marked by important commonalities), I will first situate it in the development of Marxist thinking on the international system. It will be shown that the central question asked by Marxists about international relations has changed significantly over time. Marx

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- 1 Cf. Barker 1991, 204: "One might get the impression from [Holloway and Picciotto] as from a mass of other Marxist writings on the state, that capitalism has but one state. Where it is acknowledged that the beast is numerous, the implications of that very concrete fact are not developed at all".
 - 2 If we regard the classical Marxist theorists of imperialism as the 'first wave', and world-systems theory as the 'second wave' of historical materialist theorizing of the international, then the work of Marxist scholars such as Mark Rupert (1995), Peter Burnham (1990, 1991, 1994) and Justin Rosenberg (1994), as well as Simon Bromley (1995, 1996, 1999), Chris Boyle (1994), Dan Diner (1993) and Jens Siegelberg (1994) may count as the 'third wave'. Just as the 'second wave' of neo-Weberian theories of international relations distinguishes itself from the authors of the 'first wave', such as Skocpol (1979), in that it no longer takes the anarchical international system as given, so the 'third wave' of Marxist IR theories finally seeks to problematise the capitalist international system as a social form. On the waves of neo-Weberian IR theory, see Hobson 1998b.
 - 3 So far, these efforts have not been noted by the systematisers and disciplinarians of IR and IPE. In the US, at least, Marxism (which so far, in the form of 'world-systems theory', had been present in the academic discourse under the label of 'globalism' or 'structuralism') seems to have lost its status as a serious and influential perspective in the usual triadic representations of the discipline, to be replaced by 'constructivism'. See the representation of relevant IR/IPE debates in the special 50th anniversary issue of *International Organization*, collected in Katzenstein, Keohane and Krasner 1999b; also

and Engels, in as much as they considered international relations at all, were mainly concerned with the effects of war and of the foreign policy of specific states on the likelihood of revolution in European countries. The classical theorists of imperialism and their successors were concerned with explaining the effects of changes in capitalist production on the foreign policy of states whose existence as separate political units was taken for granted. By contrast, the problem that has become central in recent years is how to establish the capitalist nature of the modern system of sovereign territorial states.

The second part of this chapter will look at the answers given by Peter Burnham, Mark Rupert, and Justin Rosenberg. These authors draw on the results of the Marxist debate over the nature of the capitalist state which emerged in the 1970s and 1980s, and which has given rise to a 'form-theoretical' reformulation of the Marxist understanding of the state. I will argue that their work does not, in the end, provide a satisfactory answer to the question they pose; at best, they offer a partial determination of the modern international system as a social form of capitalist society. They are ultimately unable to account for the exclusive territoriality of capitalist statehood. For while the form-theoretical reconstruction of Marxism allows us to understand why capitalism needs and entails *statehood*, it does not explain why capitalism is fractured politically along territorial/national lines – and hence the existence of *multiple and distinct* capitalist states. This is not to say that these approaches are without merits; on the contrary, they go far to point the way to a Marxist theory of the international. Ultimately, however, they fail to resolve the question which has marred Marxism from its very origins, namely why capitalist politics assumes a *geopolitical* form.

5.2. War and Revolution: Marx and Engels on International Relations

To the authors of the *Communist Manifesto*, the relations between states were of secondary interest. In particular, Marx and Engels seemed to agree with their liberal contemporaries that the importance of war in social life had declined since

compare Stephen Walt's argument that realism, liberalism and constructivism (rather than 'radicalism') today form the central paradigms of IR/IPE; Walt 1998.

the Vienna Congress. This tendency, Marx and Engels suggested, was the result of the development of capitalism:

The national differences and antagonisms between peoples are daily more and more vanishing, owing to the development of the bourgeoisie, to freedom of commerce, to the world-market, to uniformity in the mode of production and in the conditions of life corresponding thereto".⁴

This argument did not imply the end of the state as such, which would only become possible with the end of capitalism. In the meantime, capitalist states remained the guarantors of private property, and the means of sustaining capitalist class relations. But the more the "universal interdependence of nations" developed, the more would the conflicts between states be overshadowed by the struggles between the antagonistic classes of global capitalist society.⁵

Such, at least, was the perspective of the 1848 *Communist Manifesto*. Subsequently, its authors paid increasing attention, especially in their historical studies and journalistic work, to the influence of the foreign policy of particular states, as well as to the concrete dynamic of international relations in their era, on the likelihood of revolution in specific European countries.⁶ They argued that while a revolution was most likely to occur first in Germany, it was unlikely to succeed while Russia remained the guarantor power of the social status quo. From this concern followed a keen interest in the issues which might divide Russia and Prussia, and more generally led to increasing conflicts between the European Great Powers. The extension of the revolutionary process to encompass the whole capitalist world depended on a revolution in Britain, which, in the view of Marx and Engels, financed the suppression of movements for radical democratisation and socialism. But revolution in England would only be possible after a socialist revolution in France, which might then lend support to Irish movements for colonial liberation or contribute to a crisis of the British

4 Marx and Engels 1998, 36.

5 Cf. Linklater 1996, 119-124. As Linklater points out, Marx and Engels thought of the form of class struggle as national; the goal, however, was the transformation of the global society constituted by capitalist production relations.

6 This paragraph draws on the excellent study by Terry Kandall 1989. Already in 1848, Marx and Engels "had advocated that Germany carry out a revolutionary war against the Russians to keep the revolution on the Continent moving, shift the revolution in Germany to the left, and 'call in question the entire European balance of power' by restoring Poland"; Kandall 1989, 43.

imperial system in Asia, thus undermining the British economic and social system at home. As Terry Kandall argues, for Marx and Engels,

the class struggle in Europe after 1848 could be fought only by altering the nineteenth-century form of Russian and English imperialism versus the proletarian revolution. And this would occur only when the secondary contradictions between states resulted in a '*world-wide war*' between the '*proletarian revolution and the feudalistic counter-revolution*'.⁷

In various ways, war between the states could therefore contribute to the success or failure of social revolutions. To some extent, the causes for wars in the capitalist epoch may be found in the tensions between national states, each pursuing strategies of world market expansion, pitching national bourgeoisies against each other.⁸ In declining states, especially, this may increase the chances for successful revolution. This generates a powerful interest in cooperation between the national ruling classes of different states. But war may also be a direct result of the class struggle itself, and ascending states may rely on it to disrupt the transnational organisation of the working class, and to integrate its members as individual subjects (and later citizens) into particular nation-states.⁹ Engels, in particular, increasingly stressed the potential for war to foster nationalism and chauvinism, leading peoples to fight for their national existence, rather than classes to struggle for social revolution.¹⁰ This second form of war does not, in the capitalist period, simply internationalise a supposedly 'domestic' conflict, but also seeks to domesticate a transnational social struggle.

Military conflict between capitalist states can thus be an expression of "intra-capitalist competition" as well as of "national war". According to Erica Benner, Marx and Engels did not integrate these aspects of capitalist international relations. Moreover,

in failing to draw a systematic connection between intra-capitalist competition and national war, Marx and Engels also failed to offer satisfactory explanations of two related developments which were gathering powerful momentum by the 1870s: the build-up of

7 Kandall 1989, 57. Kandall concludes that "contrary to popular academic opinion – Marx and Engels held a systematic conception of the international system of states in the nineteenth century. The relations within that system, in Marx and Engels' theoretical conception, are conditioned by, but not reduced to, the uneven development of capitalism and the class conflicts within nation-states, as well as the political military capacities of states (...) and the historical memories resulting from wars and revolutions; *ibid.*

8 cf. Benner 1995, 211-12.

9 Kandall 1989, 55.

10 Linklater 1996, 124-26; Kandall 1989, 53; Benner 1995, 213.

military power within the state apparatus, and the political integration of the working classes into separate nation-states. These developments were highly conducive to the survival and, indeed, the strengthening of national particularism in an era when it was becoming more and more difficult than ever for particular states and peoples to opt out of a global economy.¹¹

While clearly recognising the danger of a shift of loyalty from class to nation, Marx and Engels were unable, Benner suggests, to explain this tendency, given their view of capitalism as necessarily producing greater polarisation between its classes. The historical development of capitalist modernity witnessed, quite contrary to the predictions of the *Communist Manifesto*, increasing levels of conflict between nation-states together with the pacification of class conflict. This process can only be understood if we stop to assume that capitalist industry had de-nationalised economic processes and start to give more prominence to the “role played by the state and international competition in the development of capitalism”.¹²

What, precisely, this role is cannot, however, be established on purely empirical grounds. The failure of Marx and Engels lies deeper, I suggest, than their lack of attention to the interaction between national states and the world market. Their fundamental short-coming is that they do not even provide a theoretical basis for the existence of a system of national states in the modern period, which is, after all, based on transnational social relations of surplus appropriation. Indeed, when Marx, in *Capital I*, sets out to determine the laws of capital accumulation, he notes:

In order to examine the object of our investigation in its integrity, free from all disturbing subsidiary circumstances, we must *treat the whole world of trade as one nation*, and assume that capitalism is established everywhere and has taken possession of every branch of industry.¹³

The first volume of *Capital*, of course, explicitly seeks to establish the *abstract* laws of motion of capital. Yet this raises the question whether the abstraction from the real multiplicity of capitalist nations and states is indeed a useful procedure. At the very least, this would necessitate a theoretical argument to demonstrate that the ‘law of value’ obtains *within and across* bounded nation-states in the same way, and to the same extent, as it does within the fictitious

11 Benner 1995, 212.

12 Benner 1995, 217.

13 Marx 1977, 727 (emphasis added).

global nation. Alternatively, it requires the explication of the modifications of the law of value in international transactions, and an answer to the question whether different forms of world market integration lead to different modifications. Most of all, however, it requires a theory that accounts for where the states of really existing capitalism came from and what roles they play in capitalist modernity.

Marx and Engels themselves, in any case, did not enquire into these problems. While the world market tendency of capital is obvious, and the impossibility for capital to exist other than in the form of distinct and competing individual capitals is immediately clear, such is not the case with the territorial fragmentation of capitalism's political space. Thus when Marx and Engels argue that civil society (*bürgerliche Gesellschaft*) "embraces the whole commercial and industrial life of a given stage and, insofar, transcends the State and the nation", it is simply not sufficient to add that this transnational civil society also "must assert itself in its external relations as nationality, and internally must organise itself as State".¹⁴ Nor does it explain the existence and roles of national states when he suggests soon after that the state "is nothing more than the form of organisation which the bourgeois necessarily adopt both for internal and external purposes, for the mutual guarantee of their property and interests".¹⁵

These remarks, as one observer accurately notes, are "essentialist, underived and unfounded quasi-analytic statements which are ultimately of a rather descriptive nature"; they *presuppose*, rather than *examine*, "the multi-state nature of the world market."¹⁶ Exactly *why* capitalist civil society must take political shape as a system of national, territorial states - and just *what* compels the bourgeoisie to adopt a national state, rather than one that is, for instance, spatially co-extensive with the capital relation - is not answered by Marx or Engels.¹⁷

14 Marx and Engels 1978b, 163.

15 Marx and Engels 1978b, 187.

16 Braunmühl 1978, 166.

17 Elsewhere, Marx explains the national state of capitalist modernity in a more historical vein: "Independent, or but loosely connected provinces, with separate interests, laws, systems of taxation, and governments, became lumped together in one nation, with one government, one code of laws, one national class-interest, one frontier, and one customs tariff"; Marx and Engels 1998, 10. This argument raises the question why the process of capitalist state-formation stopped with the establishment of the nation-state and did not proceed to the creation of states which integrated separate interests, etc. at an even higher level, and ultimately as global state.

5.3. From Imperialism to Dependency

The next generation of Marxists were confronted with a very different international system than their predecessors. As Fred Halliday suggests, their attempt “to theorise the international system around the concept of imperialism, by which they meant inter-state strategic rivalry, is one of the most ambitious and creative ever made”.¹⁸ The classical Marxist theorists of imperialism responded to the transformations of capitalism in the last quarter of the nineteenth century, which Marx and Engels recognised but were unable to conceptualise: namely, the rising levels of international conflict between the developed capitalist states, and the increasing incorporation of the working class into nation-states. These theorists therefore finally posed the problem of the relationship between the national state and the world market, and of the role of the state in global accumulation.

Bukharin and Lenin suggested that even while capitalism became global and brought about international interdependence, it also became increasingly marked by the division of global capital into rival national blocs. As a consequence of a supposedly inevitable tendency towards the centralisation and concentration of capital, competition was all but eliminated within state boundaries, while states themselves began to advance the interests of their national monopolies in the world market. Thus, according to Bukharin, the internationalisation of the economy and of capital was accompanied by the ‘nationalisation’ of capital interests. While economic intercourse and interdependence increased with the export of commodities and, characteristically for the period of finance capitalism, the export of money capital, this did not lead to a harmonisation of the interests of individual capitals in the world market, which appear as state monopoly capitals. As Bukharin argued: “The process of the internationalisation of economic life can and does sharpen, to a high degree, the conflict of interests among the various ‘national’ groups of the bourgeoisie”.¹⁹ Thus, the tendency for capital to expand beyond the borders of any given state does not, under conditions of the dominance of finance capital, lead to increasing transnational

18 Halliday 1994, 56.

19 Bukharin 1972, 61.

political integration of capitalist states, but to their increasingly vicious politico-economic competition and ultimately to war.

The emergence of finance capitalism through increasing centralisation and monopolisation of capital is, for Bukharin, a response to the contradiction between the growth of the forces of production and their limitation by the national organisation of production. Imperialism is thus an aspect of the “adaptation of modern society to its conditions of existence”:

there is here a growing discord between the basis of social economy which has become world-wide and the peculiar class structure of society, a structure where the ruling class (the bourgeoisie) itself is split into ‘national’ groups with contradictory economic interests, groups which, being opposed to the world proletariat, are competing among themselves for the division of the surplus value created on a world scale ... The development of the forces of production moves within the narrow limits of state boundaries while it has already outgrown those limits. Under such conditions, there inevitably arises a conflict which, given the existence of capitalism, is settled through extending the state frontiers in bloody struggles, a settlement which holds the prospect of new and more grandiose conflicts.²⁰

The notion of a new relationship between state and capital, as a result of the emergence of monopoly capitalism, was also taken up by Lenin. The change in the character of capitalism is taken to account for the difference in the dynamics of international relations compared to the period of ‘competitive capitalism’ in which Marx wrote. It forces capitalist states to divide the world in the interest of their national capitals.²¹ The unequal development of the productive forces within each of the contending imperialist powers gives rise to constant demands for the redivision of the world economy, which is ultimately decided by the relation of force between states.²² Finally, for both Lenin and Bukharin, the ‘super-profits’ that can be derived from the monopolistic exploitation of colonies are crucial for the maintenance of the capitalist system, as it allows the European ruling classes to integrate the working classes of their respective countries by offering them higher wages and social security standards.²³

After 1900, questions of war and international relations thus emerged at the centre of Marxist theories of capitalist development. These theories no longer assumed the world market competition was driven by the actions of economic actors in the economic sphere. The state and its foreign policy became crucial

20 Bukharin 1972, 106.

21 Lenin 1973, 88-92

22 Lenin 1973, 144.

concerns for Marxist revolutionaries, as the activities of states no longer simply threatened the success of revolutionary activities within particular countries, but undermined the will and capacity of the 'world proletariat' to struggle for radical social transformation. If it became harder, therefore, to convince workers of their necessary exploitation and immiseration under capitalist conditions, it became imperative to show that any improvements in living standards and even participatory rights was premised upon the extension of exploitative relations across the world. Even more vital, however, was the demonstration that capitalism now *necessarily* meant imperialism, and that imperialism, in turn, *necessarily* led to world war. In this sense, the critique of capitalism shifted, to some extent, from exploitation to war, even though the classical theorists of imperialism retained the notion of an indissoluble relationship between the two.

But if 'the international' came to play a much more prominent role in the classical Marxist theories of imperialism than it had had in the work of Marx and Engels, the depth of the questions asked about international relations was limited. Crucially, while the (changing) content and function of the capitalist state in capitalist accumulation was subjected to sustained analysis, *the nation-state as a social form was taken as given*.²⁴ As Anthony Brewer points out, Lenin never explained why finance capital organised itself at the level of territorially bounded states, and why 'countries' are "a relevant unit" in the process of imperialist expansion; indeed, his "crucial failing" is his "failure adequately to theorise the place of the nation state in the world economy".²⁵

23 Bukharin 1972, 161-67.

24 This failure is, perhaps, completely justifiable, given the pressing need for answers to questions raised by the transformations in capitalism and the national mobilisation of workers for war, which were to inform the evaluation of the possibilities for revolutionary action under *given* circumstances. Today, however, after the fall of the 'socialist' regimes established under the leadership of the main theorists of imperialism, and in conditions of capitalist 'globalisation', which seems to open the possibility not only for the strengthening of 'global governance' (a possibility that was emphatically denied by Lenin and Bukharin), but also for the transcendence of the institution of sovereignty, these questions can no longer be ignored.

25 Anthony Brewer, 1990, 122; cf. Harvey 1985, 143; Mann 1988, 140: "Why should rivalry between capitalists be between 'national' blocs of capital? Not a word in Marx, in Hilferding, in Lenin or in the rest of the orthodox Marxist tradition serves as an explanation of these factors. ... Nation-states are *presupposed* in the Marxist theory of imperialism".

Dependency theorists have built, to a considerable extent, on the theories of imperialism of the early twentieth century. In as much as they are concerned with the ties of domination and exploitation between core and peripheral states, they tend to take capitalist statehood as given, though they highlight the role of external force in the creation of dependent states. World-systems theorists, by contrast, have sought to locate the emergence of the modern international system of sovereign states in the general process of the transition from feudalism to capitalism. This simultaneity, according to Wallerstein, was not coincidental but systematic: the dissolution of the universal empire of the European Middle Ages was the precondition for the emergence of a capitalist world economy, allowing capitalists to make use of political differences. The interstate system is therefore the necessary form of politics under capitalism.²⁶ Indeed, Chris Chase-Dunn argues that “the interstate system of unequally powerful and competing states is the political body of capitalism”.²⁷

Capitalism, in this perspective, is “not possible in the context of a single world state”; it can only exist in an inter-national form and needs to reproduce the “division of sovereignty in the core (interimperial rivalry)”.²⁸ A world state would allow for the control of resource allocation, and thereby undermine the capitalist market. But the emergence of such a world state is highly unlikely within the framework of capitalism. Not only does the “multicentric interstate system” make possible the emergence and reproduction of capital and for markets to determine prices and profits to a great extent, but capitalism, in turn, makes for the reproduction of the modern interstate system, thereby underpinning the balance of power. For capitalists are able, because of the international mobility of their assets, to limit the budgets which states pursuing world-imperial strategies have at their disposal.²⁹ International capitalists generally have an interest in preventing world empire not only because of the possibilities for economic control such a form of political organisation potentially affords to subordinate social forces, but also because of the “overhead costs” world empire

26 Wallerstein 1979.

27 Chase-Dunn 1991, 107.

28 Chase-Dunn 1991, 142 and 150.

29 Chase-Dunn 1991, 155-56.

entails: "Capitalists want effective and efficient states – that is, states which supply sufficient protection for successful capitalist accumulation *at cost*".³⁰

World-systems theory, it may be concluded, does provide a theory of the *interstateness* of capitalism's global social system. It is thus able to ground the dynamic of modern international relations in the particular historical character of the capitalist epoch, rather than having to rely on a transhistorical logic of 'war'. Yet its mixture of structuralism, functionalism and instrumentalism diminishes the value of its theory of 'the international'. Moreover, its ability to show the systemic and historical relationship between the national state and the world market in capitalism rests on a highly problematic understanding of what capitalism is and how it came into existence. This particular theory of the rise of capitalism is premised upon the economism, determinism and evolutionism which can no longer provide the basis for a critical social theory of modernity and its international system. Most importantly, world-systems theory builds on a model of historical transformation which reads the operation of a separate economic sphere back into the pre-history of capitalism, and is therefore fundamentally ahistorical.³¹

5.4. 'Open Marxism' and the System of Sovereign States

The international system thus remained a weak spot of historical materialism until the early 1990s. The work of Mark Rupert, Peter Burnham, and Justin Rosenberg in particular has finally laid the groundwork for a Marxist conceptualisation of 'the international'.³² Despite the differences in their respective approaches, they share the fundamental concern of grounding the social forms of the international in the capital relation and to make visible their character as the specific expressions of determinate class relations. They also share the notion that the specifically capitalist character of the separation of politics and economics is a key to the conceptualisation of the interstate system and its relationship with the world market. While these theorists draw on the

30 Chase-Dunn 1991, 114.

31 Cf. Brenner 1977.

32 Other contributions include Boyle 1994 and Bromley 1995 and 1996.

innovations in historical materialism of the last 25 years, and especially on the Marxist state debate, it should be noted from the outset that they face the additional challenge of explaining the many capitalist states, where others have only discovered the sources of *the* capitalist state.

5.4.1. *Burnham: National State, Global Accumulation and Capitalism-in-General*

Peter Burnham explicitly situates his conceptualisation of the international system in the context of the 'capital relation approach' developed by Holloway, Picciotto, Clarke, Bonfeld and others. The focus of this approach is not how the political 'superstructure' is determined by the economic 'base', but what kind of social relationship gives rise to the separation of political and economic realms which appear to be autonomous and to follow some endogenous logic.³³ The historical foundation of this separation, it is argued, is the emergence of capitalist production relations, which are marked by the privatisation of the power to extract surplus, thus leaving the state to organise the general conditions of accumulation and exploitation. In that sense, the autonomy of the state is only apparent, as it is premised upon the reproduction of the capital relation.

At the same time, this capitalist state is quite independent from the directives or interests of individual capitalists or capitalist class fractions. As capital can only exist in the form of numerous and competing individual capitals, it cannot impose a particular strategy of accumulation on the state. On the contrary, capital relies on the state to define and organise the 'general will' of capital, by continually imposing the market as the form through which not only capital and labour, but also individual capitals among themselves relate to each other. The state does so mainly through the impersonal means of the law, property rights and money. The state, in short, "must seek to maintain the rule of the market" and to secure the general conditions for capital accumulation.³⁴ In fact, the state is the only possible social form for the organisation of the 'general interest' in

33 Burnham 1991, 87; Burnham 1994, 228; Holloway and Picciotto 1991, 112.

34 Burnham 1990, 180. Cf. Burnham 1991, 89: "The state as an aspect of the social relations of production must be seen as (sic!) one remove from the interests of particular capitals since the form of the state dictates that its role is to address the contradictory foundations of accumulation in the guise of meeting the interests of capital-in-general".

capitalism. Burnham thus rejects even sophisticated attempts to ground the state and its changing role in the economy in terms of the social formation of hegemonic coalitions, as the state cannot simply be the condensation of private interests.

The state, for Burnham, is a crucial form of capitalist society; it does not stand in a zero-sum relationship with the market, as the globalisation thesis suggests, but has an internal connection with this other fundamental form of the capital relation. Moreover, capitalist society has always been a world society, and in that sense, Burnham suggests, we should follow Marx in seeing “capitalism as a single social system in which state power is allocated between territorial entities”.³⁵ The implication is that competition between individual capitals is complemented by competition between national states which aim to secure the reproduction of ‘their’ capitals in the world market.

Competition between capitals ... is not confined within a domestic economy. The accumulation of capital within the domestic economy depends on the accumulation of capital on a world scale. The role of the capitalist state is to express the ‘general interest’ of capital. However the national form of the state implies that the state can only constitute this ‘general interest’ on a national basis. Nation-states therefore have a similar relation of conflict and collaboration as individual capitals.³⁶

The consequent “inter-imperialist rivalry” between national states is limited, however, by their common interest in maintaining global capitalism and accumulation. Competition and cooperation are complementary strategies of states, though realism and liberalism have absolutised one to the detriment of the other.

But the question *why* “[n]ational states ... are the political form of capitalist social relations” is not answered – or even posed – by Burnham. If the state is regarded as ‘capital-in-general’, then clearly the derivation of the territorial or national form of the state needs an explication which can tell us why capital-in-general is territorially fragmented and thus only partial. Capital is a global social relation and capitalist society a world society; so why is the *general* interest of capital realised and operationalised at the level of territorial segments of this world society? Surely to answer the question “what kind of society exists in the

35 Burnham 1994, 229.

36 Burnham 1990, 185.

form of differentiated political and economic realms” can only lead us to conceptualise ‘the state’ as a capitalist relation of production; it does not, however, allow us to derive the territorially fragmented character of ‘the political’. That the capitalist state does not exist in the singular but as one among many is thus not directly given by the capital relation.

5.4.2. *Rupert: Capitalist International Relations as Second Order Alienation*

The same conceptual problem is apparent in Mark Rupert’s characterisation of international politics as “a kind of second order alienation”.³⁷ In capitalism, Rupert argues, the products of human labour take on the semblance of autonomy from its producers; they confront them as the objectified form of their productive powers, as “alien and hostile forces” which appear to have a life of their own. The relationship between these objects seems to be regulated by their inherent qualities, rather than by the social relations between their creators, and are thus able to present themselves as objective facts to which social life has to adapt. Positivist theories of social science take these facts as their starting point and never penetrate to the social relations which underlie them, thereby dehistoricising and fetishising the social order of a given period.

Rupert, by contrast argues that the power which the objects of human labour have achieved over social life has its roots in the private appropriation of the products of individual labour. This privatisation, moreover, implies a differentiation of political and economic forms of power; these spheres consequently seem to be related externally rather than internally. But the form of the abstract political state is just as much an expression of the alienated relations between individuals mediated by things as the market.

The modern political state developed within and is integral to a political-economic system of class rule – a state-society complex in which property is assigned to the private sphere as a primordial individual right, and hence is exempted from ongoing political dialogue in the public sphere.³⁸

37 Rupert 1995, 33.

38 Rupert 1995, 24.

The public sphere of political action organised within the state is thus an impoverished realm premised upon the relinquishing of a substantial part of societal self-determination and its subordination to the market.

The 'modern state' thus has its foundation in the capital relation. Rupert is adamant, however, that this cannot be taken to imply that the role of the state and its relationship to the market is fixed. Drawing on Marx and Gramsci, he suggests that the "structured separations of state-society and politics-economics in capitalist social formations" can be bridged through the agency of a "historic bloc".³⁹ These formally separated realms periodically achieve a transient unity (or more precisely a temporary functional correspondence) as they are brought into a purposive relationship which allows for the pursuit of specific strategies of accumulation for which social hegemony has been secured. In this way, the potentially contradictory relationship between these realms is articulated in a functional whole, though the underlying dynamics of capitalist society prevent these structural 'fixes' from becoming permanent.

Rupert here relies heavily on the notion of hegemonic class coalitions imparting a particular social purpose onto the state, thereby shaping the way in which the state seeks to secure the reproduction and stability of capitalism as a whole. His theorisation of the capitalist state is in this respect less prone to the functionalism of Burnham's understanding of the role of the capitalist state. But is Rupert better able to provide an explanation of the national form of the capitalist state than Burnham? Rupert argues that

insofar as the formal separations of state and society, of public and private, of the political and economic aspects of life, are integral to the historical reality of capitalism, we may say that capitalism and its manifold relations of alienation are the necessary context within which the historical construction of sovereign states – understood in the modern sense as functionally specialized administrative-coercive, 'political,' organizations – becomes possible.⁴⁰

But again, this only allows us to understand the abstract character of the capitalist state, not its territorial shape, which Rupert does not problematise. He suggests that "national and international should be construed as two aspects of an internally related whole, a whole which is in some sense capitalist and

39 Rupert 1995, 29

40 Rupert 1995, 32-33.

alienated".⁴¹ But why capitalist politics should take this differentiated form is left open. At most, Rupert's approach can explain why the territorially bounded sovereign state took the form of an abstracted realm of the political and became the organisational centre of political action in capitalist society – itself a huge advance over the Weberian fetishisation of the state. But this perspective can *not* explain why the abstract state has to be (and historically took shape as) a territorial state in the first place. To characterise the relations between such abstract states in terms of alienation certainly helps us to understand the dynamics of international relations – what it is that is contested in this geopolitical form – but it does not provide an explication of the fact that global capitalism is organised politically through the medium of a *system* of national states.

5.4.3. *Rosenberg: Sovereignty and the 'Empire of Civil Society'*

Implicit in Rupert's and Burnham's untheorised assumption that the capitalist state is a national state is a particular understanding of the emergence of the capitalist mode of production. Rupert notes in this vein that "the system of states ... emerged historically along with capitalist production".⁴² This, of course, is a perspective which is widely accepted, notwithstanding the many alternative theorisations of exactly how this process took place. It points to the 'long sixteenth century' with its rising long-distance trade, increasing commodity production, the rise of the middle classes and the emergence and consolidation of the 'modern' state which controls the means of violence in a territorially circumscribed area, best exemplified in the absolutist state. Justin Rosenberg, by contrast, argues that neither was the early modern world economy capitalist in nature, nor was the absolutist state a capitalist state.⁴³ For him, the rise of capitalism dates from the late eighteenth century, and it was in this period that the sovereign state emerged.

Even more explicitly than Rupert, Rosenberg equates the abstractedness of the political in capitalism with state sovereignty. In fact, he suggests that we define

41 Rupert 1995, 32.

42 Rupert 1995, 33.

sovereignty “as the social form of the state in a society where political power is divided between public and private spheres”.⁴⁴ Cutting through the familiar debates in IR as to whether increasing economic interdependence implies the demise of state, this allows us to see that the consolidation of sovereignty and the creation of the capitalist world market were coeval. Both were made possible by the abstraction of ‘the political’ from production and exchange. This process simultaneously allows for the creation of a homogeneous political space in which formally equal citizens relate directly to the state, and independent wielders of political authority become subsumed under state authority; *and* for the “porousness” of the boundaries of these states for the private activities of economic subjects.⁴⁵ “The possibility of an international economy”, Rosenberg concludes, “is thus structurally interdependent with the possibility of a sovereign states-system”.⁴⁶

This argument, however, is apt only to establish the *compatibility* of the territorial or national state with the global existence of capitalist class relations and a world market; it does *not* establish *why capitalism politically exists or, indeed, needs to exist in the form of an interstate system*. Indeed, this fact does not seem worth explaining to Rosenberg. Noting that a world state has never existed he concedes that anarchy, as a generic attribute of the relations between independent states, is not limited to any particular historical epoch. He insists, however, that multi-stateness does not tell us much about the dynamics of specific international systems. Hence, the task facing IR is precisely to develop a theory of *capitalist anarchy*.⁴⁷

For what distinguishes the modern form of geopolitical power is not that it is exercised by a plurality of independent units (anarchy in general), but that it no longer embodies personalized relations of domination (which cancel the formal independence of the dominated), being impersonal, mediated by things. It is this structural shift which explains why the units are no longer empires but bordered, sovereign states. This anarchy, anarchy as a structurally specific social form, is persistently obscured by being conflated with the transhistorical generalization ‘anarchy in general’.⁴⁸

43 Rosenberg 1994, 42, 92, 123 and 135ff.

44 Rosenberg 1994, 129.

45 Rosenberg 1994, 131.

46 Rosenberg 1994, 87-88. A similar argument is made, from a realist perspective, by Janice Thomson, 1993.

47 Rosenberg 1994, 139.

48 Rosenberg 1994, 146.

Yet this is already conceding too much to Realism. Feudalism, for instance, would be ill understood if described as 'anarchic'.⁴⁹ In fact, Rosenberg himself introduces a more concrete, and rather different, historical perspective when he argues that capitalism involved the "historical shift from empire to states-system".⁵⁰ But surely *this* process took place *before* the eighteenth century, and thus, on the basis of Rosenberg's own argument, *before* the rise of capitalist social relations. Rosenberg seems to acknowledge as much when he elsewhere distinguishes the process of state-formation in the early modern period, involving the centralisation and bureaucratisation of political authority, from the capitalist transformation of the state, the latter "lagging some way behind" the former.⁵¹ Here he accepts that the differentiation between internal and external, which was the consequence of state formation, far preceded the capitalist separation of politics and economics - without drawing any theoretical implications.

The problem which surfaces here is a more general one with Rosenberg's argument: while he succinctly contrasts pre-capitalist and capitalist societies and their structural characteristics, he does not provide a dynamic historical account of the rise of capitalism and its relationship to state formation. His argument remains often schematic, especially with respect to the timing of the crucial steps of the transition to capitalism, and thus to the social forms and structural dynamics which *different* social orders entail. The reason may be that he attributes too much creative force to the capital relation. Even if we accept that capitalism emerged only at the end of the eighteenth century, we should not assume that it creates its world from scratch; capitalist political forms, for instance, took shape in institutions of domination that had been generated by the processes of state-formation since the late-feudal period.⁵²

Clearly, absolutist sovereignty was fundamentally different from capitalist sovereignty based on 'general impersonal rule', and only the capitalist abstraction of political power from surplus appropriation allowed for the consolidation of sovereignty beyond what was possible in absolutism where legal

49 Cf. Fischer 1992; Hall and Kratochwil 1993. These issues will be taken up in greater detail in the following chapter.
50 Rosenberg 1994, 155.
51 Rosenberg 1994, 130.
52 Cf. Strayer 1970, ch. 1.

privileges and corporate or regional particularism remained necessarily pervasive. And yet, absolutist forms of sovereignty, which developed with the transition from feudalism's *parcellised personal domination* to absolutism's *generalised personal dominion*, had already achieved the demise of empire and the emergence of the separation of internal and external – if, admittedly, imperfectly.⁵³ That capitalist *general impersonal rule* should find expression in the form of territorial states claiming exclusive sovereignty over their bounded realms, can therefore only be understood in a historical context. *Neither capitalism nor absolutism* gives us the modern sovereign state in its entirety.

It is hard, then, to completely follow Rosenberg's conclusion that "[b]ehind the contemporary world of independent equal states stands the expropriation of the direct producer".⁵⁴ Rosenberg, like Rupert and Burnham, conflates the abstracted character of capitalist politics, which derives from the privatisation of the power to extract surplus, with the sovereignty of the capitalist state. But the sovereignty of political rule in capitalism does not necessarily entail its national boundedness. Once we clearly recognise the distinctiveness of the process whereby internal and external structures became differentiated from the separation of politics and economics, it becomes necessary to pose the question of the capitalist character of the state and the interstate system in different terms. No longer can we derive the national state and the interstate system from the capital relation and take them to be the straightforward "geopolitical expression of a wider social totality".⁵⁵ We have to first ask why the capitalist system *does* have a geopolitical expression at all. If state-formation and the supercession of universal empire has its origins in a social logic which precedes the rise of capitalism, as Rosenberg himself suggests at places, then we have to find a way of conceptualising the totality of capitalist social relations in ways which allow for the recognition that not every organisational or institutional form of our epoch was itself brought into existence by capitalism.

53 Gerstenberger 1990, 497-532.

54 Rosenberg 1994, 172.

55 Rosenberg 1994, 55.

5.5. *The Challenge of Territoriality*

The Marxist theories of international relations surveyed above ultimately fail to meet the challenge, set out by Halliday, to explain the “specificity and effectivity of distinct states within a single economic totality”. They take the territorial boundedness of the capitalist state as given and proceed to ground the interstate system in essentially the same conceptual operations in which the Marxist state debate sought to derive *the* capitalist state. In this way, the theoretical problem of why capitalist political space is territorially fragmented disappears from view.

But unlike their predecessors, Rupert, Rosenberg and Burnham cannot afford to ignore this question, as it is thrown into sharp relief by the very changes in Marxist theory designed to overcome the base/superstructure model and the pitfalls of economic determinism. For the Marxist theorists of imperialism, for instance, it was still possible to side-step the problem of multiple capitalist polities, assuming as they did that certain states were capitalist because they were directed by the bourgeoisie. States, in other words, were capitalist by virtue of the actions of capitalists on them. At least *within* their own framework, *states could be taken as given*, however unsatisfactory this remains from the perspective of a critical social theory of international relations.

However, once we begin to define the capitalist character of the ‘state’ at the much higher level of abstraction, which marks the Marxist state debate, this becomes plainly impossible. The question why the capitalist state embodies only a territorially circumscribed subset of the capitalist relations of domination becomes unavoidable. For nothing in the argument that capitalism entails the abstraction of political from economic power leads to the conclusion that political power needs to be organised by multiple and competing centres of territorially organised sovereignty.

Is the theoretical impossibility to show that the same historical process which leads to the separation of politics and economics (i.e. the expropriation of the direct producers) also entails the emergence of system of sovereign states, a real problem? In any case, is it not a well-established fact that the modern state and the capitalist economy *did* arise in tandem, as at least Burnham and Rupert seem

to agree? In this case, it might be argued that the problem is simply one with Marxism itself, and with its tendency to overextend the explanatory powers of the concept of capital. After all, other - non-Marxist - approaches, most notably John Ruggie's work on the medieval-to-modern transition, have shown how the separation of the political and the economic and the differentiation of the internal and the external are part of the rise of modernity. By not taking *both* of them to be expressions of the transition to capitalism, but as autonomous structures following independent logics of modernisation, these approaches seem able to avoid the theoretical conundrums which face Marxist theories of the international system.

It is here that it becomes useful to return to the non-deterministic Marxism developed since the late 1970s. But rather than trying to derive a capitalist interstate system from the same theoretical foundations which in the earlier debates had yielded only 'the state', we have to pursue a more historical path to understanding the geopolitical structure of capitalist political space. On this path, we can follow some of the most creative attempts to explicate the rise of capitalism in non-economistic and non-circular terms, the 'political Marxism' of Robert Brenner and Ellen Meiksins Wood. This perspective also provides the basis for Rosenberg's claim that the world economy of the early modern period was not a capitalist world economy, but remained based on the age-old exploitation of price differentials between segmented markets. But even if there was, *pace* Ruggie and the majority of historical sociologists,⁵⁶ no capitalist development (and thus no separation of politics and economics) in absolutist Europe, there certainly emerged, *pace* Rosenberg, a system of sovereign states and the differentiation of internal and external spheres. It is thus *not* the late-eighteenth century structural shift from personalised relations of domination to a system of impersonal relations mediated by things, "which explains why the units are no longer empires but bordered, sovereign states".⁵⁷

56 But see Skocpol 1979, 55.

57 Rosenberg 1994, 146 (also compare fn. 51). John Hoffman notes that "Rosenberg is surely correct to emphasize that an analysis of the state and sovereignty must focus on the centrality of change". But he also points out that the discontinuity that Rosenberg posits seems arbitrary: "it does not follow that because the capitalist state is different from its predecessor, it alone can be said to have sovereignty"; Hoffman 1998, 33. Hoffman adds that Rosenberg, like Hinsley, is "right to see the modern state as different,

5.6. *Conclusions*

I have argued that the interstate-ness of capitalist political space cannot be derived from the nature of the capital relation. Instead, as I will try to show over the next two chapters, it should be regarded as a 'historical legacy' from pre-capitalist development. This is not to advocate a methodological pluralism that posits the autonomy of different social structures, each supposedly following endogenous logics. Such an approach would be fundamentally ahistorical as it ignores the very historicity of the separation of politics and economics, which the 'radicalised ontology' of contemporary Marxism correctly emphasises. We have to start from historical totalities rather than transhistorical interacting structures that produce history as they interact. The relevant historical totality to the conceptualisation of the system of sovereign territorial states is capitalism. But while theoretical analysis shows that capitalism can no more exist without a state than it can exist without a market, it cannot explain the existence of multiple capitalist states.

Taking the international character of global capitalism to be a contingent aspect of capitalism raises the question of how to theorise capitalism as a totality. While Marxist theorists of IR have posited the need to start from the consideration of social totalities, they have spent little time on explicating their understanding of this concept, nor have they engaged with its troubled history in Marxist theory from Lukacs to Althusser and beyond.⁵⁸ I have argued that not all social forms of really existing capitalism are necessarily or in all respects the emanations of the capital relation, as the Lukacsian concept of 'expressive totality' suggests. In this sense, rather than simply taking them to be internal to capitalism, certain institutions should be theorised as *internalised*. This avoids both the Weberian pluralism of ontologically irreducible structures, and the Marxist tendency to reduce every aspect of modern social life, including the interstate system, to a *necessary* expression of capital.

but wrong to assume that because it is different it has nothing in common with its predecessors. A critical view of sovereignty is one which stresses *both* continuity *and* discontinuity in historical analysis"; *ibid.*, 41.

6. TOWARDS MODERNITY? ABSOLUTISM, CAPITALISM, AND STATE FORMATION IN POST-FEUDAL EUROPE

6.1. *Theorising the Transition to Modernity*

At the heart of the reconstitution of IR/IPE as a genuinely social science able to recognise the historicity of its object is the conceptualisation and theorisation of modernity. The assumption of a realm governed by eternal laws of human nature or an immutable anarchical structure enabled IR theorists to ignore the foundational problem of the social sciences: the qualitatively new mode of ordering social relations that emerged sometime between the 15th and 19th century.¹ But to be able to judge whether current domestic and international changes take place within the modern regime of power or constitute a transition to some other mode of authority, we have to develop a theory of modernity that encompasses the international system.

The most important engagement with the problem of modernity and its relevance for IR/IPE can be found in the work of John Ruggie. Accepting Waltz's description of the international structure as anarchic, he suggests that the concept of structure is underdefined in terms of its ordering principles. Modes of spatial differentiation of political authority shape the anarchic international structure in historically variable ways, producing distinct patterns of interaction. For Ruggie, the *modern* international system is defined by the principle of exclusive territoriality, which gradually replaced the parcellised, overlapping forms of sovereignty of feudalism starting with the Italian Renaissance. The transition from the medieval *res Christiana* to a multiplicity of territorially contiguous and sovereign states represents significant, indeed epochal change in the nature of the international system.²

1 Rosenberg 1994.

2 Ruggie 1983a, 274; Ruggie 1993, 168.

According to Ruggie, the emergence of sovereign territoriality is structurally linked to the simultaneous consolidation of private property; both reproduce atomistic forms of sociality. Consequently, “the early modern redefinition of property rights and reorganization of political space unleashed both interstate political relations and capitalist production relations”.³ That capitalism and the modern state are, as Hintze put it, “inextricably interrelated”, is of course a mainstay of Marxist, Durkheimian and Weberian historical sociologies, though there is considerably less agreement as to the precise causations and determinations through which they are linked in the transformation to capitalism or modernity.⁴ Ruggie insists on the inter-action (rather than one-way determination) of political and economic (and cultural) processes, yet his is not a naïve methodological pluralism. Indeed, he notes that the very differentiation of social spheres itself is a product of the transition to modernity. In feudalism, political, economic and other forms of power were undifferentiated and wielded by individual lords. The same process that produced the differentiation of external and internal spheres also generated the separation of public and private spheres, as formerly private and personalised political power was consolidated into a public realm over which the state claimed final authority. Productive activity, conversely, was privatised with the obliteration of collective, political controls.⁵

Recognition of the historicity of these social spheres is indeed fundamental to any theory of modernity that seeks to avoid circular forms of ‘explanation’. Consider, for a moment, Wallerstein’s argument, which can be considered typical of the tendency to read capitalism back into its pre-history and thus arrive at an evolutionist account of the transition to the modern period. In the world-systems perspective, capitalism is conceptualised as a system of generalised market exchange. How does it arise? From the expansion of trade, says Wallerstein, for trade undermined the structures of feudalism. It needed but a kick-start (new trading routes) to bring it into overdrive, and after sufficient rattling and shaking, the old scaffold broke down. So the expansion of trade explains the

3 Ruggie 1983aa, 281.

4 Hintze 1975a, 452; Wallerstein 1979; Hall 1996.

5 Ruggie 1993, 151.

universalisation of trade and exchange. The logic of the market is here posited as a universal force; economic forces inexorably led to global capitalism. Evolutionism, however, is an excuse for explanation, not the thing itself.⁶

Unfortunately, Ruggie himself does not completely avoid this popular tendency, despite a generally more complex argument. The source of the undermining of the feudal system of power was, according to Ruggie, the increasing ‘dynamic density’ of transactions in this society. Expanding communication, settlements, markets, and a new commercial ethos changed the economic landscape. Monetisation enabled princes to take advantage of new military technology and more efficient organisation, like mercenary armies; internal pacification became possible. The consequence: “existing social arrangements were strained to the point of collapse”.⁷ Though Ruggie adds an epistemological level (the dominance of single-point perspectives privileging absolute sovereignty and property) in order to account for the particular resolution of the structural crisis of feudalism, his argument rests on a rather *ahistorical* materialism.⁸ It presupposes, in feudalism, an economic sphere with an autonomous logic. Here, too, the market, as the driving force of dynamic density, appears not as a social institution, but as a transhistorical force shaped *by* institutions which, in the end, have to adapt to the inherent needs of the market. Thus, Ruggie argues, in this respect following the lead of North and Thomas, that the rediscovery of Roman private law made it possible to satisfy the *requirements of efficient economic organisation*.⁹

What emerges is a picture of political and economic *interaction* in the process of the ‘medieval-to-modern shift’ rather than an account based on a theorisation of *undifferentiated* power in the hands of individualised lords. Production, trade and commerce were part of a dynamic economic sphere in which an economic rationality oriented toward efficiency was operative, reinforced by state demands. As a consequence, Ruggie’s ‘dynamic density model’ offers an essentially

6 Wallerstein 1979. The notion of capitalism as rudimentarily present in every society, waiting to be liberated from its fetters, is widespread among Marxists and liberals; see Braudel 1984, 620. For a critique, see Brenner 1977; Wood 1991, 6-11.

7 Ruggie 1993, 154.

8 Ruggie 1993, 152-60, 169. The underlying economism is even clearer in the work of North and Thomas (1973), on which Ruggie relies heavily for these issues.

9 Ruggie 1983a, 282 and 1993, 152-55.

quantitative account of the collapse of feudalism. In this respect, his argument parallels the superficiality he derides in theories of current change to a postmodern international system: process simply overwhelms structure.¹⁰ If, as Ruggie maintains, the “basic *structure* of property rights ... characterizes an entire social formation”,¹¹ including the international system, then it is imperative that the ways in which the structure of feudal property rights is reproduced and transformed be conceptualised in terms of the undifferentiated character of political and economic power.

Now, if feudal lordship - which according to Finer is at once administrative, military, economic and judicial - compounds public and private ‘executive functions’, then the dynamic of feudal society would seem to derive from the forms through which these lords reproduce themselves individually and collectively.¹² There does not appear much room for economic development independently of the interests of these units of political and economic power. In this society, then, “military action, and political and economic striving, are largely identical, and the urge to increase wealth in the form of land comes to the same thing as extending territorial sovereignty and increasing military power”.¹³ Economic development, in feudalism, *cannot* be governed by economic criteria of efficiency. The reason is that the interests of what are the dominant economic (as well as political) actors of feudal society, i.e. feudal lords, are not best served by increasing the efficiency of production, but by raising the efficiency of exploitation through extra-economic means. Indeed, the forms of reproduction of feudal lords, based on the coercive extraction of surplus, all but prevent economic development, precisely because it is not productive efficiency that counts.

To understand economic development in feudalism, we have to start from the consideration of the social relations which constitute feudal lords as social actors wielding both political (authoritative) and economic (allocative) power. The dynamic of these social relations, I will argue, is decisively shaped by the

10 Ruggie 1983a, 285.

11 Ruggie 1983a, 282.

12 On the character of feudal lordship, see Finer 1975, 87.

13 Elias 1994, 296; on the absence of a concept of the economy in feudal society, cf. Polanyi 1957, 46-52.

struggles over the control of 'authoritative' resources; conflicts over 'power' seem to be decisive for the nature of social development under feudalism. But only if we constantly remind ourselves that, in dealing with feudalism, relations of domination also constitute relations of exploitation (in a very different and much more immediate way than in capitalism), can we develop an account of the structure and transcendence of feudalism that does justice to the specificity of its constitutive social relations.¹⁴

The conceptual key to the explanation of the transition to modernity, it would seem, lies in taking seriously the *real inseparability* of political and economic forms of power in feudalism.¹⁵ From this starting point, it should be possible to develop the broad outlines of a theory of the transition to modernity that includes the international system as an integral part. I take for granted that international relations shape processes of state-formation and economic development. But that does not require us to accept an essentially 'realist' ontology of the international. We have to go beyond the assertion that 'war makes states' and develop an understanding of the international system itself, as a social sphere whose nature is subject to historical transformation. In the following chapter, I will try to

14 Michael Mann argues, very much against the thread of the argument presented in this thesis, that (advanced) capitalist states are simultaneously political and economic phenomena, as they redistribute large amounts of the wealth produced within their boundaries. By contrast, he suggests, the states of medieval Europe "redistributed very little of contemporary GNP. The separation between economic and political functions/organizations was clear and symmetrical – states were political, classes were economic"; Mann 1986, 17. But 'medieval states' were precisely the fragmented systems of rule in which state power was dispersed among feudal lords; and while these lords did not 'redistribute GNP' in the modern sense, they certainly appropriated a large part of the surplus produced in this society by the peasants and artisans which stood in different forms of dependence to them. It is in this sense, then, that there was a fusion of politics and economics in feudalism, and that it makes sense to speak of politics and economics being separate in capitalism, even if, as Giddens notes, states are, of course economically active in many ways; cf. chapter 4, fn. 18.

Giddens also takes up the important question of the class character of feudalism raised by Mann. He stresses, as I do, that in this form of society, it is the "co-ordination of authoritative resources", rather than the "accumulation of allocative resources", that is the "more fundamental lever of change"; Giddens 1981, 92. As 'class' refers to the control of property (or lack thereof), and property is not central to the organisation of social life under feudalism to the same degree that political authority is, it follows that class relations remain subordinate in feudalism. An alternative, however, would be to historicise the concept of class; as Comninel argues, feudal relations of domination can thus be recognised as class relations, as they also constituted social property relations; Comninel 1987, 149-55 and 167.

15 The theoretical and conceptual implications of the capitalist character of the separation of politics and economics, and their inseparability in pre-capitalist societies, are elaborated in a path-breaking essay by Wood 1995c.

ground the particular dynamics of feudal and absolutist 'geopolitics' (for want of a better generic category that does not already presuppose the inter-national form) in the dominant social property relations of these periods. This will lead me to challenge the notion, propounded by Ruggie, that there has been a fundamental continuity in the structural organisation of international relations since the fifteenth century, based on exclusive territoriality.

In the present chapter, I will lay the foundations for this argument by taking issue with three standard *topoi* of historical sociology: that changes in technology, production or exchange can explain the demise of feudalism; that the demise of feudalism itself was the starting point for a general transition to capitalism; and that western Europe as a whole went through roughly similar or equivalent processes of 'modernisation'. Building on the thesis originally advanced by Robert Brenner, I will suggest that a transition from feudalism to capitalism took place in England alone; continental European development, by contrast, was characterised by a *radically* different form of social organisation from which capitalist social relations were absent.¹⁶ Yet the absolutist state is generally taken to represent - especially in its French form, which will therefore be at the centre of my analysis - the proto-type of modern statehood. Against such interpretations, I argue that the absolutist state should be regarded as fundamentally non-modern as it was premised on a structure of power marked by the continuing fusion of politics and economics.

6.2. Property and (Geo-)Politics in Feudal Europe

Capitalist modernity is characterised by the differentiation of an international from the domestic realm, as well as by the separation of politics and economics. Both these dualisms were alien to feudalism. As we have noted, the explanation of the transition from one to the other cannot be built on processual accounts that presuppose either or both these sets of differentiated spheres. What we need is an understanding of the feudal logic of process as structured by the prevailing

16 Brenner 1977, 1985a and 1985b; cf. Wood 1991; Mooers 1992; McNally 1988; Comninel 1987; also compare Parker 1996 and Elsenhans 1983.

organisation of social power, where political and economic power is concentrated in the hands of individual lords.¹⁷

Markus Fischer, in an attempt to fit feudalism into the structural-realist straitjacket, recently argued that the dynamic of feudal social relations is governed by the imperatives of anarchy.¹⁸ The individualisation of power, expressing itself in the distribution of the means of warfare through the whole nobility, leads him to describe feudal 'conflict units' (from castellans, free cities and bishops to kings and popes) as differentiated only in terms of power. Feudal society thus appears as a realm of geopolitics. Though this formulation captures an important aspect of feudalism, it raises two objections. Firstly, the area that now appears as anarchic (France in the 'second feudal age'), had recently been relatively hierarchical and would soon after experience centralisation and state-formation. Yet such oscillation seems to be precluded by Waltz's structural Realism, as international and domestic realms are reproduced through opposite strategies, namely balancing and bandwaggoning.¹⁹ Secondly, Fischer's lords appear as quasi-sovereigns; by abstracting from all elements of organised authority and hierarchy between lords (that existed even in eleventh century France), he effectively negates the concept of feudalism itself.

In fact, the dichotomy of hierarchy and anarchy is not applicable to the overlapping forms of 'sovereignty' characteristic of feudalism.²⁰ With the modern state as our point of reference, the absence of a monopoly of violence does indeed seem to imply anarchy. Yet feudalism is as much a form of state as it

17 The argument in this section draws on Lacher 1994. A similar interpretation of feudal geopolitics, which also builds on the centrality of the struggles surrounding the constitution of politically constituted property emphasised by Brenner can be found in Teschke 1997.

18 Fischer 1992; cf. the incisive critique by Hall and Kratochwil 1993 and the reply by Fischer 1993.

19 Waltz 1979, 126. The problem with the dichotomy of anarchy and hierarchy also applies to different forms of feudalism: was Angevin England, with its much more developed hierarchy than in the classical case of northern France, an 'anarchical sphere' or a 'state'?

20 Ruggie insists that what demarcates feudalism from modernity is not the absence of anarchy but a different form of spatiality. One is left to wonder what the space of anarchy is if the differentiation of external and internal realms is only produced by modernity. If the feudal "system of rule was inherently international", as Ruggie notes (1983a, 274), then anarchy, defined as the absence of rule, does not seem to be an appropriate structural principle of this system. Janice Thomson, by contrast, rightly

is a geopolitical system. According to Otto Brunner, the dualistic structure of authority, expressed in the institutions of state power and legitimate self-help when rights are injured (feud), embodies the fundamental constitutional principle of the medieval *state*. The notion that these two elements should be clearly distinguishable in the form of an internal realm governed by law and an external realm of power politics, is itself the product of the sovereign state that demarcates domestic and international spheres.²¹ The relevance of this argument is that it allows us to see the feud not just as a struggle between ‘like units’; it also involves a ‘vertical’ dimension that concerns the distribution of rights and privileges within the feudal state. The (geo)politics of feudalism includes the struggle over ‘public’ authority, and thus over the location and distribution of political authority. The changing meaning of lordship is not primarily determined in the struggles for security between lords of similar status. The rights and powers constituting lordship can only be understood in relation to the rights pertaining to the institutions at the apex of the feudal state, kingship in particular.

The medieval system of power involves a further hierarchical dimension: feudal *anarchical government* is also a mode of domination in which the relations between the individual organisers of violence are inextricably linked to their relationship with the mass of subjected people on which the possibility of lordship depends. In other words, the authority that feudal lords privatised and accumulated not only comprises the relations of relative sovereignty between the members of the dominant class; it also *constitutes* the relations of dominance of its individual members vis-à-vis the peasantry. In *that* relationship, political and legal rights also confer access to economic surplus, enabling lords to reproduce themselves as lords. Here is the core of the real unity of political and economic power in feudal society. It can best be grasped, as Robert Brenner suggests, if we understand feudal property as *politically constituted*.

The form of property which helps us understand both feudal (geo)politics and its economic dynamic, is not ownership of the means of production, but property

suggests the need for further alternatives like localised or deterritorialised authority; Thomson 1994, 160 (fn. 36).

21 Brunner 1984, 4, 17 and 108; on the ‘feudal state’, cf. Rowen 1980, 16.

in a share of political authority.²² The development and transformation of feudalism has thus to be conceptualised by reference to the structures and institutions that assign differential access to the means of coercion: the law, customs, privileges, the state. For individual lords, the social reproduction of their property depended both on the maintenance of the domination of the peasantry and on their ability to compete with each other (both vertically and horizontally). Feudal (geo)politics is more than a struggle for security in an anarchic environment: it is a form of contestation of feudal *property relations*. Both dimensions of conflict implied similar *strategies for reproduction*: the investment in the means of violence and coercion. *Political* rather than *economic accumulation* consequently patterned the ‘economic’ dynamic of feudal society.²³

If these concepts circumscribe the structure of feudal society, we now have to take note of the different ways in which lordship, and hence feudal property relations, can be constituted. In what was to become France, increasing parts of the free population were subjected, during the Carolingian age, to a manorial regime through the gradual fusion of *domestic* and *land* lordship.²⁴ The granting of immunities to the lords of these estates (closely related to the attempts of the Carolingian kings to *strengthen* their state through vassalage) afforded them increasing juridical and political authority over their dependants.²⁵ The latter thus lost their right to be commanded and tried by the king’s ‘officials’.

Only when these officials themselves started to appropriate regal authority (favoured by the ‘barbarian’ invasions of the ninth and tenth centuries), did *banal* lordship emerge. The territorial principalities of these counts did soon dissolve, with the castle now emerging as the nucleus of feudal organisation.²⁶ Banal lordship was territorial; it extended arbitrary power from personal dependants to the population of a territory. It was “a form of legitimized and organized pillage,

22 Brenner 1985b, 232; Wood 1995d, 272-73. cf. Giddens 1981, 92.

23 Brenner 1985b, 229-41. Brenner employs the concept of ‘political accumulation’ to refer to the process of feudal state-building. Here, it denotes the process of expansion of coercive powers by individual lords, which may be fragmentive or integrative of larger entities.

24 On land, domestic, and banal lordship, see Duby 1978, 174-77. Domestic lordship constitutes arbitrary power over personal dependents (slavery being its extreme form); land lordship relates to land and confers only limited rights to services, leaving tenants personally free.

25 Bloch 1961, 245; Duby 1978, 90f.

tempered only by the resistance of village communities”.²⁷ Banal lordship marked a decisive step in the reorganisation of medieval society. It involved a complete redefinition of social status: free came to mean noble, while enserfment was the lot of the non-noble population except for a relatively small number of knights and *ministeriales*.²⁸ The intensification of lordship through the appropriation of banal authority was paralleled by geographical expansion that replicated feudal institutions everywhere in the periphery of the old Frankish empire: the Norman conquest of England, the Spanish *Reconquista*, the German expansion into the Slavonic East and the crusades in the Mediterranean area. Whereas early medieval warfare was limited to temporary forages for plunder and slaves, it now served the permanent conquest of land and peasants.²⁹

In England it was only after the Norman Conquest that “a manorial regime of exceptional rigour” was imposed on the peasantry. Its character was shaped by the particularly strong fusion of personal and land lordship.³⁰ Serfdom, in England, was the product of intra-lordly cooperation, backed up by the public justice of the royal courts (which also sustained freeholds that continued to exist here); banal lordship was never able to develop in England. The states of both England and France were completely ‘feudalised’ during the eleventh and twelfth centuries, though with rather different consequences for the position of the English and French kings in their respective realms, depending on the dominant form of lordship. In England, the powers of the *ban*, though regularly contested, remained with the king. There was thus never the same parcellisation of sovereignty in England as in France. The English state was, in this epoch,

26 Bisson 1994, 6-12; Bloch 1961, 394-401.

27 Duby 1978, 176. On the role of the peace of god in this process, see Poly and Bournazel 1991, 151-62.

28 Bonnassie 1991, 57; Poly and Bournazel 1991, 352.

29 Bartlett 1993, 306-08.

30 Bloch 1961, 244; Duby 1968, 194; On the general differences between English and French feudalism, see Bloch 1960 and Hilton 1990. During the period of economic expansion, parts of the manorial demesnes were leased out to peasants in return for labour services and rents. There was even some relaxation of exploitation in the 12th century. But with increasing scarcity of the land due to continuing population growth, the lords were able, because of their relatively strong collective position, to reinforce manorial exploitation. In fact, the thirteenth century saw the establishment of a degree of unfreedom in England which was unprecedented here. Those who held demesne lands as tenures were subjected to the private jurisdiction of the manorial lords (much like peasants in the Carolingian period of the Frankish empire) with regard to their relationship to the lord and his other serfs.

singularly strong. In France, the intensification and externalisation of lordship contributed to a certain consolidation of relations between lords.³¹ But, as in England, the feud remained a legitimate, and widespread form of intercourse between nobles, fuelled not least by the need to replenish landed resources for the acquisition of new vassals.

These differences in the forms of feudal property relations, with their corresponding patterns of conflict and cooperation, will help us to understand the distinctive ways *out* of the crisis of feudalism in England and France. Their commonalities, however, explain the general character of the feudal crisis of the fourteenth century. The dynamic of conflict in this society included, as a crucial dimension besides geographic expansion and the reorganisation of rights and privileges, the struggle for the redistribution of land (and its cultivators).³² Military competition was endemic to feudal society. Yet its content was as much 'economic' as it was 'political'; conflict was always *about* 'economic' power. Indeed, the long-term development of the medieval economy was decisively shaped by the political dynamic of feudal society. It reflected the strategies for reproduction that the structure of feudal property relations imposed, differentially, on lords and peasants.

For feudal society as a whole, both in England and in France, the consequence of the enserfment of the peasantry was a period of rapid economic expansion. More surplus had to be produced by the serfs in order to keep up with the increasing demands of banal lords in France and the manorial lords in England.³³ This also stimulated the growth of towns and market exchange. The consumption patterns of the nobility, marked by the need for arms and the conspicuous demonstration of social status, were central to the rise of long-distance trade. But in the end, feudal property relations limited economic development; the economic expansion of the high middle ages was built on increasing labour input rather than rising labour productivity. Little of the produced surplus was reinvested in the production process. For lords, the path to increasing wealth was through the investment in the means of violence, useful for both conquest and the

31 Poly and Bournazel 1991, 357.

32 Elias 1994, 294-98.

33 Duby 1978, 229.

further squeezing of the peasantry. Innovation in military technology abounded, but the peasantry still tilled the soil with wooden ploughs for their heavily armoured masters.³⁴ For the direct producers, the immense burden left few resources to be ploughed back into the land, which led to the degradation of the soil – a problem that was exacerbated by the increasing use of marginal lands as populations grew. Crisis was thus inevitable, but the general crisis of the fourteenth century was, at heart, a feudal rather than a demographic crisis:

As the peasants' surplus tended to reach its limit, and indeed to decline with the drop-off of population, the lords' build-up of more powerful instruments to redistribute it via coercive extraction and warfare tended to quicken, thereby creating the conditions for catastrophic crises of the economy and society as a whole.³⁵

It is the nature of feudal property relations, then, which explains the economic, social and political crisis of the late medieval period, and its protracted character. But were the pains and the agony of the slow collapse of feudalism also, as conventional wisdom has it, the birth pangs of modernity – a beast among whose many ugly heads we have to number the capitalist economy and the sovereign, territorial polity?

6.3. Transformations and Transitions: Absolutism and Capitalism in Early Modern Europe

At the end of the century of feudal crisis, peasants everywhere in western Europe regained their personal freedom, though many forms of social and legal dependence persisted. The end of serfdom, and the concomitant weakening of the feudal nobility, are decisive landmarks in most stories of the 'rise of the West'. The demise of feudal relations itself is usually attributed to the rise of long-distance trade and monetarisation. The market, in other words, is conceptualised as 'external' to feudalism; its expansion gradually undermining the dominance of the aristocracy. With the dismantling of the repressive institutions, the individual is set free to pursue private interests, to chase market opportunities. Capital accumulation and economic growth is the result, although it may be retarded by

34 Bartlett 1993, 61.

35 Brenner 1985b, 242.

the survival of archaic institutions; their persistence would finally be broken when the perpetually rising middle classes have risen enough to assert their dominance by revolutionary force. The variations are many, but the story is a familiar one.

Of the objections made to this paradigm, two seem especially pertinent. Firstly, the rise of the market has led to rather different forms of ‘production relations’ and economic dynamics in eastern Europe, western Europe and England. Wallerstein’s solution, of course, is to call it all ‘capitalism’, though with different forms of labour control.³⁶ Secondly, it has been argued that markets were by no means an alien element in feudal society. They were closely linked to its forms of domination and appropriation, which they sustained while being limited by them. They allowed the rise of a bourgeoisie making gains from unequal exchange and interests. Yet even while adding a further actor with particular interests to the (geo-)politics of feudalism, this non-capitalist bourgeoisie remained part of the feudal system; the burghers’ trade did not break through what Polanyi identifies as the “limited and unexpansive nature of the market pattern, as such”.³⁷

These arguments indicate the need to distinguish between forms of markets with rather different dynamics. Ellen Meiksins Wood argues that there is a decisive difference between capitalist and pre-capitalist markets. Whereas the latter provides *opportunities* for exchange and market production, the former constitutes an *imperative* for individual producers to produce for the market.³⁸ This is the case when the livelihood of individuals depends on their capacity to reproduce themselves through their gains from market exchange. Yet in order to do so, they will have to produce competitively. In a society that reproduces such a form of market, investment and innovation in the means of production will characterise economic development. The consequence is a unique dynamic of secular and systematic economic growth based on raising productivity. This is not to say that there will not be economic crises or that political institutions

36 Wallerstein 1974 and 1979; On the problems of Wallerstein’s world-systems perspective, see Brenner 1977; Skocpol 1977; Gourevitch 1978.

37 Polanyi 1957, 54-57; on markets as ‘internal’ to feudalism, cf. Merrington 1976 and Press 1989.

38 Wood 1999a, 5-8; Wood 1994.

cannot encumber or promote capital accumulation; it is a very specific form of market nevertheless. It allows us to abstract, in capitalism, an economic sphere, which appears to work according to an autonomous logic. Its corollary is the abstractedness of the political sphere. No longer directly implicated in the appropriation of surplus, politics becomes about 'rule'. But this is not the 'very beginning', as Ruggie suggests; it was the *result* of the transformation of property relations through a 'political' process in which the pre-capitalist *(geo)politics of domination and appropriation* destroyed its own structural basis.

The question that has to be posed if we want to understand the rise of capitalism is how lords and peasants both became market dependent. This is not the case as long as lords can mobilise political means to extract surplus. The transition to capitalism, in other words, presupposes the dissolution of the unity of political and economic power; the other prerequisite is that peasants lose their non-market access to the means of subsistence. The focus, hence, is no longer on the cities, the bourgeoisie, commerce and trade; it is on agrarian property relations. Without going into the details of the transition, it has to be noted that in the struggles during the crisis of feudalism, English serfs were able to achieve personal freedom. They were unable, however, to gain property rights to the lands they occupied; these were understood to be the property of their former manorial lords. Lords were able, subsequently, to transform copyholds into leaseholds, for which they could charge market rents.³⁹ French lords, similarly, had to grant freedom to their serfs, but while they also retained *de jure* property rights on their lands, they had to accept that rents and entry-fines were fixed on a low level.⁴⁰ In fact, peasants were thus able to assert effective ownership over their plots. In England, then, landlords lost their extra-economic powers of surplus appropriation, and peasants possession of their means of subsistence; French peasants, on the other hand, did not become market dependent for their reproduction.

The reason for this divergence, according to Brenner, lies in the "*advanced self-organization of the English ruling class in the medieval period*" with its relatively cooperative relationship between nobility and king in the absence of

39 Clay 1984, 69ff.

banal lordship. This system was not strong enough to prevent peasant flight and resistance in the face of strongly declining population levels. Yet with intra-ruling class competition thus checked, lords were not forced to sell their *demesne* lands to serfs in order to raise cash.⁴¹ In France, by contrast, feudal state-building had taken another form. The French royal dynasty, reduced to a *seigneurie* among many in the 'second feudal age', now tried to re-centralise regal powers in competition with the rest of the aristocracy. Slowly extending its control over territory and people, the monarchy had to gain access to surpluses against the nobles with which it competed. The monarchs thus backed the peasantry in its struggle with the lords for personal freedom and the security of peasant lands, in order to impose royal taxes and justice.⁴²

A capitalist market, along with a capitalist society, only emerged in England during the early modern epoch.⁴³ It was the *unintended* result of localised struggles between kings, aristocrats and peasants for their reproduction as kings, lords and peasants - a product, therefore, of very particular circumstances, not of the broad sweep of history. To be sure, capitalist development required the prior development of commerce and trade; but nothing in the general expansion of markets made capitalism necessary or led directly to its rise.

Brenner's argument represents a fundamental break with the tendency to universalise capitalism by tacitly reading its consequences back into its prehistory. It enables him not only to escape the circularity that mars most 'explanations' of the transition but yields an account of the rise of the capitalist economy and the 'modern' state that is radically different from the dominant 'Rise of the West' approach. Where the different versions of this paradigm attempt to explain the modernisation of western Europe in terms of some common cultural, political or economic forces sweeping the region forward with

40 Salmon 1975, 40-42; Goubert 1973, 126.

41 Brenner 1985b, 292f; Subsequently, aristocrats tried to make up for their declining incomes by external wars and finally by factional strife, leading to descent into civil war in the mid-15th century.

42 Brenner 1985b, 287; cf. Salmon 1975, 22ff.; Parker 1983, ch. 1.

43 The question whether the Dutch Republic may represent another case of capitalist development, or whether a further distinction between 'commercial' and capitalist agriculture is necessary, is too complex to answer in the present context. The case of the USA also has to be set aside here, although a capitalist dynamic seems well established here by the eighteenth century.

changing standard bearers, Brenner makes an argument for two fundamentally different paths out of feudalism. Capitalism and absolutism are not forms of economic and political organisation respectively, which might combine, in particular countries, in various ways. They are radically different social totalities. Capitalism, in this perspective, emerged endogenously only in England; continental western Europe, by contrast, was by and large set on a pattern of absolutist development.⁴⁴ England and France were qualitatively different, not quantitative variations.⁴⁵

6.4. Feudalism to Capitalism: The Singularity of England

The unintended self-transformation of the aristocracy from a feudal into a capitalist class that took place in England was the consequence of social struggles informed by the different ‘strategies for reproduction’ which English feudalism had imposed on peasants, lords and kings. This process undermined the ability of lords to extract surpluses by coercive means. Crucially, the dissolution of the unity of political and economic powers in the hand of individual lords was not accompanied by their concentration in the state. Instead, the English state increasingly became the locus of *political* organisation (in the modern sense), while the appropriation of surplus became based on economic forms of property, in turn guaranteed and regulated by this state. Capitalist property relations thus gave rise to a very distinctive form of both politics and economics; their distinctiveness lies precisely in their relative insulation from each other.

Economically, these property relations became expressed in the form of a system of agrarian capitalism. Much has been made of the emergence of large-scale farming in early modern England. A precondition of this development was

44 That is, of course, an exaggeration as there were many non-absolutist states in early modern Europe. Any comprehensive theorisation of social change in Europe will have to take these into account. Absolutism was, however, the most important form of social organisation, defining the character of the epoch, not least in its international aspect. France, on which I will focus here, was the most dominant and influential state.

45 In the orthodox paradigm, as Charles Beik notes, “France and England are treated as directly comparable, and their respective governments are viewed as interesting variation on the common theme of the rise of the Western industrial nation-state ... This orthodoxy continues to be repeated despite the findings of a generation of social

the ability of post-feudal lords, to assert their proprietorship of *demesne* lands, especially through the use of variable entry fines. Gradually, they could thus increase lands under leasehold tenure, regulated by common rather than customary law.⁴⁶ At the same time, and especially in areas where customary rights on possession of copyholds were more favourable to tenants, successive enclosure movements destroyed the viability of subsistence farming by denying peasants access to common fields.⁴⁷ Both processes contributed to the creation of larger estates, but the more crucial consequence was the break-up of common rights and obligations over the land. It allowed richer peasants and tenants leasing consolidated farms from noble landowners to undertake land-improving measures.⁴⁸ Tenants in particular were forced by their situation in the property structure of this society to enhance the productivity of their estates. They had to produce efficiently enough to pay both wages and economic rents in order to keep their leaseholds, and, by outbidding other tenants, to expand their holdings in order to make additional efficiency profits.⁴⁹

But why did English landlords allow their tenants sufficiently long leases for them to undertake investments and profit from them? Why did they not, as did French nobles on those lands they actually controlled, raise rents to extraordinary levels, leaving little for tenants to re-invest?⁵⁰ It was precisely the lack of opportunities for investments in politically constituted property that forced the English noble landowners to rely on incomes from landed property for the reproduction of their social status. Without access to more profitable and honourable political forms of appropriation, they had to develop into an *entrepreneurial* aristocracy with an interest in the ability of their tenants to reinvest gains, even if these were slow to manifest. Within the tenantry, this economic dependence led to the amplification of existing differences; those unable to hold their place in the competitive race for tenures joined the

historians that French society was structurally very different from English society in the sixteenth to eighteenth centuries"; Beik 1985, 4.

46 Hilton 1973, 157ff.

47 On the different forms of enclosures, not all of which were coercive, see Clay 1984, 69-91; Holderness 1976, 77.

48 Thirsk 1989: 8ff.

49 Brenner 1985b, 301.

50 Forster 1970, 1610-13; Jones 1967a, 14.

proletarianised class of agrarian (and industrial) labourers.⁵¹ Crucially, then, large parts of the population became dependent on the market for their reproduction. This market imposed competitive imperatives unlike any other market in history had done before. The consequences of an economy dominated by a logic of economic rather than political accumulation help us understand the pattern of economic development leading up to the industrial revolution.

While the debate about the timing of the English 'agricultural revolution' continues, it has become clear that the unprecedented productivity gains of the eighteenth century were only the peak of a longer process, which started in the seventeenth or even sixteenth century. There is now a tendency to see the whole period as revolutionary in terms of agricultural productivity.⁵² The levels of investment and innovation which made this possible were quite unique to England. This allowed for the drastic reduction of people engaged in agriculture (from 76 percent to 36 per cent of the total population), which went together with a population increase by 350 per cent between 1500 and 1800.⁵³ Crises of subsistence became less and less pronounced in England, which nevertheless did not become dependent on food imports. Most significantly, the general crisis of the seventeenth century affected England to a much lesser degree than its continental neighbours.⁵⁴ The high productivity of English agriculture allowed for the development of industry by releasing labour power and created a mutually reinforcing cycle of agricultural and industrial demand. This, in turn, made possible the development of a national economy based not primarily on luxury

51 Sharpe 1987, 134. This interpretation of the emergence of the landlord-tenant-labourer triad largely follows the work of Robert Brenner (1985b). Alternative accounts concurring in their emphasis on the importance and uniqueness of this development, yet keeping more with tradition in stressing the rise of the yeomen, have been proposed by Parker 1996; Mooers 1991; and McNally 1988.

52 Overton 1989, 9 and 13f. Compare Thirsk 1987; Beckett 1990, ch. 1. The debate started in the late 1960s. See the contributions to Jones 1967b. Important contributions have also been made by Kerridge 1969; and Wrigley 1985.

53 Population growth in other European countries was between 50 and 80 per cent during this period. Urbanisation increased five-fold (to 27.5 per cent) while it stagnated in the rest of western Europe (at 10 per cent). Whereas 100 persons employed in agriculture provided food for 132 persons outside of agriculture in 1520, by 1800 the ratio had grown by 88 percent (100:248). In France, the relationship was 100:138 in 1520 and 100:170 in 1800. But Wrigley notes that this difference may well underestimate the difference in productivity between England and France. See Wrigley 1985, 720-26.

54 Holderness 1976, 9-24 and 233.

products; the mass of population commanded, on aggregate, significant buying power.

If the emergence of a dynamic economy in early modern England was one major product of its capitalist property relations, the 'underdeveloped' form of its state was another. On the one hand, the English state achieved the monopolisation of force and the demilitarisation of the aristocracy at a comparatively early time; this was not accompanied, on the other hand, by the imposition of a highly rationalised and bureaucratic state apparatus using its monopoly of violence to subordinate civil society to its own ends. This reflects the peculiarly political character of the English state, which did not develop into an organisation geared to political appropriation. Though taxation rose to very high levels in the eighteenth century, it did not so much provide a means for the extraction of surplus from the direct producers by a class organised as state. Where political power was used for personal economic advantage, it was defined as abuse, as corruption. Instead, the propertied classes taxed themselves in order to advance purposes defined collectively in parliament.

The English state has consequently been described as a "committee of landlords".⁵⁵ Ellen Wood argues that capitalist property relations gave rise to

a formally autonomous state which represented the private, 'economic' class of appropriators in its public, 'political' aspect. This meant that the 'economic' functions of appropriation were differentiated from the 'political' and military functions of rule - or, to put it another way, 'civil society' was differentiated from the state - while at the same time the state was responsive, even subordinate, to civil society.⁵⁶

However, there were, as yet, severe limitations to the responsiveness of the state to the capitalist classes. The separation of politics and economics was subject to manifold contestations. Most importantly, the monarchy itself remained interested in expanding not just its dominion but in increasing its extractive powers in order to reshape its relations to the aristocracy. The desire to do so derived in parts from contemporary notions (heavily influenced by absolutist ideology) of the position of the monarch in human *communitas*. As important, however, was the desire of English queens and kings to take their rightful position within the European community of emperors, kings and princes,

55 Moore 1966, 19.

56 Wood 1991, 28.

which required their ability to compete for power, status and honour. Before we can return, in the next chapter, to the political and economic development of a capitalist society in England, it is necessary to consider the formation of an absolutist society in France (and elsewhere on the European Continent), and its consequences for the dynamic of early modern geopolitics.

6.5. Feudalism to Absolutism: The Case of France

Few phenomena seem to signal more clearly the transition to modernity than the rise of the absolutist state with its high level of centralisation, bureaucratisation and the monopolisation of legitimate violence. There is, of course, no shortage of approaches highlighting the ‘archaic’ features of absolutism, which were only gradually swept away by protracted processes of ‘modernisation’. Perry Anderson goes even further when he conceptualises absolutism as a *transitional* mode of production mediating between feudalism and capitalism.

For Anderson, the absolutist state (of which he takes England to be a “peculiarly contracted variant”)⁵⁷ was the instrument of an aristocracy threatened by the rise of commodity production in the interstices of feudalism. That process had destroyed feudal relations of appropriation and domination; the aristocracy had to reorganise itself politically in order to maintain its grip on society and the surplus of the peasantry. But the centralisation of the means of coercion in the absolutist state could not stop the increasing autonomy of the economic sphere, and the bourgeoisie benefited from policies like mercantilism.⁵⁸ Absolutism was hence a crucial link in the “value-added process” leading from feudalism to capitalism.⁵⁹ Its emergence presupposed the separation of politics and economics, its demise occurred with the subordination of the political sphere under the rule of a victorious revolutionary bourgeoisie.

57 Anderson 1974, 113; on the problems of this formulation, discounting the difference between absolutist and constitutional monarchical government, see Gourevitch 1978, 424 and 436.

58 Anderson 1974, 15-59, esp. 18; cf. Cox 1987, 114-15.

59 Anderson 1993, 17.

Yet absolutism may be better understood as a fundamentally pre-capitalist form of society, devoid of any interstitial propulsions to develop a capitalist market.⁶⁰ There was commercial and financial activity and market exchange, but the bourgeoisie engaged in these pursuits was a non-capitalist class. Many economic historians have noted the low degree of development of agriculture and industry in France (and relative to England) during the age of absolutism. Agricultural productivity, if not output, was almost stagnant well into the nineteenth century.⁶¹ French ‘proto-industry’ attracted only limited investments. As Skocpol notes, commerce and industry “remained symbiotically tied to - and limited by - the social and political structures of agrarian-imperial France”.⁶² It is tempting to ascribe this pattern of stagnation, and the absence of a discourse of ‘improvement’ similar to that in England, to cultural factors preventing French peasants, landlords and manufacturers from wanting to chase market opportunities. The particular development of social property relations in France (and much of continental Europe) provides a more plausible key to the explanation of both economic stagnation and the rise of the absolutist state.

The ability of peasants to assert *de facto* proprietorship over their small-holdings gave them the possibility to reproduce themselves outside of the market; their subsistence did not depend on production at a competitive rate. Peasants certainly did exchange goods on local markets (not least to obtain money for certain levies), but they did not systematically produce for the

60 This is not to deny the importance of monetarisation and mercantile wealth to the rise of the absolutist state. While these phenomena neither brought about the decline of feudalism nor the rise of capitalism, it is clear that the availability of money was necessary for the centralisation of power; mercantile wealth at the same time limited the arbitrariness of sovereigns; cf. Hirschman 1977; Weiss and Hobson 1995, 62.

61 Jacquart 1974, 166f.; Crouzet 1990, ch. 1; Lloyd 1983, 92f.; Goubert 1973, 36-42 and 68. The widely accepted picture of very different paths of agrarian development between England and France has recently attracted some challenge. But Parker notes that critics fail to distinguish between output and productivity. Eighteenth-century expansion was marked by increasing output after a severe crisis of subsistence, not the emergence of a more productive agriculture; Parker 1996, 207-217.

62 Skocpol 1979, 55. Mooers argues that proto-industry actually “served to retard the transition to factory-based production” as merchants financed a putting-out system of production that did little to change the forms of production; Mooers 1991, 60. Proto-industry itself presupposed a sluggish agriculture. Peasants tried to increase their incomes in addition to the produce of their lands in order to maintain themselves as peasants. Proto-industry and modern industry are thus opposites rather than part of a temporal continuum.

market.⁶³ Nor *could* they, even if nature or culture had endowed them with the urge to truck, barter and trade. Their survival could best be secured by producing a broad range of goods and avoiding specialisation and dependence on events beyond their control, not least highly unstable market prices. Moreover, little remained usually of surpluses after payment of taxes, levies and remaining seigneurial dues and fines, leaving very limited possibilities for reinvestment into the means of production. Increasing output could only be achieved – and was achieved in Malthusian upswing phases – through increasing labour inputs, tying most of the population of France to agriculture. The necessary long-term consequence was the periodic decline of the productivity of land.⁶⁴

The predominance of peasant property also helps to explain the absence of an entrepreneurial landed class in France. Noble and bourgeois landowners were generally unable to build large commercial farms, with the exception of some areas of the Paris basin. But even there, lands remained subject to the same customary regulations of the village community as peasant plots themselves.⁶⁵ Absolutist monarchs continued to guarantee peasant property, strengthen the peasant community and extend their own judicial system.⁶⁶ The king's state also denied the nobility the possibility to break up common farming through political means in the form of coerced enclosures. Given endemic land-hunger, landowners were still able to extract often extraordinary economic rents, leasing out plots to peasants seeking to supplement their own subsistence production. Yet little of that money found its way back into agriculture or industry.

The reason was the availability of alternative forms of investment into politically constituted property, which promised higher and more secure returns on agricultural and commercial wealth. The 'rational' path not only to power and status but to wealth, was to invest in the means of appropriation represented by state office. Bourgeois fortunes were part and parcel of the absolutist property system. Indeed, as Skocpol argues, the bourgeoisie was part of a "basically unified dominant class - one that appropriated surplus directly and indirectly

63 Brenner 1989, 289; Forster 1970, 1603.

64 The development of French agriculture follows closely the 'peasant model' delineated by de Vries 1974, 4-6.

65 Comninel 1987, 184-191; Brenner 1985a: 62-3 (fn. 111).

66 Root 1992.

from peasant agriculture”.⁶⁷ The rediscovery of Roman private law did indeed contribute to the development of the notion of absolute property, superseding medieval concepts; it thereby certainly aided the rising fortunes of the bourgeoisie, just as it helped peasants to claim property over their plots. But the decisive form of absolutist *private* property was the ownership of a part of the state in the form of an office.⁶⁸ If there was an incipient differentiation of public and private spheres, these realms did not correspond to political and economic spheres;⁶⁹ it had more to do with demands for a private space in which religion and thought could be free from the requisition of loyalty by the sovereign. Nor was the state itself a political institution in the sense it acquired in the nineteenth century. The “tax/office structure” (Brenner) of the absolutist state expresses, or is the form and locus of, the continuing unity of both political and economic power, of domination and exploitation.⁷⁰

If the absolutist state enabled the aristocracy to wield its class power in new and more ‘efficient’ forms, it cannot be reduced to a simple ruling-class choice imposed by an endangered feudal nobility. Late medieval French monarchs, as we have seen, contributed actively to the crisis of the aristocracy. But the emergent absolutist state also provided nobles with an alternative to the decentralised system of domination and exploitation. By co-opting the nobility through a range of corporate and individual privileges, it also added to the administrative and military capacities of the state.⁷¹ However, the monarchy also *created* a new nobility, partly in order to lessen its dependence on post-feudal magnates, but also in order to raise funds for its wars. The duality of conflict and

67 Skocpol 1979, 56.

68 Compare Bonney 1991, 360: “Absolutism can be viewed as a set of arrangements, unique to a particular country, by which the civil power operated to protect private property rights such as those enshrined in public offices and annuities...”.

69 On the different ‘objects’ to which ‘public’ and ‘private’ referred in Roman, medieval, absolutist and modern times, see Brunner 1984, 122-125. It also needs to be emphasised that private property even of productive assets was not necessarily capitalist property; cf. Comminel 1987, 181. It cannot be assumed that the strengthening of property rights via Roman Law created capitalist property relations, as many authors do; cf. Anderson 1974, 24-28; North and Thomas 1973.

70 Wood 1991, 23: “The state itself was a primary instrument of appropriation, a private resource for public office-holders. ... Office in the absolutist state represented a ‘centralization upwards’ of feudal exploitation, in which peasant-produced surpluses were appropriated in the form of tax instead of rent”.

71 Beik 1985, 13; Tallett 1992, 190.

cooperation between monarchy and aristocracy remained at the heart of French development. Struggling for their share of a relatively fixed peasant surplus, necessary to sustain their political and social status, lords strove individually and collectively to limit the powers of the monarchy and to extend their own appropriative powers. Aristocratic revolt, however, was restricted by the need to rely on the state in the suppression of peasant revolts.

Absolutism was premised upon the coexistence of monarchical claims to sovereignty and aristocratic assertion of privilege and pre-eminence. Internally, absolutist societies remained characterised by a strong particularistic dimension. The very definition of absolutism, the authority of the monarch to make laws without the agreement of their subjects, seems to have corresponded more to the aspirations than the reality of the kings even of France. A wealth of studies has shown the limits to state power, the rivalry between political and legal institutions drawing on different forms of legitimacy, the continuing existence of feudal powers, and the low degree of territorial contiguity.⁷² Their control over military organisation remained tenuous in many respects. The tension between absolutist centralisation and local as well as corporate particularism would be misunderstood, however, if we dissolved it in the notion of the monarchical state as a ‘modernizing’ force imposing itself on archaic political institutions. The history of absolutism does not tell a story of the victory of a rational state geared to the pursuit of public interest over forces abusing state power for private concerns. It is a history of conflicts between opposing yet mutually dependent claims to property in and of the state and the peasant surplus it yielded. Though monarchs legitimated their claims to resources by reference to external threats, the ‘public’ character of the king’s war is highly problematic, as I will try to show in the following chapter.

The absolutist state itself should thus not be understood as the instrument of either the aristocracy (including both the *noblesse de robe* and *noblesse d’épée*) or the monarchy, but as an “independent, class-like surplus extractor” that afforded access to surplus to different privileged groups.⁷³ Conflict between these groups about their relative shares remained pervasive. This was not a ‘modern’

72 Collins 1995, 1-5; Henshall 1992; Mettam 1990; Parker 1989; Parker 1983, esp. 136ff.

state, not even in an underdeveloped form.⁷⁴ Absolutist property relations found expression in a form of sovereignty that was premised not on *generalised impersonal rule*, but on *generalised personal domination* that remained *necessarily* riddled by privilege and particularism.⁷⁵

6.6. *Conclusions*

In preceding chapters, I have argued that capitalism is not so much a particular form of ‘economic’ action (based on the rational pursuit of profits), but a way of ordering society. Capitalist society involves the emergence of a distinct sphere of ‘the economy’, in which decisions over production and distribution become subordinated to considerations of profitability, as people become dependent on the sale of commodities (including their labour power) in the market. Its concomitant is the emergence of a ‘political’ state which, while guaranteeing private property and regulating and even governing the economy, is not directly implicated in the private appropriation of the surplus product. This understanding does not accept that capitalism is nothing but the free economic activity of utility maximising individuals. Such a positivist conceptualisation reduces history to a evolutionistic teleological developmental process. It also falls short of the requirements for a historicisation of social relations, as it is premised on an essentialist reading of ‘human nature’ which is unable to recognise that humanity’s nature is precisely its historical becoming.

To theorise the emergence of capitalism, hence, entails more than an account of how the political institutions that restricted ‘free’ economic activity were undermined by the dynamic nature of economic and technological change. It entails more, even, than an account of how institutions conducive to the rational

73 Brenner 1985a, 55.

74 Nor, according to Root, did it create a modern society in order to serve the pursuit of *raison d'état*: “If modernization means the creation of a society based on competition and individualism, on the destruction of corporate bodies, and on the institution of private property, then the state of the Old Regime did not play a modernizing role”; Root 1992, 14.

75 On the distinction between generalised personal domination, contrasting to feudal private personal domination and capitalist generalised impersonal rule, see Gerstenberger 1990, 497-532 (who includes England in the first category). On the

pursuit of profit were created under pressure from ‘material’ progress or the needs of sovereigns locked into perpetual conflict. In both formulations, capitalism is given as a starting point; as Braudel points out: “capitalism has been *potentially* visible since the dawn of history”.⁷⁶ Historical narrative simply recounts how the seeds broke through even the hardest obstacles, were nurtured by interested groups, produced the fruits which strengthened those who ate from them, and finally overshadowed all other forms of social organisation while expanding its roots to feed on ever more distant and deep-seated sources of energy to maintain its metabolism.

That capitalism is expansive and tends to subsume more and more areas of social life under its manic logic is undeniable. But it may be precisely the stunning dynamism of capitalism, its undeniable ability to create commodities and to expand commodity relations, that misleads us into attributing to the products of human labour a revolutionary force which, at least prior to the rise of capitalist property relations, they did and could not have. Only when social theorists recognise the radical distinctiveness of capitalism as a form of social organisation will history and historical sociology free itself from the grip of the ‘economistic fallacy’ identified by Polanyi.⁷⁷

Historical materialists would do well to heed Polanyi’s critique. While there are important elements in Marx’s work which provide essential ingredients to the formulation of a challenge to the orthodox model (and all its variations), it remains mired, even in its most mature formulation in *Capital*, in the ideological constructions of liberal political economy in two respects. Firstly, much of Marxism partakes in what Ellen Meiksins Wood has termed the ‘bourgeois paradigm’.⁷⁸ In this framework, the bourgeoisie is uncritically equated with capitalism, which consequently is regarded as something that happens, at least to begin with, in the cities and towns. Yet the only transition from feudalism to

personal character of Louis XIV’s authority as *maître* to all his *fidèles*, see Kaiser 1990, 142 and Rowen 1980, 30-35 and 75-92.

76 Braudel 1984, 620. According to Braudel, there were signs far in advance of its final triumph which announced the coming of capitalism: “the rise of towns and of trade, the emergence of a labour market, the increasing density of society, the spread of the use of money, the rise in output, the expansion of long-distance trade”; *ibid.*

77 Polanyi 1977.

78 Wood 1991, 3-19.

capitalism, the one that took place in England, was not primarily an urban affair; ironically, the capitalist class par excellence in England was the aristocracy! The bourgeoisie of France, on the other hand, while busily trading and exchanging, was not a capitalist class.

What, then, of the French Revolution, the classical case of a bourgeois revolution which supposedly marks the decisive stage of capitalism's long birth process? It is with good reason that the now dominant 'revisionist' interpretations of the French Revolution have thoroughly debunked the notion of a revolution made by capitalists to serve capitalist purposes. In fact, most of the revisionists have come away from their studies unable even to identify a capitalist class in pre-revolutionary France, as the forms through which the bourgeoisie and the aristocracy gained their incomes was rather similar.⁷⁹ In England, of course, the differences between aristocracy and bourgeoisie also became less prominent during the early modern period – but with a decisive difference. Just as the bourgeoisie and aristocracy of France were constituted as a single class reproducing itself through politically constituted property, so the English gentry and aristocracy were a single capitalist class, reproducing itself through *economic* accumulation.⁸⁰ In the bourgeois paradigm, however, the differences between England and France are constructed as variations in the 'rise of the capitalist West'. As such, it presents a "composite picture formed largely by the retrospective superimposition of the French revolutionary experience upon the example of English capitalism, and, conversely, an interpretation of the French political experience in the light of English economic development".⁸¹

Secondly, Marxism after Marx has privileged those elements of its liberal materialist heritage that underpinned its evolutionistic, economistic and deterministic tendencies. Not surprisingly, one of the victims of the interpretation

79 Doyle 1990; cf. Lucas 1973; Furet 1981. Outlines of a *new social interpretation* of the French Revolution not based on the narrative of the capitalist bourgeoisie's perpetual rise are developed by Comninel 1987, 196-205. The dominant interpretation of the French Revolution, however, is now 'cultural'; cf. Hunt 1986. Skocpol notes that many revisionist approaches, despite their inability to locate a capitalist class, implicitly rely on the grand scheme of the rise of the capitalist West. Skocpol, by contrast, asserts the non-capitalist character of early modern French development; Skocpol 1979, 54-60 and 174-179.

80 Cf. Zagorin 1965, 51.

81 Wood 1991, 4.

of the transition to capitalism outlined so far has to be the time-honoured ‘mode of production’ framework that Marx inherited from classical political economy (where it figured large in the guise of ‘modes of subsistence’),⁸² and which played such a fateful role in the rigid schematisation and even strait-jacketing of history in the hands of Marxist theorists. Its limits, even as a broad scheme, are highlighted by the inability to fit in absolutist society.

Perry Anderson has, famously, sought to portray absolutism as a transitional mode of production between feudalism and capitalism which amalgamated elements of both.⁸³ I have argued, by contrast, that absolutism was a radically non-capitalist form of social organisation; its political apex was decisively characterised by use of the power of the state in the process of exploitation. But if the absolutist state showed a fundamental continuity with feudalism in that politics and economics continued to be non-separated, absolutism cannot simply be reduced to feudalism. Absolutism was as different from feudalism as the latter was from the ‘slave mode of production’ of classical antiquity. The differences between these societies may be better understood in terms of the “specific economic form, in which unpaid surplus-labour is pumped out of direct producers”.⁸⁴ The limited number of successive ‘modes of production’ may thus have to make way for a notion of ‘modes of exploitation’ with which absolutism could be grasped as a historical society *sui generis*.⁸⁵

Such a ‘modes of exploitation’ framework has the added advantage of precluding the presumption of a necessary evolutionary movement through history at whose end stands capitalism (and, eventually, socialism). Once we recognise that capitalism is not simply commerce writ large - that it is more than an extension under more favourable institutional circumstances of age-old practices of buying cheap in one market in order to sell more dearly in another - it becomes clear that its emergence is the product of contingent local conditions. These conditions, I have argued, existed in England during the early modern period. But they did not obtain by any historical necessity. Capitalism, in short,

82 Comninel 1987, 140-44.

83 Anderson 1974, ch. 1.

84 Marx 1971, 791.

85 On ‘modes of production’ and ‘modes of exploitation’, see Comninel 1987, 155 and 174.

need not have come into existence at all. Having come into existence in a particular place and time, however, the question arises as to how capitalism was able to expand and ultimately to encompass the whole world. One thing is clear, though: the conditions under which societies subsequently were transformed in a capitalist direction were very distinct from those which obtained in the original English case. The English experience can thus not serve as a generalisable 'model' of capitalist transformation.

7. THE INTERNATIONAL SYSTEM OF THE *ANCIEN REGIME*

7.1. The Limits of Territoriality

The early modern period brought, for western Europe and beyond, momentous changes. Both the 'universal empire' and the feudal (geo-)politics of the Middle Ages were undermined as emperors and nobles alike found themselves confronted by projects of state-formation which led, over time, to the consolidation of sovereign, territorial statehood. For John Ruggie, as we have seen, territoriality is the defining characteristic of the modern international system. As such, it is part and parcel of modernity and of the process of modernisation, which also includes, in this perspective, the emergence of capitalism, of an individualistic subjectivity, and so forth.

The presumption of such a 'package deal' for western Europe as a whole has been challenged in the preceding chapter. I have argued that, apart from England, European states did not go through a period of capitalist development after the demise of feudalism. As I have shown for the case of France, the pattern of economic development as well as the nature of the absolutist state there expressed and institutionalised non-capitalist social property relations. In as much as the early modern period did indeed witness the triumph of territorial statehood, then, we have to question the almost universally claimed linkage between territorial state-formation (and therefore the rise of an interstate system) and the rise of capitalism.

But is the premise itself valid? There have always been those – historians in the main – who have rejected the argument that a modern system emerged before the nineteenth century, and thus refused to be impressed by the supposed modernity of the 'Westphalian' system.¹ More recently, Stephen Krasner has questioned whether states could actually be called 'sovereign' before the nineteenth century, given their limited control over their territories and the

1 cf. Hinsley 1967; Duchhardt 1999.

militarily active parts of their populations.² These authors, however, while questioning the *degree* to which early modern states have approximated the ideal-type of sovereignty, do not challenge the underlying model itself, which posits a fundamental continuity - if not identity - between the states of the early fifteenth and the late twentieth centuries. The state remains the same, at least for the purposes of IR theory, even if this state was, before the nineteenth century, as yet imperfectly integrated and consolidated. The trajectory itself, from feudal anarchy to the anarchy of the system of sovereign states, is not in question.

The approach presented here, by contrast, does not accept this trajectory, at least not in as much as the conclusion is concerned that is usually derived from it: that the international system which emerged after the breakdown of feudalism is, in its structural aspects, the same that exists today or - allowing for the possibility that we have finally progressed beyond 'modern' international relations - that had existed at least up to the period of contemporary globalisation. As I have sought to show in the preceding chapter, the absolutist states which principally formed the Westphalian system were not simply *relatively* but *absolutely* non-modern. They were riddled by local and corporate particularisms not so much because they had not yet advanced far enough along the road to full modernity, but because the social property relations prevailing within them did not allow for the generality of abstract, impersonal rule which capitalism permits. Absolutist territoriality and capitalist territoriality are fundamentally different forms of organising the relations of domination and exploitation - or what may be called the *social relations of sovereignty*.

And yet, if absolutist territoriality is not commensurable with the form of territoriality that emerged after the general transition to capitalist modernity since the nineteenth century, it certainly *did* mark an important transformation of the geopolitical dynamic. Though the logic of political accumulation, which was at the origin of *feudal* state-building in the late middle ages, remained central to the absolutist (geo)political system, absolutist international relations do not simply betray a 'feudal logic' as Perry Anderson contends.³ Nor can we discount the territorialisation of sovereign authority which took place during the early modern

2 Krasner 1993 and Thomson 1994.

period, as Justin Rosenberg seems to do. As we have seen in chapter 5, Rosenberg considers modernity to be characterised by the separation of economics and politics as well as the differentiation of internal and external realms. But whereas Ruggie argues that both these processes began in the fifteenth century, Rosenberg seems to locate them in the nineteenth century.⁴

In the present chapter, I will suggest that both approaches suffer from the assumption that the emergence of capitalism and of the sovereign, territorial state are coeval. Instead, I will argue that the separation of the domestic and the international has different social and historical roots than the separation of the political and the economic. Most crucially, absolutist territoriality *did* differentiate domestic and international realms, however imperfectly, and thus constituted a system of states that can be called anarchical. Anarchy, here, has a concrete historical rather than simply analytical content: it signals the negation of the feudal (geo)-political system with its complex mix of autonomy and hierarchy between the wielders of military force. The relationship between the rulers of bounded territories claiming external sovereignty was necessarily quite different from intra-lordly competition. Replacing the feud, war between sovereign territorial states was no longer about the negotiation of the relative position of the warring parties in a hierarchical system conferring differential access to political property rights. Relations of exploitation thus became internalised, even while absolutist geopolitics remained driven by the externalised imperatives generated by absolutist property relations, in particular the need for territorial conquest.

The first purpose of this chapter is thus the development of a framework for the interpretation of international relations in a historical epoch in which internal and external realms became increasingly differentiated, but in which statehood was not yet premised on the abstraction of politics from economics. Implicit in this line of argument is the suggestion that territoriality as such is incapable of defining modern international relations. While territoriality (and the anarchical relationship it constitutes between 'conflict units') marks an important element

3 Anderson 1974, 31-33 and 57-58.

of continuity between the absolutist and the capitalist international systems, it is only through the analysis of social property relations (and the ‘social relations of sovereignty’ which they entail) that we can gain an appropriate historical understanding of particular geopolitical dynamics. It is this aspect, rather than the mode of spatial differentiation (Ruggie), or the dynamic of interaction (Wendt), that provides the key to the particular ‘logic of anarchy’.⁵

The second task of the present chapter is to establish that, contrary to the thrust of Weberian historical sociology, geopolitical rivalry can no more explain the transition to capitalist modernity than the expansion of markets, trade and bourgeois influence (or any pluralistic combination of ‘economic’ and ‘political’ accounts). In particular, the transition from absolutist to capitalist sovereignty cannot be understood as a continuous process of consolidation and ‘modernisation’ in response to international competition. Weberian historical sociologists have suggested that such competition is not only more important in explaining state formation than the requirements of the capitalist economy, but that the development of capitalism itself has been decisively advanced by states seeking to enhance their ability to compete in the international system. Jacob Viner similarly pointed out that mercantilist strategists regarded the maximisation of political power and the fostering of economic wealth as equally important aims of states, which would have to reinforce each other in order to guarantee the continuing existence of any particular state. Charles Tilly locates the ultimate source of state-formation in the war-prone conditions in the late medieval and early modern periods. As princes had to fight ever more costly wars, they were forced to increase the state bureaucracy, especially their apparatus for taxation: “War wove the European network of national states, and

4 As I have argued in chapter 5, Rosenberg’s argument is rather ambiguous and can be sustained precisely because he remains unclear about the timing of the transition to capitalism; cf. above, chapter 5, fn. 51.

5 Critics of Waltz’s neo-Realism have sought to historicise the international system on the basis of distinct logics of anarchy; cf. Ruggie 1993; Wendt 1987; Buzan, Little and Jones 1993. The present approach is distinct in that it does not accept anarchy as a timeless attribute of the international system. Anarchy is itself a historical product of the demise of the feudal geopolitical system of authority. But within this post-feudal anarchical system, different logics of anarchy have existed; I will argue below that Wendt’s concern with patterns of interaction can be fruitfully linked to the ‘social relations of sovereignty’ emphasised here.

preparation of war created the internal structures of the states within it".⁶ To increase revenues, states strove to promote capitalist development through mercantilist strategies.⁷

Early modern states most certainly did pursue mercantilist policies, not just in absolutist France, but also in capitalist England and in the Dutch trading empire; yet the Realist image of homogenisation in the face of international competition (which is also present in much of Weberian historical sociology), is ultimately misleading.⁸ As I will show, military conflict in the early modern period did *not* tend to strengthen the king and his state; the aristocracy was able to maintain or even extend its regional and corporatist powers. The transcendence of the *Ständestaat* ('state of estates') and the rise of monarchical absolutism after the mid-seventeenth century,⁹ was not so much the result of a victorious monarchy imposing the new order on the aristocratic defenders of privilege and particularism, but of a negotiated settlement.

The general point that needs to be emphasised is that the pressures of the international system are always (except perhaps in some cases of direct conquest) refracted through the prism of the social property relations prevailing within these states. Thus absolutist Spain, for instance, was never able to develop a form of monarchical absolutism similar to France because of aristocratic resistance (and despite the loss of geopolitical competitiveness). Moreover, even where states pursued mercantilist policies, these strategies did not, except in the English case, foster *capitalist* industries; instead, they represented rationalisation strategies *within* the context of existing property relations. Political and economic 'modernisation' in absolutists states did not contribute to the increasing realisation of the telos of a 'modern' economy and state (whose modernity is supposedly defined precisely by highly rational action in these

6 Tilly 1992, 76.

7 cf. Hall and Ikenberry 1989, 40.

8 On homogenisation, see Waltz 1979; Halliday 1994, ch. 5.

9 The category of absolutism is here used in two ways: on the one hand as a form of organising society which prevailed from about 1500-1800; and in reference to the institutional form in which juridical, legislative and executive power becomes concentrated in the person of the prince or king. The latter is here taken to be a sub-set of the former. In order to distinguish these meanings, I will refer to 'monarchical absolutism' when I specifically address the political institutions of the later absolutist period.

‘spheres’), but reflected the distinctive rationality of social agents situated in an absolutist ‘framework for action’.

This, then, leads to the third aim of the present chapter, which is to explain how capitalism spread beyond its origins in England. England itself was unequivocally part of the absolutist international system of the early modern period.¹⁰ Indeed, I will argue that while English foreign policy objectives gave at least partial expression to the needs and requirements of the capitalist civil society and economy which uniquely developed here, English foreign policy during this period can only be understood in its absolutist geopolitical context. Moreover, England’s ‘capitalism in one country’ could only survive the vicious dynamics of absolutist international competition through adaptation. Crucially, this did not take the form of an absolutist transformation, but was achieved through the establishment of a fiscal-military’ state apparatus after the successful anti-absolutist revolutions of the seventeenth century.

For most of the early modern period the pressures of adaptation ran from the continent to Britain; this began to change when the dynamic of capitalist development in Britain led to the Industrial Revolution. In *this* particular context, international competition now led to pressures for *capitalist* modernisation in order to withstand the geopolitical and economic advantages which Britain reaped from its pioneering role. The consequence was a series of revolutions from above which imposed capitalist social relations on continental European societies and transformed the states themselves which were the agents of this process. When capitalism spread during the nineteenth century, first to western Europe and then the globe, it entailed a new form of politics. At the same time, the social space of capitalism was pre-configured by the territoriality of authority

10 It should be noted that the argument proposed here is different in kind from the familiar claim, happily bashed by Realists of all stripes, that states with differently constituted states pursue different foreign policies. Realists are quick to point out that the foreign policy of the Soviet Union after 1917 very quickly adhered to typical great power behaviour predicted by Realist theory. But even if this claim can be maintained, it does not follow that an international system constituted by ‘communist’ states would have the same logic and dynamic as the capitalist one within which the Soviet Union was situated. It is this level of abstraction, the constitutive principles of different historical international systems, that I am concerned with in the present chapter. These constitutive principles are premised on the social relations of sovereignty of the states which shape the system; states with other social constitutions will have to adapt to the systemic dynamics externalised in this way.

that had been generated by absolutism. There is thus indeed continuity in the spatial organisation of the international system since the early modern epoch; territoriality and the anarchical system of territorial states preceded capitalism. Yet the content of politics and international relations began to change with the universalisation of capitalism.

7.2. The Pre-Westphalian System (~1450-1648)

In as much as military conflict in the early modern epoch was increasingly an affair fought out between the princes of independent territorial states, its fundamental source can be found in the domestic pressures for territorial expansion. Territory was not just - or even primarily - of strategic importance; it gave access to material wealth. Europe, to its princes and kings, "was like an estate map, and war was a socially acceptable form of property acquisition".¹¹ According to Garrett Mattingly profit, next to honour, was a motive for war deemed acceptable by contemporary political society. "Profits were reaped in booty, ransoms and indemnities, and above all in taxable conquests".¹² External conquest was thus a highly rational form of social expansion, adding to the pie available for distribution in a society with definite limits to internal expansion of wealth. It also promised to strengthen the king's position within the state and increasing revenues available to himself rather than the aristocracy. Territorial expansion, then, was part and parcel of the *expanded reproduction* of the absolutist property system.

That many wars were motivated by considerations of honour and *gloire* does not diminish the centrality of territorial expansion; hence the pursuit of honour through the conquest of territory. Moreover, with constant competition for positions in the next round of territorial redistribution on the basis of dynastic politics, honour is hard currency in such a system of personalised power. Indeed, absolutist kings and princes, not states, were the sovereigns of this system. The

11 Hale 1985, 22.

12 Mattingly 1988, 116; cf. Bonney 1991, 98. When scholars insist that to early modern monarchs, "economic considerations came low on the agenda: trade was not the *métier* of kings" (Tallett 1992, 16-17), the importance of the economic aspects of 'political' pursuits should be remembered.

personal dominion of great dynasties over a variety of territories constituted the building blocs of international politics. Concepts like 'national interest' are highly problematic in such a system, where princes are quite willing to exchange their territories for more substantial ones in the roulette of dynastic politics.

If from the standpoint of the sovereigns the game was *inter-dynastic* rather than *inter-state politics*, the picture of early modern geopolitics becomes even more complex once we consider 'domestic' challenges to monarchical sovereignty. Military conflict certainly was not yet restricted to interactions between territorially bounded containers of power, and consequently not a phenomenon of the international sphere alone. Noble magnates could still, well into the seventeenth century, mobilise autonomous and legitimate military force against their 'sovereigns'.¹³ At stake was their independent dominion and income, to be defended against a state that not only offered opportunities for prestige and enrichment, but also threatened to subordinate their autonomy to the sovereignty of the monarch. The dynamic of geopolitical conflict, with its extreme volatility, was decisively shaped by the conflicts over state-formation between the monarchy and aristocracy, influenced in turn by their relations with the peasantry and burghers.¹⁴ Indeed, the geopolitics of this era may best be understood, as David Kaiser argues, as a "general struggle among the European aristocracy for economic and political power".¹⁵

This struggle took place in both the domestic and international realms, which, though structurally distinguishable here, remain highly blurred. It was

13 On France, see Bérenger 1989. An old myth sees state formation taking place in the context of the decline of the aristocracy, which is in turn related to the increasing monetarisation of 'the economy', or to the greater success of king's in mobilising money for the acquisition of increasingly expansive military armaments. For the case of Germany (Franconia, more specifically), Hillyay Zmora points out that the princes engaged in state-building were actually dependent on the financial support and cooperation from their aristocrats. In turn, these aristocrats were able to further expand their incomes through the rights conferred on them in return for the financial pledges: "The regalian and other superior rights exercised by pledge-holders and office-holders, the 'state-power' they wielded, could be harnessed by them in their seigneurial capacity to the ruthless collection of rents, dues and tithes"; Zmora 1996, 54.

14 Not to mention military conflict involving individual possessors of coercive force reproducing themselves outside the emerging state: robber barons, pirates, etc.; cf. Thomson 1994.

15 Kaiser 1990, 7. For Kaiser, the fundamental units of this geopolitical system are aristocratic networks rather than territorial states; 1990, 8. He notes: "War in that period

predominately about the negotiation of the *relations of sovereignty*; at stake was the constitution of these societies themselves.¹⁶ Almost every ‘external’ war fought by a ruler against other sovereigns was at the same time a war against their own aristocracy, whether directly or indirectly.¹⁷ The extreme volatility of the pre-Westphalian international system, leaving Europe hardly a year of peace between 1450 and 1660, derives from these lines of conflict. Religion, because of the close relationship of dominion and transcendental legitimisation, was among the most potent cultural media through which competing claims were articulated (without being reducible to this aspect). Protestantism allowed aristocrats to formulate their opposition to the concentration of power in the monarchy. But while religion added to the acrimony of this struggle, at its root was the control over the state as the central form of surplus appropriation and the chances for the reproduction and improvement of their social positions that this implied for these groups. Sovereignty was fundamentally a problem of the proprietorship of the state and the access to surplus, which it afforded. Sovereignty was a claim to *property of the state*.¹⁸

The struggle over sovereignty was decided, during the course of the seventeenth century, in favour of the monarchs and princes. The general recognition of the principle of external sovereignty after the Peace of Westphalia went hand in hand with the consolidation of internal sovereignty.¹⁹ But can this be explained by the success of monarchs in the ‘wars of state-building’? Contrary to historical-sociological arguments, with their tacit teleological foundations, external pressures did not translate into the ability of the kings to subordinate the aristocracy. The consequence of the “century of destructive chaos” (Kaiser), the endless wars between 1550 and 1650, was not the strengthening of the central state apparatus, but the complete social and geopolitical breakdown, with no side

was the very essence of aristocratic politics, as well as one of the means by which the aristocracy drew resources from the rest of society”; 1990, 2.

16 Perhaps the best treatment of these issues is Rabb 1975, especially pp. 60-82; cf. Sorel 1947, 46-47.

17 cf. Mattingly 1988, 116.

18 On sovereignty and the state as property of the monarchy, see Black 1990, 150; Symcox 1973, 4-5. Cf. the fascinating study of French proprietary dynasticism by Rowen 1980.

19 Cf. Wendt 1992, 413. Wendt emphasises the role of sovereignty as a norm excluding non-state actors from the geopolitical system, rather than as a brute fact created by the state.

able to secure victory.²⁰ Indeed, the position and role of the aristocracy was often enhanced in these conflicts, not least because its powers were strengthened by the state itself. Standing armies were still based on the feudal *ban*, and mercenary forces were commanded by aristocrats of often doubtful loyalty. In their struggles for sovereignty, monarchs had to rely on the nobility itself, caught in a dialectic of empowerment and subordination.

If military conflict over sovereignty as well as wars of expansion had as their decisive core the access to peasant surplus, the latter was increasingly strained by the limits to *productive* expansion and increasing appropriation which this (geo)political property system implied. Declining output in turn amplified conflict over its distribution; the whole system undermined itself. Its most vicious expression was geopolitical, erupting in the Thirty Years' War.²¹ It may indeed be the recognition of the unviability of intra-ruling class relations that made the absolutist consolidation of the second half of the seventeenth century possible. Theodore Rabb suggests that

the frightful specter of total anarchy raised by the new military tactics, the unprecedented slaughter, and the lawlessness of international relations, seemed to have brought Europe to the edge of the abyss. The shock of unbridled chaos, of a myriad of competing claims battling each other to extinction, made thoughtful men realize that these reckless assertions of private will were the surest road to disaster.²²

The aristocracy, whether out of thoughtfulness or self-interest, began to accept its incorporation into the ancien regime, its transformation into courtiers and officers with derivative rather than autonomous powers. It tried to save the absolutist property system and its own privileged reproduction by excluding the most destructive forms of intra-ruling-class competition. It did so not least because it had a need for the full force of the state in a situation of diminishing revenues and increasing peasant revolts against the high levels of exploitation. Its acceptance of a truly monarchical standing army not only marks the externalisation of war; it simultaneously created an instrument for the protection of tax collectors and the repression of peasant rebellions.²³

20 Kaiser 1990, 15-22 and 135-37; Tallett 1992, 188-205.

21 On the crisis of the seventeenth century, see Kaiser 1990, 22-24; Rabb 1975. Also Aston 1965.

22 Rabb 1975, 119.

23 Anderson 1988, 22-30.

7.3. *The Westphalian Order (~1648-1815)*

The supersession of the *Ständestaat* signalled a consolidation of territorial statehood. Yet this was not, as Ruggie would have it, sovereign territoriality “hammered home by war”.²⁴ Instead of portraying monarchical absolutism as the institutional form of a monarchy victorious over its internal detractors we have to emphasise the negotiated quality of this state.²⁵ The *incorporation* of the aristocracy came at a high price. For the king’s state itself became more aristocratic, with a noble class assured of its privileged position within this society, not just in terms of prestige and status, but also with respect to the access to surplus commanded by the state. Conflict between the aristocracy and monarchy remained high; crucially, however, such conflict lost its geopolitical dimension. Intra-ruling class competition was now primarily a non-military, domestic affair. By contrast, geopolitics - though driven more than ever by the needs for external expansion in order to secure the new domestic order - now became a relation between persons of sovereign authority no longer placed in a hierarchical system of politically constituted property (though a hierarchy of ‘prestige’ remained). These sovereigns had a *right* to war and conquest. Territorial rather than hierarchical redistribution came to dominate the dynamic of inter-sovereign relations. The *domestication* of the aristocracy was thus also an *externalisation* of geopolitics.²⁶

In this respect, Ruggie is right to argue that the consolidation of territoriality entailed a new principle of international legitimacy: “private wars ceased to be tolerated, and war making came to be universally recognised as an attribute of sovereignty”. Yet he commits an astonishing error of judgement when he suggests that the state now became, in its internal and external aspects, the organisational locus of the ‘public order’:

A fundamental shift was occurring in the purposes for which power could be deployed by rulers and be regarded as socially legitimate by their subjects. Internally, legitimate power became fused with the provision of public order, steadily discrediting its deployment for

24 Ruggie 1993, 162-63.

25 Duindam 1994, 42; Tallett 1992, 190.

26 While the differentiation of internal and external spheres became more pronounced, the attribution of different logics respectively, one characterised by the rule of politics, the other by the sway of force, is rather questionable; cf. Walker 1993, ch. 8. Absolutism remained fundamentally coercive in both respects.

primitive extraction and accumulation. Externally, legitimate power became fused with statecraft, steadily discrediting its deployment for primitive expansion and aggrandizement.²⁷

Ruggie's argument reflects a fundamental misunderstanding of the early modern state, especially in its absolutist form which Ruggie takes to correspond most strongly to the ideal-type of the territorial state. He takes the monarchy to be the representative of modernity, which imposes its forward-looking project on the feudal aristocrats; the latter are seen as defending their personal privileges and interests against the general interest of the 'public' state. Yet far from being the representative of the public interest, the absolutist project of state building signalled the monarch's claim to the state as his patrimony and private property. 'The state' is here not so much an institution of public authority, but the instrument which allows kings to privatise political power. The absolutist state is thus always first and foremost the king's state, the organisation through which kings seek to replace one form of political accumulation with another - equally non-modern - one.

At first sight, this characterisation of the absolutist state may appear as a return to the school-book versions of monarchical absolutism criticised in the last chapter, which evoke images of complete power by a single tyrant over all social life.²⁸ These studies suggest that the concept of absolutism is strongly misleading and obsolete. Yet if we take the essence of monarchical sovereignty in absolutism to be the claim to the state as a form of politically constituted property, we can understand both the innovations of monarchical absolutism and its inherent restrictions as a necessarily limited form of organising authority. For the project of the absolutist monarchy was not the establishment of all-encompassing control, but the attempt to rob all other repositories of power of their autonomy, and to make them derivative of the king's patrimonial state, even while accepting that authority would *de facto* remain dispersed. The aristocracy inevitably had to be part of the king's state in a privileged (though no longer autonomous) position.

The consequences can be seen even with respect to the very territoriality of absolutist authority. Important though the consolidation of territorial sovereignty

27 Ruggie 1993, 161-162.

28 Compare chapter 6, fn. 72

was, as authority was now wielded over the inhabitants of a more or less bounded area, it did not overcome the personal character of authority. This was still, in the eighteenth century, a Europe of 'composite monarchies'.²⁹ Domains and territories were not as fragmented as in the previous period, and princes strove to establish the contiguity of possessions, while having to accept the idiosyncratic privileges of the estates of each territory or even their separate administration. The only force binding these domains together was the king or prince himself.³⁰ And this bond was not always strong. Dynastic accumulation was accompanied by disaggregation as a consequence of the vagaries of succession or exchange. With every succession, the existence of the 'state' itself was in question, closely linking domestic and international crises.³¹

With power concentrated in the sovereign's person, wars of succession became, more than ever, the dominant feature of the 'international' politics of the Westphalian epoch (up to the Napoleonic era), which were at the source of all its major wars. Kratochwil is therefore right to argue that:

Quite contrary to the 'state-building' literature following Hintze's or Tilly's argument for the functional imperatives driving the consolidation of states in an anarchical environment, the prevailing order even in the eighteenth century was still largely dynastic ... The point driven home by wars of succession is not that 'anarchy' (...) prevailed, but rather that the dynastic property arrangements often led to the most bitter fights.³²

What, then, is the meaning of the *raison d'état* which is widely held to have become the expression of territorial sovereignty? It does not seem to pertain to the abstract interests of 'the state', but still refers to the personal interests of the sovereign, the dynastic proprietor of a conglomerate of territories.³³ This is, in

29 Elliott 1992, 70. Elliott suggests that one of the reasons for the resilience of this state of affairs lies in the ability of princes to marshal the resources of one territory against rebellions in another; 1992, 69.

30 Kunisch 1992, 25-26. Kunisch notes that this is the case even for the most advanced states like Prussia. Cf. Elliott 1992; Black 1990, 192.

31 Luard 1992, 202.

32 Kratochwil 1995, 30-31. Kratochwil's argument that the dynastic element decreased in importance during the eighteenth century contrasts with Kunisch 1992, 22-23; Sorel 1947, 27-28. On the international consequences of proprietary dynasticism, see Symcox 1973, 2-7.

33 "The imperatives of dynastic aggrandizement and prestige and the vagaries of dynastic change ... compromise any attempt to present the international relations of the period in terms of distinct and defined national interests"; Black 1990, 3. Symcox notes: "Personal *gloire*, dynastic prestige and reason of state often added up to the same thing"; 1973, 6.

fact, the *raison de prince*, shaped as much by the challenges to the domestic reproduction of his own position as by international imperatives.

Proprietary dynasticism is also at the heart of the early modern balance of power, which has to be understood in terms of a *balance of dynasties* rather than of territorial states. Indeed, the balance of power required and legitimised the subordination of core elements of the institution of sovereignty to its operation. Successions, unavoidably, were thoroughly internationalised affairs, which could not be left to domestic institutions to decide, as they could bring about major revolutions in the balance of power.³⁴ The balance itself did not work as a mechanism independent of volition but as an objective to which individual states bound themselves. Indeed, acting to preserve the European balance was understood to potentially contradict individual member's interests, clashing as it did with the interest in territorial expansion and personal *gloire*.³⁵ This may be the reason for its rather poor success: the fundamental principle of foreign policy was expansion rather than security. Not even the preponderance of opposing forces deterred Louis XIV or Frederick II from pursuing 'opportunities' for aggrandisement. Many kings sought territorial change, with scant regard for the rules and requirements of the balance. Princes sided with an already dominant Louis XIV in his campaigns to share the spoils. For some time at least, they joined the advancing revolutionary armies of France instead of building an alliance against it. Time and again, bandwaggoning rather than balancing was the preferred strategy, for it was the short-term extension of existing territories rather than the preservation of the status quo which formed the interests of absolutist princes.³⁶

The dynastic balance of the Westphalian system could not contain the bellicose impulses of the absolutist monarchies. Indeed, it seems to have worked best when it could be used to justify the predatory schemes of the great powers for their weaker neighbours' territories; in the name of the balance, compensations

34 Luard 1992, 150-52. The Spanish Succession illustrates the argument.

35 Black 1990, 162; Gulick 1967, 33. For Realists, the balance of power is of course a general principle of international politics rather than an institution of a specific international order (but see Krasner 1988). English School realism, by contrast, gives prominence to the question of the origins of modern international society and the balance of power. For an insightful exposition, cf. Butterfield 1966.

36 Luard 1992, 335 and 347-352; cf. Rosecrance and Lo, 1996.

for the dynastic or military expansion of a dynasty or state could be demanded. Successive peace treaties tried to re-establish a balance by such 'proportional aggrandisement', authorizing the separation and extermination of small states. The period also produced numerous plans for the break-up of France, Spain, Austria or Prussia.³⁷

If the balance thus did little to secure the survival of the units of the early modern international system, the idea of the balance may also have done more to fan than to restrain conflict. With the consolidation of territories and boundaries, expansion became more difficult for sovereigns and their states. That did not prevent states from seeking even small territorial gains – hardly surprising, given their internal constitution. Even though few lasting changes to the map of western Europe were made since this period, many territories changed their masters several times. But small gains of one side constituted a big threat to the others. While many wars were fought over minor territories, the “near-equality” of states (or dynastic conglomerates) also made sovereigns tread more cautiously for fear of retaliation. States, as Hinsley notes, “exhibited a kind of schizophrenia, the outcome of the conflict between their urge to expand and their need to be careful”.³⁸

It is difficult, at this point more than ever before, to distinguish strategic and 'economic' values attached to territorial conquest. Clearly, a geopolitical system based on territorial states and international anarchy acquires a specific momentum of its own. It does force sovereigns to react strategically to each others pursuits; it makes it necessary to react to the strengthening of potential opponents by increasing internal strength and seeking allies, thus contributing to what to sovereigns must have appeared like a security dilemma. The competitiveness of the international system also provided a powerful stimulus for the rationalisation of the state apparatus and increasing the efficiency of domestic

37 Gulick 1967, 70-72; Luard 1992, 201-203. As Sorel notes: “Louis XIV’s treaties for the regulation of the Spanish Succession caused a complete rearrangement of the map of Europe, a strange changing of dynasties and an astonishing migration of sovereigns and governments”; Sorel 1947, 33.

38 Hinsley 1967, 177.

resource mobilisation (implying, not least, a further turn of the screw on peasant surplus).³⁹

But rationalisation does not imply 'modernisation' (or even homogenisation). The international system contributed to the reproduction of different systems of politically constituted property within the state and the proprietary character of the state itself. The logic of political accumulation produced by internal property relations was thus buttressed from outside, reinforcing the continuous investment in the means of violence, both internally and externally. Warfare, in this dual determination, was indeed "not the 'sport' of princes, it was their fate".⁴⁰ But if this dynamic seems to be describable in Realist terms, the pattern of interaction, as we have seen, can only imperfectly be understood in terms of the balancing of power. The expansive impulses generated by their systems of property relations - rather than the premium put on security by the anarchical international system formed by these states - help us understand the failure of the Westphalian system to find a balance.

What emerges is a particular logic of anarchy, characterised by a very high degree of military and diplomatic competition. Differentiating between types of 'security systems' under conditions of anarchy, along the lines explicated by Alexander Wendt, may be useful in delimiting the Westphalian from the capitalist international system.⁴¹ Wendt suggests that anarchy is compatible with rather different patterns of interaction between states, which can be ranged on a continuum that leads from 'competitive' over 'individualistic' to 'cooperative' security systems. Anarchy is only the 'permissive cause' of conflict: the strategies of individual states cannot be derived from this structural principle. Whether states pursue 'self-help' policies, depends on their security identities. While Wendt is mainly concerned with the shaping of identities and interests by

39 Mercantilism is another of these means, usually identified as one of the sign-posts towards modernity. Justin Rosenberg proposes an interpretation of mercantilism, and the patterns of international trade in the early modern epoch, as dominated by a fundamentally pre-capitalist logic; Rosenberg 1994, 40 and 91-122; cf. McNally 1988; on the non-capitalist nature of merchant 'capital', see Wolf 1982, 79.

40 Anderson, 1974: 32.

41 Wendt 1999, ch. 6. Note that Wendt does not break down the anarchy-hierarchy dualism, nor does he ask how an anarchical international system emerged in Europe. Like Ruggie, he accepts the transhistorical existence of anarchical international relations

the experiences of interaction between states, he also notes the importance of the internal structures of these states. Indeed, the arguments presented above suggest that *what states can make of anarchy* in any particular historical situation is constrained by their (or by the most dominant states') internal structure. Internal identity and interest formation is, in this sense, more fundamental to the character of international politics, than the process of interactions; ultimately, *anarchy is what states are made of!*

Competitive security systems, in which self-help considerations (maximisation of relative gains) dominate foreign policy, emerge when predation looms large in the experience of states and their sovereigns. The absolutist international system, both before and after the Peace of Westphalia, approximates this image. As I have tried to show, the predatory character of their foreign policy was inherent in their internally constituted identity. Their domestic systems of property relations forced them to pursue expansive rather than security-oriented strategies. This basic constitution of international relations did not change with the consolidation of sovereignty in the Westphalian system. The mutual recognition of their 'territorial property rights' by sovereigns did indeed, as Wendt suggests, function "as a form of 'social closure' that disempowers nonstate actors and empowers and helps stabilise interaction among states".⁴² Especially by subordinating the aristocracy, sovereignty transformed the dynamic of international relations, ending the aristocratic war of all against all. Yet the strengthening of sovereignty did *not* give rise to an 'individualistic' security system, in which states pursue absolute rather than relative gains, as Wendt seems to suggest. The dynamic of conflicts between sovereign states was more controlled, especially on the theatre of war itself, but competition remained virulent. Hence the internalisation of sovereignty norms did not, as Wendt suggests, make states "more respectful toward the territorial rights of others".⁴³

while basing his historicisation of this structure on patterns of interaction rather than modes of differentiation.

42 Wendt 1992, 413.

43 Wendt 1992, 414-15. "Sovereignty transforms this system [the Hobbesian state of nature] into a Lockean world of (mostly) mutually recognized property rights and (mostly) egoistic rather than competitive conceptions of security"; *ibid.*, 415-16.

The system of sovereign states of the Westphalian epoch was thus a small step along the continuum of anarchical systems; but it was still dominated by the logic of predation rather than security. In this situation, the experience of states could not but reproduce the competitive nature of the early modern geopolitical system. Only with the generalisation of capitalism - a process promoted by the very competitiveness of the international system under the impact of English industrialisation, as we shall see - did it become *possible* for an individualistic security system to emerge.

7.4. England: Capitalism in One Country and Absolutist Geopolitics

The international system constituted by absolutist states had powerful effects on their internal development without, however, generating a transition to a modern form of rule, based on the separation of political and economic authority. In the case of England, by contrast, social struggles over property relations had led to the development of a capitalist economy and a form of rule abstracted from direct implication in the organisation of exploitation. English state development during the early modern period was shaped in many ways by its involvement in an international system driven by imperatives of territorial expansion; but the historically unique character of the English state was not thereby submerged.

This is not to say, that England's was a purely capitalist state. It was born from feudal state-building, in which the monarchy had assumed a relatively dominant position. And the monarchy's role in the early modern period cannot be reduced to that of an executive branch of government, operating within the parameters set by political society. In fact, much conflict arose from monarchical attempts to establish greater or even absolute authority. It is striking, however, that such conflict did not prevent the nobility from contributing to the strengthening of the state after the demise of feudalism. The English state achieved the monopolisation of the means of violence more effectively and long before the Continental states.⁴⁴ Having lost its ability to reproduce itself through coercive

44 Historical sociologists emphasise the role of external threats in the ability of monarchs to monopolise the means of violence. As we have seen, the constant wars in the sixteenth and seventeenth centuries, in fact, tended to strengthen the magnates. It may

surplus extraction from the peasantry, the nobility accepted its demilitarisation. In return, it demanded effective protection by the state against those ‘bastard feudal’ magnates who still tried to improve their fortunes by coercive redistribution of available surplus, as well as against challenges to their economic property rights from tenants and village communities.⁴⁵

Though rather ‘weak’ in terms of its ability to impose itself on society, the English state was also more unitary than absolutist states could ever become.⁴⁶ The state, rather than the king, was (or increasingly became) sovereign. Whereas continental social conflict was characterised by the struggles over the development of monarchical sovereignty, with the aristocracy trying to restrict the sovereign authority of the king’s state and to preserve their independent powers, English social conflict was a struggle about the control *of* the state and thus the *locus* of sovereignty.⁴⁷ While there was tenacious factional strife, there was no military conflict between the forces of centralisation and those of regional and corporate particularism, which was at the heart of the geopolitical dynamic in western Europe during the sixteenth and seventeenth centuries. Involvement in the great European aristocratic war was thus limited.

The suspiciousness of the parliamentary classes, fearing the strengthening of the monarchy’s control over the state, in turn restrained the state’s ability to wage war. In order not to strengthen parliamentary rights in exchange for extraordinary taxes, English monarchs generally pursued security rather than expansion in relation to the Continent (though not against the disorganised neighbours on the British Isles). The few ventures of English monarchs into the European fray

well be the relative security of the realm, that *allowed* English nobles to give up their independent military forces (though that they should *want* to do so derives from their new forms of reproduction). Otherwise, nobles might well have found it in their interest to maintain their military power and organise defence along neo-feudal lines in order to fend off the domestic dangers that a monarchical army implied. Insularity was an important factor contributing to the possibility of the English path; it was not, however, constitutive as Hintze implied, arguing that the “main explanation for the difference in the way political and military organization developed in England and France ... lies in the difference in the foreign situation”; Hintze 1975b, 199.

45 Brenner 1993, 652-53.

46 Ellen Wood notes that “even by the more rigorous standards of Bodin, it was England more than France that met the requirements of a true state, with a unified locus of political authority. The conceptual clarity of the French idea [of sovereignty] was a response to the *absence* in reality of an ‘absolute’ and ‘indivisible’ power”; Wood 1991, 44.

47 John Brewer 1990, 4-7; Rosenberg 1994, 137.

actually weakened their domestic position.⁴⁸ Paradoxically (at least in the terms of the state-building literature), the monopolisation of the means of violence, went hand in hand with the transformation of England into a “marginal power in the great European struggles of the sixteenth and seventeenth centuries”, which did not even field a standing army because it was opposed by the Tudor monarchs for fear of strengthening the nobility.⁴⁹

Foreign policy played an important role in the Stuarts’ attempts to establish absolute authority; along with taxation and religion, it was a crucial issue organizing conflict over sovereignty. It was not opposition to war *per se* - and to the additional taxes this implied - that led parliament to oppose the foreign policy of the Stuart kings. Conflict arose because “throughout the seventeenth century, monarchs tended to undertake *specific* wars - and pursue *particular* foreign policies - of which the parliamentary classes could not approve”.⁵⁰ These kings tried to strengthen their own position domestically and in the European community of princes through dynastic policies and the projection of power in ways that were apt to endanger the Protestant Settlement. The monarchy did not pursue some abstract, and objective ‘national interest’ for which they required additional means from egotistic and provincial parliamentarians. Rather, two different sets of interests vied for the definition of the *raison d’état*. The Stuart kings were fought so bitterly precisely because absolutist ambitions were not simply about a different form of government but a different form of society. They threatened personal liberties as well as the security of capitalist private property and the incomes landlords derived from it. The English state was threatening to become a ‘class-like competitor’ to the capitalist landed class whose conditions of reproduction were thus at risk.

International relations, then, shaped English political development in the Reformation period in important respects. During the seventeenth century, forces outside the ‘political nation’ were decisive in shaping the outcomes of rebellions and revolutions, precisely because of the demilitarisation of the English nobility: Scottish troops and the London ‘mob’ in 1640/41; and Dutch forces decided the

48 Zolberg 1980, 708.

49 John Brewer 1990, 7-13.

50 Brenner 1993, 648 (emphasis added) and 662.

fate of absolutism in England in 1688. But only after the Glorious Revolution did England itself assume an active role in the international system. The triumph of capitalist forces in the revolutions of the seventeenth century did not, therefore, generate a particularly pacific foreign policy. England (from 1707 Great Britain) “acquired a standing army and navy. She became, like her main rivals, a fiscal-military state, one dominated by the task of waging war”.⁵¹ To a large extent, we can understand the militarisation of the English state as a response to the competitive international system dominated by absolutist powers. With the consolidation of the absolutist state in general, and nearby France emerging as hegemon under Louis’s XIV rule in particular, the security of England’s territory and constitution became more precarious.

That the response to this threat was not bandwaggoning (as Charles II had tried) but balancing presupposed the reconstitution of the ‘national interest’. Parliament’s war against absolutism and William’s III war against French hegemony and its dynastic aspirations merged in the new English foreign policy.⁵² Convergence of external interests did not preclude continuing conflict over the extent of the crown’s prerogatives. Sovereignty now was with the *king in parliament*, with parliament being the dominant element; but the monarchy remained an organ of the state with aspirations beyond its constitutional role in order to pursue the king’s dynastic and personal interests. Parliament, in turn, jealously guarded its rights to control the army and navy and to taxation.⁵³ It also increasingly pushed for a *blue water* strategy of overseas expansion and the protection of trading routes. But only gradually did colonialism take pre-eminence over Britain’s continental strategy.⁵⁴ Significantly, British colonialism was not geared to imperial aspirations within Europe. The aim here remained security rather than expansion; by employing its resources as a “means of

51 John Brewer 1990, 27; O’Brien and Hunt 1993.

52 Zolberg 1980, 710; McKay and Scott 1983, 46-47.

53 Doyle 1981, 225; John Brewer 1990, 43 and 147.

54 Baugh 1988. It would be a mistake, however, to see English foreign policy in the eighteenth century, as Eric Hobsbawm does, as determined solely by commercial motives. Hobsbawm 1990, 49. Most importantly, ‘commercial motives’ were themselves shaped by the competitive dynamic of the absolutist geopolitical system, becoming expressed in terms of a mercantilist strategy pursuing *relative* gains. Cf. Christie 1982, 51; Crouzet 1996, 437; John Brewer 1990, 167-74. Whereas French

keeping Europe divided”, Britain kept the leading European states absorbed by their desperate attempts to gain advantages over their continental rivals.⁵⁵

The development of capitalist social property relations in England gave rise to a form of state radically distinct from that of absolutist France. But England’s capitalist state did not exist in a geopolitical (or historical) vacuum; its institutional development reflected outside pressures, filtered through social property relations. International relations contributed to the strengthening of the state apparatus and its ability to govern civil society. That the high levels of taxation it was able to impose did not lead to economic and financial crisis bears witness to the strength of capitalist production and its gradual penetration of commerce.⁵⁶ War itself contributed positively to capitalist development and the industrial revolution in England.⁵⁷ But it could have this effect - rather than the strangulation of production and finance by the logic of political accumulation - only because of the prior differentiation of an economic sphere, with its inherent necessity for investment and innovation in the means of production.

7.5. The European Transition from Absolutism to Capitalism

Capitalism, according to the argument outlined so far, was a local ‘invention’, the result of the unintended consequences of struggles over the reproduction of feudal property relations. For three centuries, English capitalism and continental absolutism coexisted, influencing each other in manifold ways without, however, losing their fundamental distinctiveness. Most importantly, there had been no endogenous development of capitalist property relations (or forms of production) within absolutist societies.

When capitalism spread to the states of continental Europe during the course of the nineteenth century, it was *externally* induced. Under the impact of the Industrial Revolution, the geopolitical pressures that had previously forced Britain to adapt to the pressures of absolutist geopolitics, now transmitted the

mercantilism did not generate a dynamic of *self-sustaining* economic (or even narrowly industrial) development, in England it did contribute to economic development.

55 Hinsley 1967, 184.

56 Mooers 1991, 166.

57 O’Brien 1994; Crouzet 1996; Weiss and Hobson 1995, 113-17.

pressures generated by unprecedented economic growth back to the Continent. As with the original emergence of capitalism in England, the ‘transposition’ of capitalism to the Continent was a ‘political’ process that derived from threats to the social reproduction of politically constituted property relations. In the case of the transition from absolutism to capitalism, this threat was primarily *geopolitical*.⁵⁸ The very competitiveness produced by the predatory character of absolutist states rendered the external reproduction of the classes organised *in and as* the state in Continental Europe highly precarious once a member of this system developed military capabilities like those generated by industrialisation.⁵⁹

The crucial point that needs to be emphasised is that just as the expansion of trade did not lead to the emergence of a capitalist economy, so the competitive pressures of the early modern international system by themselves cannot explain the process of *capitalist* modernisation. Strategies of ‘rationalisation’ pursued by continental states seeking to boost their competitiveness always remained bounded by the rationality generated by the absolutist socio-political property system. Absolutist geopolitics reproduced the internal logic of political accumulation that was at the heart of these pre-capitalist state/society complexes. Only now, confronted by the sheer material success of capitalism, did their competitive strategies begin to transcend this system in order to preserve the privileged domestic position of the (post-) absolutist ‘state classes’. In this respect, too, the absolutist period was not transitional in any teleological or evolutionist sense; it did not inevitably point to a more truly modern system beyond itself which its own internal dynamics helped to bring about.

Capitalism, hence, was ‘transposed’ from England to continental Europe by a series of ‘revolutions from above’ or ‘passive revolutions’.⁶⁰ It was imposed on

58 Wood 1991, 159; this geopolitical threat did not only come from outside, as the consequences of the industrial revolution led to military advantages, but also arose from the decreasing ability of European manufactures to compete against British goods, which undermined the economic foundations of military power.

59 Cf. Hall 1996, 68. That is not to say that only a perceived threat from Britain induced passive revolutions. In the case of Prussia, for instance, it was the defeat against Napoleon which triggered off the permanent revolution from above. But emulation of the model which had enabled Britain to almost single-handedly finance the Napoleonic wars promised a strengthening of the military powers of the state beyond what was possible by rationalisations within the absolutist property system.

60 Wood 1991, 102-5. According to Cox, a ‘passive revolution’ refers to a situation in which a powerful state influences the revolutionary development within other societies

non-capitalist societies by pre-capitalist ‘state classes’ for *geopolitical* purposes in which capitalist production figured only as an instrument. The political character of the social transformations taking place in most European societies in the nineteenth century is of course an established theme in historical sociology. According to Giddens, to cite just one example, “[c]apitalism developed within a military ‘cockpit’ in which the expansion of industrial production very soon came to be seen by all ruling groups as the *sine qua non* of national survival”.⁶¹ Where my analysis differs is in the interpretation of the rupture that was brought about by these policies: not as an extension and culmination of long-standing socio-economic tendencies within these societies, but as a fundamental break with their previous path of historical development. Industrialisation not only revolutionised the economy of these societies; it presupposed the transformation of their social and political orders.

A huge enclosure movement swept western Europe during the nineteenth century, as states now gave up the peasant protection policies sustaining the absolutist tax base. Seigneurial rights and dues were abolished and where serfdom still existed, as in Prussia, states now fostered the proletarianisation of the peasantry and the concentration of landed property.⁶² The dominant form of property was reconstituted, by political means. Private property in the means of production, rather than the means of coercion, now became socially and economically dominant. The structural rupture that resulted from these processes, especially the commodification of labour power (which implies more than wage labour, namely the market dependence of the direct producers), created a new form of market in western Europe, which was, as Polanyi argues, self-regulating and thus “radically different from even its immediate predecessor”.⁶³

in ways not inherent in their own social structures. Powerful states are “precisely those which have undergone a profound social and economic revolution and have most fully worked out the consequences of this revolution in the form of state and of social relations”; Cox 1993a, 59; cf. Gramsci 1971, 116.

61 Giddens 1981, 190; cf. Weiss and Hobson 1995, chs. 3-4;

62 Gildea 1987, 16-19.

63 Polanyi 1957, 250

That is not to say that states conformed to the role liberal *laissez-faire* ideology ascribed to it.⁶⁴ States certainly did interact in many ways with the economy, promoting and regulating production, finance and trade. Indeed, the more prominent role that the state generally assumed on the Continent may go some way to explain the relative decline of the British economy in late nineteenth and twentieth centuries. As Ellen Wood argues, the problem was increasingly the existence in Britain of “a state and a dominant culture all too well adapted ... to the economic logic of capitalism”. Some of the Continental states, by contrast, were more successful in a competitive world economy precisely because they were “able to resist and counteract the contradictory impulses of capital”.⁶⁵ From the moment of its expansion, then, capitalism did not produce a world in its own image; it came to dominate global social life by establishing a complex relationship between the old and the new. If there is any value in studying the emergence of the “pristine culture of capitalism” in England,⁶⁶ it certainly does not lie in abstracting a timeless model of capitalist development which we would expect to find replicated in all subsequent cases.

7.6. Conclusions

The capitalist transformation of European states, societies and economies during the nineteenth century was not the product of endogenous developmental dynamics. This argument, which goes against the grain of conventional wisdom, is sure to raise severe objections. For while it is quite clearly recognised in economic history and historical sociology that the capitalist transformation of Russia’s economy and society was induced externally under the impact of declining international competitiveness, such is not the case for western Europe, which is supposed to have undergone a long process of capitalist development whose origins may reach as far back as the twelfth century.

64 There is a tendency in Polanyi’s work, or at least in that of scholars influenced by it, to understand the disembedding of the economy in terms of non-interference by political forces; Polanyi 1957. But capitalism can be politically regulated, within limits, by political institutions without overcoming the fundamental differentiation of political and economic spheres.

65 Wood 1991, 167-169; compare Weiss and Hobson 1995, 129 and 203.

But in as much as France is typical for western Europe as a whole (an hypothesis tacitly underlying my argument, which would, however have to be subjected to more historical analysis, for instance with regard to the Dutch case), this region was not embarked on capitalist development during the early modern period. Moreover, rather than interpreting continental European development as 'deficient' when measured against the English yardstick, I have argued that English and European patterns of development represent two radically distinct forms of society and social logics of process which did not point towards an identical or even similar future. If their futures were eventually joined under a common, capitalist, horizon, this was the result of the staggering success of economic development in Britain after the onset of the Industrial Revolution. Mediated by the absolutist international system, this development produced pressures of adjustment on the absolutist states which could no longer be met within the existing relations of domination and appropriation. The impetus for these transformations, in other words, did come from outside rather than from within these societies; they were a result of the injection of a capitalist element into the dynamic of absolutist international relations.

In many respects, the European transitions to capitalism were therefore similar to the Russian case. The 'state classes' of nineteenth century western Europe promoted the capitalist transformations of their own societies once the products of capitalist development in England began to undermine their ability to reproduce themselves. Within the western European countries themselves, there had been no endogenous process of capitalist development; capitalism was imposed on these societies by absolutist state classes as a means of maintaining the international competitiveness of the states which afforded them access to politically constituted forms of property. This threat to their reproduction, I have argued, was not so much an internal one: it stemmed from their declining competitiveness in the international system, whose predatory dynamic was itself the result of the logic of political accumulation on which absolutist states were premised.

To some, this argument may seem rather instrumentalist and ‘top-down’; it certainly appears to contradict the demand for an account that takes seriously the dialectics of agency and structure, which I have emphasised in earlier chapters. It should be considered, however, that structure and agency do not relate to each other in the same way throughout history; this relationship is itself a historical one. Furthermore, the question whether particular processes have been more forcefully advanced by dominant or subordinated classes cannot be decided on the basis of *a priori* considerations. Social theories do not become instrumentalist by privileging agency over structure, or one form of social agency over another, in any *particular* historical instance.

Thus, the role of the peasantry in the original transition to capitalism in England was quite distinct from, and much more important, than in the case of the general transition from absolutism to capitalism in continental Europe. Similarly with the aristocracy and the monarchy; whereas in the English case the emergence of capitalist social property relations was unintended, in the European case it was clearly a conscious strategy. This does not mean that ruling class choices can explain the whole process of transformation in the nineteenth century. Once we consider the particular processes of capitalist transformation in different countries, movements of resistance, for example, will become very important. Yet the general capitalist transformation can best be understood in the context of the geo-political threats to the reproduction of the absolutist state classes who re-invented themselves as capitalist classes and/or bureaucratic elites.

It has to be emphasised, however, that neither in the original transition in Britain, nor in the subsequent expansion to Europe, could the process of capitalist development be understood as an ‘economic’ process. The emergence of an ‘economy’ was precisely the result, not the precondition, of the rise of capitalism. For this reason, even though the dynamic of feudalism appears - in modern terms - *political*, the ‘politician’ explanations of the transition to modernity proposed by some historical sociologists are just as problematic as the economic ones favoured by many Marxists and liberals. The underlying concept of politics is an abstract one, divorced from (though of course interacting with) economic power. Politics and economics are seen as two different sources

of power, the former being privileged in these accounts.⁶⁷ Technology usually acts in both economistic and politicist formulations (and pluralist combinations) as the *deus ex machina* that explains historical change; teleology remains rampant.

If we nevertheless interpret the rise of capitalism as a *political* process (as it involved, for example, the often violent (geo-)political struggles between actors that are commonly regarded as ‘political’, like kings, lords, etc.) it is because we cannot leave our modern categorial framework behind completely. But only by rigorously historicising these categories can we hope to escape a modernisation perspective in which the end point is given from the beginning, because we read capitalist modernity into its pre-history. Only by taking seriously the notion that pre-capitalist politics is fundamentally different from capitalist politics (not just in content, but in form, too), can we hope to do justice to the world-historical rupture that the transition to capitalism entailed. The very *political* processes through which the *political* power to exploit (political, because it was based on allocative resources, which, as we have seen, were constituted through relations of domination) was privatised and evacuated into the ‘economic sphere’, transformed the nature of the relations of domination.

The ability to extract surplus through ostensibly non-political, contractual relations, however, required the *empowerment* of economically constituted forms of property (i.e. property in the means of production rather than coercion). This empowerment of *things* to mediate the process of surplus appropriation presupposed the separation of men and women from their means of reproduction. This was, again, an eminently political process, which left them, as Marx observed, free not only of personal dependence, but free of the ability to secure their livelihood without having to sell their labour-power to those who control the means of production. In every aspect, the creation and constitution of the *capitalist* market was the result of a *political* reorganisation of the social relations of exploitation and domination

With this evacuation of coercive power from the relations of surplus extraction (replaced by an ‘economic’ compulsion that forces people to reproduce

67 Hall 1996, 34.

themselves in the market), the meaning of 'politics', too, undergoes a profound transformation. It becomes, for all the interventions of states, 'abstracted', 'alienated', or 'insulated'. Here are not only the origins of the private economy, but of the political, public state as well. In nineteenth-century Europe, politics "became the state's field to play, held not to be properly part of capital relations or religion but a sphere unto itself".⁶⁸ Where the boundary between politics and economics lies is the subject of intense social conflicts, which pervade the history of capitalist modernity; their relationship is not fixed. But it is important to recognise that the creation of a 'self-regulating' private economy and an 'autonomous' political and public state are coetaneous, and co-constitutive of capitalism. In other words, it is only capitalism that produces an autonomous state; or perhaps more precisely: only capitalism allows civil society to become autonomous from the state. In this sense, the abstraction of 'the political' from 'the economic' marks a fundamental restructuration of the *relations of sovereignty* within the state of continental Europe.

The separation of politics and economics, then, was the consequence of the reconstitution of social property relations along capitalist lines. No longer was the state the primary organisation of surplus appropriation from which a privileged class derived its income. The post-absolutist state classes continued to derive incomes and economic privileges from the state (though these increasingly came to be identified as corruption rather than legitimate property). But the state accepted and advanced the insulation of an economic sphere, thus allowing for a logic of *economic* accumulation to develop. Crucially, this logic of accumulation was not contained by political boundaries; capitalism allows not just for commerce and trade across borders, but also makes possible the transnational organisation of the extraction of surplus. States can insert themselves in the (potentially) transnational system of exploitation in various ways; certainly, they are not made helpless and redundant by this transformation.

Yet the fundamental fact remains that this transformation also entails a change in the meaning of territoriality. As Rosenberg notes, the capitalist transformation

68 Grew 1984, 103; cf. Cochrane 1986, 88.

creates states that are both more consolidated *and* more porous.⁶⁹ In that sense, capitalist territoriality *is* distinct from absolutist territoriality. However, the historical argument developed over this and the preceding chapters confirms the initial critique that had been their starting point: that the separation of internal and external was not concomitant with the separation of politics and economics. If capitalist territoriality is different from absolutist territoriality, as I have argued, we still have to recognise that the political space of capitalist modernity is organised on the basis of exclusive territoriality not because of anything within capitalism, not because of anything in the nature of the capital relation, but because capitalism came to exist in and through the system of territorial sovereignties created through the process of political accumulation.⁷⁰ For all the changes, and indeed the historical rupture it brought, the particular character of the capitalist transformation reproduced the boundaries of particular states as well as, more fundamentally, the *boundedness* of political communities. The political organisation of capitalist social relations *in the specific form of a multiplicity of territorial states* was not the creation of capitalism.

69 Rosenberg 1994, 131.

70 It may be objected that early modern England, too, was a territorial state; therefore, the argument that territorial statehood is a historical legacy from the pre-capitalist past into which capitalism was born may seem to be unfounded. Yet in the English case, the highly developed feudal state structured the possibilities for political organisation once capitalism emerged; it also provided the basis for the kings' attempts to strengthen their own domestic power. British territorial statehood was also strengthened, as we have seen, through Britain's involvement in the absolutist international system. How the political structures of the British state would have developed if the city-state rather than the territorial state had become the dominant political form in continental Europe is a counter-factual question that is hard to answer; on the possible 'communal' alternative to the territorial state, see Press 1989 and Spruyt 1994.

8. INCONGRUENT SPACES: NATIONAL STATES AND GLOBAL ACCUMULATION

8.1. Modernity Reconsidered

Among the social philosophers, sociologists and social theorists of the nineteenth century, the idea that their century was witnessing a fundamental transformation was almost universal. Karl Marx, for instance, regarded the capitalist transformation of Germany and France (though not Britain) as only just beginning at the time of his writing. Similarly, as Raymond Grew, a leading historian of the period, points out, “[u]ntil quite recently, most writing about the modern state took the nineteenth century as its touchstone”.¹ Today, by contrast, the origins of the ‘modern state’ tend to be located in the fifteenth or even twelfth century, while nineteenth-century developments are skipped over in the story of ‘state-building’.

One reason, Grew suggests, may be that the nineteenth-century state represents an anomaly in the dominant account of the rise and rise of the state. The curtailing and dismantlement of the absolutist state under the impact of liberalism thus appears as a “digression in history’s larger course”.² Grew moreover points out that, as nation-states emerged at the end of the nineteenth century - through movements of national unification or secession, as well as through the strengthening of the ties between the individual and the state - historical sociologists began to posit a direct line of continuity to the absolutist period. Ranke and other members of the German historical school could see even less of a rupture, as states seemed to be returning to their traditional business of expanding their power, if necessary by way of war. Continuities were also increasingly stressed in other respects. The mercantilist policies of the early modern state seemed quite similar to the neo-mercantilism of the imperialist and protectionist nation-state. The origins of capitalism were pushed back as far as those of the state itself, with antecedents reaching back into classical antiquity.

1 Grew 1984, 83.

2 Grew 1984, 84.

The paradigm of ‘endless modernity’ (Albrow) was born in this period of nationalist reformation and imperialist expansion.

There have, of course, always been dissenting voices; unsurprisingly perhaps, most of them come from continental Europe. Emmanuel Le Roy Ladurie insists that the post-feudal period did not see a take-off of capitalism and modernity, but was characterised, into the nineteenth century, by economic non-development.³ From a more institutionalist perspective, the German historian Otto Brunner has argued for a fundamental continuity of historical development from 1000 to 1800 (a thesis that has more recently been elaborated by Dietrich Gerhard).⁴ In this view, ‘Old Europe’ only came to an end with the industrial and French Revolutions. While these alternatives draw on economic and institutional history, the cultural roots of modernity in the sixteenth century have seldom been challenged until very recently. Michel Foucault’s distinction between a Renaissance episteme, a classical episteme which developed during the seventeenth century, and a modern episteme that emerged at the turn to the nineteenth century, may represent a departure in this respect.⁵ This argument has been echoed by Jens Bartelson, who argues that distinct forms of sovereignty correspond to these epistemic periods.⁶

There are numerous and substantial differences between these approaches and the one suggested here. Not least, they differ in their assumption (which mirrors that of the ‘modernisers’) that western Europe as a whole, underwent similar changes on the same historical trajectory. This is also the case with regard to those even more radical historians and social scientists who, like Arno Mayer, have highlighted the “persistence of the old regime” up to World War II, a thesis that has been echoed, in an IR/IPE context, by Sandra Halperin. According to Mayer, “[d]own to 1914 Europe was pre-eminently preindustrial and prebourgeois”.⁷ In a way, these scholars extend (or rather transfer) Perry Anderson’s notion of absolutism as a transitional form of society to the

3 Ladurie 1974.

4 Brunner 1968; Gerhard 1981; cf. Bödeker and Hinrichs 1991; Vierhaus 1992.

5 Foucault 1972; cf. Wittrock, Heilbron and Magnusson 1998.

6 Bartelson 1995, 85 and 186-188; cf. Wokler 1998.

7 Mayer 1981, 17; cf. Halperin 1997, 190: “the structure of traditional society remained intact in Europe until the beginning of World War I”.

nineteenth century and beyond. As Halperin puts it: “The expansion of capitalism ... in Europe ... produced a socio-economic system that was capitalist in many institutional aspects of production but feudal in its social relations”.⁸ Whereas Anderson sees the French Revolution as the final triumph of capitalism, Mayer and Halperin are much more sceptical; at most, this event and the industrial revolution appear as the *starting points* of the transition to modernity. This change in perspective results from their emphasis on industrialism rather than capitalism as the hallmark of modernity. The burden of proof that nineteenth century Europe, up to 1945, was not really ‘modern’ thus turns on their ability to show that the European economies were still largely based on agriculture and manufacture, and that the leading class which dominated these states politically, socially and culturally was the aristocracy rather than the bourgeoisie.

Descriptively, I find much that is useful in these works, more certainly than in the dominant variants, whether cultural, economic or geopolitical, of the modernisation model which posits an inexorable rise of modern states, economies, and individuals. In many ways, the historical perspective which underlies this and subsequent chapters of this thesis parallels that of Mayer and Halperin, interpreting the period between the Vienna Congress and World War II as transitional. However, I take this to be the transition from absolutism to capitalism, rather than from traditional to industrial society. This brings into sharp relief a historical and theoretical problem: the relationship between capitalism and modernity.

8.2. *Capitalism or Modernity?*

The starting point for this thesis has been the argument that in order to understand the nature of current processes of globalisation, we have to historicise the international system. The category which usually underlies similar attempts to historicise international relations is that of modernity; the task is then to conceptually grasp the specifically *modern* form of international relations. In the liberal and statist traditions, this would entail showing how the rise of the system

8 Halperin 1997, 189; cf. Mayer 1981, 20; Anderson 1974.

of sovereign states is part and parcel of the more general rise of modernity, alongside cultural and economic processes. In the Marxist tradition, the notion of capitalism encompasses much the same phenomena that the category of modernity covers. However, Marxists have always been insistent that these phenomena are not autonomous, but are the superstructural expressions, in the realms of politics and ideology, of the real innovation: the rise of a capitalist economy and a bourgeois class.

Following the arguments of the preceding chapters, the equation of capitalism and modernity can no longer be maintained. The category of modernity itself, which so far has served as an unproblematic point of reference for the historicisation of international relations and social life more generally, appears as increasingly problematic. As is evident from the argument so far, there is no longer a direct substantive or even temporal nexus between capitalism and modernity. 'Capitalism' can no longer, as for much of the Marxist tradition, simply subsume all the different dimensions of what has traditionally been thought of as 'modernity'. If capitalism has only spread across Europe in the nineteenth century (and even then in a protracted way), then what are we to make of the great innovations of modernity: the scientific revolution, individualistic subjectivity, rationalist epistemologies foremost among them?

At best, their connection to capitalism becomes contingent; they are related to capitalism in England, but not on the continent. England, however, was rather 'deficient' with respect to some crucial aspects of 'modernity'; we have already noted its under-developed, non-rationalised state, the very limited role of bureaucracy, and the custom-based system of law (in which Roman elements were of minor importance). Reinhart Koselleck, moreover, points out that the link between morality and politics (another benchmark of modernity, surely) was not severed in Britain, unlike in its absolutist neighbours.⁹ And, conversely, what of the Enlightenment, the very core of the 'project of modernity', which was (at least in its narrow eighteenth-century sense) mostly a continental affair.¹⁰

9 Koselleck 1988, 53-59.

10 The 'Scottish Enlightenment', by contrast, would seem to owe its distinctive character precisely to the rather different socio-economic context of British development.

For Habermas, this project of modernity is marked by the “radical embrace of the future”, a future to be made and fashioned by human agency.¹¹ Rather than accepting the order within which they find themselves situated as given, human beings, in a particular part of the world (‘the West’), started to question not only the existing social order, but also the underlying cosmology which designated this order as necessitous. They thus became the subjects of their own world, which they constructed according to their innate rationality; in this pursuit, they were also able to draw upon their capacity to know the world as an object outside of themselves. Rational knowledge and instrumental rationality in acting upon the world gave these sovereign individuals increasing mastery over nature and over their own social life.¹² ‘Faustian individualism’ became the basis of a collective project of constructing the future.

But capitalism was neither the product of this ‘promethean’ attitude, nor the material base on which such an ideology flowered. We have seen that the origins of capitalism have little to do with individuals rationally pursuing profit, and all with the creation of market dependence. The presuppositions and implications of such a system of market dependence, I have argued, can only be grasped on the basis of a notion of capitalism as a social totality. Now, however, we are confronted with a complication in this argument. For many of the aspects of social life over the last two centuries, among them those which appear to us most distinctively modern, are in fact not internal to capital as a social relation at all. As with exclusive territoriality, they simply cannot be decoded as social forms of capital. So while we live in the epoch of capitalism rather than modernity, we have to be careful not to attribute too much generative power to capital. We cannot, for instance, unmask the ‘modern’ subject as the abstract individual of capitalist society, as C. B. Macpherson’s theory of possessive individualism sought to do.¹³ Nor can we decipher Cartesian rationalism as the science of a bourgeoisie driven by the urge and need to conquer the world (market).

11 Habermas 1998b, 197 (my translation).

12 Therborn 1995, 126-27.

13 Macpherson 1972. Heilbron argues that the discursive construction of the ‘homo economicus’ cannot be directly related to the rise of capitalism, or to the increasing influence of the bourgeoisie; Heilbron 1998.

Boaventura de Sousa Santos has therefore suggested that a strict distinction between capitalism and modernity should be made. “Modernity and capitalism are two different and autonomous historical processes”. Modernity emerged during the sixteenth century, while capitalism came to dominance after the turn to the nineteenth century. “From then on, the two historical processes converged and interpenetrated each other, but in spite of that, the conditions and dynamics of their development remained separate and relatively autonomous”.¹⁴ This resolution has much to commend it; but it remains unsatisfactory as it takes capitalism to be a phenomenon of the ‘economic sphere’, while modernity is taken to belong to the cultural and political realms.

More pertinent, therefore, is the solution indicated by Ellen Meiksins Wood, who suggests that the ‘project of modernity’ has its roots in the social struggles surrounding the internal organisation of absolutism. In these struggles, the non-capitalist bourgeoisie advanced universalistic ideas to undermine the privileges of the nobility in the competition for access to state offices, not to legitimise and promote a capitalist transformation of society.¹⁵ This perspective suggests the need to distinguish between ‘absolutist-bourgeois modernity’ and ‘capitalist modernity’ as two social totalities.¹⁶ The point here is not to suggest that there is an essential continuity between the two forms of modernity. On the contrary, it is to emphasise not only that these two modernities are incommensurable and that absolutist-bourgeois modernity did not generate within itself the forces which led to capitalist modernity; it is ultimately to assert the limited utility of the category of modernity itself. At the same time, it becomes possible on the basis of this distinction to ask in what way aspects of absolutist-bourgeois modernity continue to shape and configure capitalist modernity during the nineteenth and twentieth

14 Santos 1995, 1. Santos adds: “Modernity did not presuppose capitalism as its mode of production. ... Conversely, the latter, far from presupposing the sociocultural premises of modernity for its development, has coexisted with, and indeed thrived in conditions that, viewed from the perspective of the paradigm of modernity, would definitely be considered premodern or even antimodern”; *ibid.*

15 Wood 1997a, 546. Wood notes: “I have no wish to reduce the Enlightenment to crude class ideology; but the point is that in this particular historical conjuncture, in distinctly non-capitalist conditions, even bourgeois *class ideology* took the form of a larger vision of general human emancipation, not just emancipation for the bourgeoisie but for humanity in general”; *ibid.*, 548.

16 This differentiation is based on Wood’s distinction between bourgeois and capitalist modernity; Wood 2000 and 1991, ch. 1.

centuries, not just in the political and cultural realms, but also in the economic 'sphere'. However, this does not imply an interpenetration of 'equals'. There is a very definite sense pervading Wood's argument that capitalism is universalising itself and subordinating the 'historical legacies' of absolutist-bourgeois modernity to its logic of process.¹⁷

It is, then, the notion of *totalisation*, rather than *totality*, which has to be at the centre of the interpretation of capitalist development over the last 200 years. The notion of totalisation must be one of the least popular in today's social sciences. Some readers will predictably take this turn in the argument as proof that historical materialism, in the end, cannot escape from its methodologically reductionist and, worse, politically totalitarian foundations. I may not even be able to convince them to read on by reassuring them, as many Marxists have done before, that I regard capitalism as a form of social organisation that is inherently contradictory and which by necessity produces fragmentation and differentiation. Nor will these readers take comfort from my assertion that it is, after all, capitalism itself that is not only totalising but also inherently totalitarian, given its tendency to subsume all social relations, all cultural creations, and even nature itself, under its manic logic. Consequently, they will not give much credit to (or at least doubt the viability and indeed desirability of) the political project underlying this thesis, which is to insist on the need to overcome capitalism in order to make possible the full development of the potentials of human individuality.

Having said all this, I should also point out some of the more immediate benefits of a switch from totality to totalisation for the interpretation of capitalist development. For this shift in perspective implies that, whatever may be the case today, in the past really existing capitalism was *not* what Marx termed a 'mature totality'. Consequently, to analyse the process of capitalist development exclusively through the prism of 'capital in the totality of its social relations' would be highly misleading. As Marx noted even the leading industrial states of nineteenth-century continental Europe, Germany among them, suffered

not only from the development of capitalist production, but also from the incompleteness of that development. Alongside the modern evils, we are oppressed by a whole range of

17 Wood 1997a, 554 and 558.

inherited evils, arising from the passive survival of archaic and outmoded modes of production, with their accompanying train of anachronistic social and political relations. We suffer not only from the living, but from the dead. *Le mort saisit le vif*.¹⁸

The perspective of totalisation implies that 'historical legacies' become progressively subsumed under the capital relation. In this sense, capitalism certainly has become more 'total' than it had been during the first half of the nineteenth century when it started its bloody march across the world. Yet the perspective of totalisation, of the increasing subsumption and *internalisation* of aspects of social life that do not derive from the capital relation itself, has to be complemented by considering the ways in which really existing capitalism was and is structured or configured by historical legacies.

To argue, for instance, that Enlightenment thought was not a form of consciousness developed through the experience of capitalism and its logic of process is not at all to say that Enlightenment thinking did not play an important role in the practical, scientific, moral and aesthetic experience of the last two centuries. The forms of consciousness that emerged during the early modern period, from Renaissance humanism to the Enlightenment (which did not simply accompany but often directly challenge the prevailing social orders), continued to shape the way in which men and women conceived of their world, even as it became transformed by capitalism. They provided them with reasons for resisting or promoting this transformation, and moulded their perceptions of the possibilities for, and limits to, individual and collective agency.

In the end, however, we live in the age of capitalism. The legacies from absolutist-bourgeois modernity are losing their ability to structure capitalism's existence. Returning to Wood's argument, we can now see that this is what the contemporary debate on postmodernity so inadequately reflects (given that it misunderstands capitalist modernity as the direct continuation of the Enlightenment project). For Wood, what is distinctive about the present conjuncture is that capitalism has finally become 'total'. After the end of World War II, "capitalism has become for the first time something approaching a universal system". Only since then has capitalism "truly penetrated every aspect of life, the state, the practices and ideologies of ruling and producing classes, and

18 "The dead man clutches onto the living"; Marx 1977, 91.

the prevailing culture".¹⁹ What some Marxists, seeking to ground postmodernity in material relations, have sought to conceptualise as postmodern capitalism is thus

not just a *phase* of capitalism. This *is* capitalism. If 'modernity' has anything at all to do with it, then modernity is well and truly over, not created but destroyed by capitalism. The Enlightenment is dead.²⁰

It is this perspective which will guide my attempt to conceptualise the development of the relationship between the capitalist world economy and society on the one hand, and the territorial state and system of sovereign states on the other. I will suggest, however, that we cannot take for granted - even today, as capitalism has come to correspond more closely to its own concept - that the process of subsumption has been completed. In fact, I will contend that pre-capitalist dimensions of statehood have not yet become completely internalised. It is precisely the territorial aspect of capitalist statehood which speaks to this; a complete subsumption would entail the emergence of a 'global state' (a concept which I will leave deliberately unspecified for the time being). The question of whether we are currently witnessing the transcendence of territorial statehood is, of course, at the heart of the globalisation debate. Wood is certainly right to criticise the spatial terms on which this debate takes place, and to stress that

we must now talk about the new world order not just in essentially geographic terms, nor simply as the liberation and spatial expansion of some perennial 'economic' logic, but as a continuing process of social transformation - a social transformation that increasingly subjects human beings, their social relations and practices to the imperatives of capital accumulation.²¹

At the same time, it is clear that accumulation takes places within spatial parameters. These parameters are not fixed; they are, as a generation of radical geographers has taught us, themselves socially constituted and have profound social implications.²² The geographies of accumulation and exploitation, of class relations and international domination, thus have to form an integral part of the study of capitalist development as a process of the widening and intensification of relations of market dependence. This is all the more the case if the

19 Wood 1997a, 551; cf. Löwy 1998; 17-18.

20 Wood 1997a, 559.

21 Wood 1997a, 554.

22 Cf. Lefebvre 1991; Harvey 1982 and 1985; Smith 1984; Soja 1989; Neil Brenner 1999.

accumulation and social reproduction of capital continues to be structured by an element of social reality that does not have its origins in the capital relation itself, and thereby not only to influence the global relations between capital and labour (as well as many other forms of domination and exploitation), but also the patterns of war and peace.

Capitalism rather than modernity is the category which allows us to make sense of our historical period. Such has long been the claim of Marxists. But if we are to understand the dominant way of ordering social life over the last two centuries as capitalist, we can only do so by moderating our claims for which historical phenomena and processes the category of capitalism can encompass. In particular, I have argued that capitalism simply cannot be equated with modernity; Marxists cannot do any better than 'bourgeois theorists' simply by collecting all the things that are usually designated 'modern' and then declare confidently that they all emanate from capital. Capitalism, as E.P. Thompson insisted, is more than capital. The crucial task is, instead, to show how the institutions and modes of thought which absolutist-bourgeois modernity generated became part of capitalist modernity, both by shaping and being shaped by the capitalist logic of process.

A general discussion of the ways in which absolutist-bourgeois 'modernity' and capitalism interpenetrated is beyond the scope of this thesis, though this issue will by necessity intrude in this and the subsequent chapters in an *ad hoc* way. The central concern of these chapters is the conceptualisation, in a historical and dynamic perspective, of the changing relationship between the state and the world market. In this context, I will ask how the historical legacy of exclusive territoriality structures capitalism's logic of process, and how, in turn, 'state space' is subsumed under capital.²³

23 The concept of 'state space' derives from Henri Lefebvre. According to Neil Brenner, "Lefebvre conceives state space in terms of three fundamental elements – national territorial space; an integral grid of state sociospatial organization composed of politico-institutional and administrative configurations, built environments, and symbolic monuments; and the mental space produced by the state"; Brenner 1997, 146.

8.3. *Capitalist International Relations?*

The implicit claim here is that capitalism, rather than modernity, is also the appropriate concept for the historicisation of the international system – even though the very fact that capitalism has an international system cannot be explained by reference to capital itself. In other words, it is suggested that we understand more about the international relations of the nineteenth and twentieth centuries if we *start* from capitalism rather than from the ‘structure’ of the international system or, more restrictively, from the nature of geopolitics in the period in which the interstate system was born. And yet, we will not understand the international relations of capitalist modernity at all if we *stop* with capitalism and abstract from the heritage of capitalism’s pre-history. For the conceptualisation of the international system, this implies that the alternative between which Chris Chase-Dunn would have us choose, namely whether capitalism and the international system follow autonomous logics or are constituted by a single logic, is too narrow.²⁴ At least for the history of international relations in capitalist modernity up to now, the answer has to be: neither.

Have we ended up with Weberian pluralism after all, as many Marxists will undoubtedly charge? Some historical sociologists have indeed argued that capitalism did not give rise to the international system of territorial states. Theda Skocpol, in particular, has argued that

The international states system as a transnational structure of military competition was not originally created by capitalism. Throughout modern world history, it represents an analytically autonomous level of transnational reality – *interdependent* in its structure and dynamics with world capitalism, but not reducible to it.²⁵

Michael Mann, too, has persistently pointed out the weakness of the Marxist notion that international relations between sovereign states are a by-product of capitalism. Similarly to the argument suggested here, Mann claims that “the multi-state system was in place well before capitalism emerged”:

24 Chase-Dunn 1991, ch. 7. Chase-Dunn’s argument is that “the capitalist mode of production exhibits a single logic in which both political-military power and the appropriation of surplus value through production of commodities for sale in the market play an integrated role”; *ibid.*, 131.

25 Skocpol 1979, 22.

One point must be made clearly – there is nothing in the capitalist mode of production which itself ‘requires’ a multi-state system. The two are contingent. Indeed, [capitalism’s] requirements for political regulation and military expropriation ... would be met more efficiently by a single, universalistic state, at first European-wide, then global in scope.²⁶

For Mann, this argument implies that there is an autonomous dynamic of ‘militarism’ that derives from the fact of multi-stateness itself. The prevalence and logic of warfare, which was “a constant right through European history”, is not fundamentally affected by capitalism. War neither fulfils a functional role for capitalism (though it is useful in the process of ‘primitive accumulation’ and expropriation), nor does capitalism’s emergence into the European state system lead to the pacification of international relations.²⁷

But there is more to social science than methodological pluralism and economic determinism; neither will do. The Weberian tendency to reify the international system as an autonomous and even unchanging structure and to posit ‘war’ as a relentless force imposing itself on social actors has already been identified as one of its main problems. In its stead, I have suggested that geopolitical systems must themselves be conceptualised as historically constituted on the basis of the prevailing social property relations. While this has been recognised by some Weberian critics of Weberian historical sociology,²⁸ their alternatives remain circumscribed by their dogmatic pluralism, which has its source in a naturalistic and evolutionistic understanding of capitalism. Like their historical sociological ancestors, they cannot see that capitalism is more than an economic sphere, that it involves a whole set of structures and institutions which make it possible for people to become and remain dependent on the market for their livelihood.

Capitalism is a social system that entails, among other things, a definite form of statehood: a ‘purely political’ state that is abstracted from the exploitation of surplus, yet internally related to capitalism as it makes possible the private appropriation of surplus on the basis of the control over economic forms of

26 Mann 1988, 139. Mann continues: “It is true that many historians argue that the multi-state system encouraged the competitive dynamism of capitalist development; that is competition between states, as well as enterprises, encouraged growth. I accept this argument. But if so, this was an empirical fact, not a functional requirement”; *ibid.* In this respect, my approach differs strongly from Mann’s, as it does not even accept an empirical relationship between state-formation and capitalist development.

27 Mann 1988, 140-42.

property. In this sense, even though the concrete policies of the state can never be reduced to capitalist class interests or the functional requirements of capital, the capitalist state is never just a state in capitalist society. It is never just a set of institutions that has evolved along an autonomous trajectory of ‘the political’ (and perhaps in conjunction with an equally autonomous realm of ‘militarism’), which for some more or less determinate reasons begins to interact with a ‘capitalist economy’. The critique that Richard Ashley levelled against the ‘first wave’ of historical sociologist theorists applies equally to the ‘second wave’:

The problem in Tilly’s and Skocpol’s writings, I think, is a tendency to rely upon an abstract and ahistorical understanding of capitalism consistent with its own reigning ideology. Capitalism thus appears as a purely economic relation, a form of production relations distinguishable from politics, the state, and the nation-state system. The nation-state system can only appear as an exogenous force, a limit, or a condition characterized (after Weber) in terms of its own unique control over violence. It then becomes possible to advance the theme of the anarchic ‘structure’ of international politics, the situational imperatives it imposes upon local development possibilities, and, hence, the causal priority of international politics over the development of capitalism.²⁹

The problem with historical sociology is thus not simply its naïve and uncritical appropriation of traditional Realism, as some of the ‘second-wave’ critics of the ‘first wave’ of Weberian historical sociology would have us believe, but is related to their misconception of capitalism.³⁰ Ashley is, however, also highly critical of the argument that the nation-state system preceded capitalism:

Despite the tendency to associate realism with a system of states whose ‘anarchic structure’ is said to predate and condition the emergence of capitalism in Europe, realist power politics cannot be reduced (as Tilly, Skocpol, and Giddens tend to reduce it) to the status of an exogenous constraint on capitalist development, an antecedent condition, a hold-over from a premodern order.³¹

28 Cf. Hobson 1998a and 1998b; Hobden 1999.

29 Ashley 1987, 430 (fn. 8).

30 According to Hobson, the ‘first wave’ of Weberian historical sociologists, and especially Theda Skocpol, have emphasised the autonomous role of the state in historical change. “However, at times the system of states has been singled out as the sole determining variable, leading to a geopolitical reductionism, which in turn justifiably lends credence to the critique of [Weberian historical sociology] as merely a sociological realism”; Hobson 1998a, 288.

31 Ashley 1987, 423. The point that Ashley seeks to make here is the one which I have tried to refute in the previous chapters, i.e. that the international system of territorial states is a social form of capitalism. In remarkably similar terms to Rupert, Burnham and Rosenberg, Ashley suggests: “critical analysis should regard the partially autonomous community of realist power politics as the historically specific political relation – the global public sphere, as it were – of a world capitalist system. ... [R]ealist power politics should be grasped as a community whose normalized practices and rituals of power mobilize global resources, discipline practices, and thereby clear and delimit spaces of

While I have argued the territorial international system preceded capitalism, I do not think that this must necessarily lead to the conclusion (at least within the present framework, whatever may be the case with Weberianism)³² that “realist power politics” are an “exogenous constraint on capitalist development”. Ashley here seems to reproduce the misleading alternative between pluralistic interaction (here with a presumption of the relative primacy of the political) and the notion that whatever exists *in* capitalism exists *because of* capitalism. The crucial point, however, is that the international system of capitalist modernity is no longer *exogenous*, but has become internalised into its fundamental logic of process.

The perspective of totalisation, I have suggested, provides a viable alternative which allows us to understand capitalist development as both a structured *and* open-ended process. It is open-ended, firstly, because even within capitalist modernity it is far from clear that capitalism can ever become identical with its own concept and thus achieve its *telos*; it is unclear, in other words, whether a complete subsumption of historical legacies is possible. Secondly, even if this were the case, the contradictory nature of capitalism itself renders all attempts to construe the totalisation of capitalism as a wholly progressive march towards perfect political community (whether at the national or the global level) hopelessly ideological; totalisation also implies the totalisation of the contradictions of capitalism. Finally, it is also open-ended, because while the contradictions of capitalism, and the struggles surrounding its reproduction, allow us to glimpse the immanent possibility of a radically different way of ordering social life, the achievement of a socialist alternative is not the *necessary* outcome of the totalisation of capitalism. History has no *telos*; and even capitalist development, despite capital’s totalising dynamic, does not follow an inexorable

domestic politics wherein recognizably capitalist subjects can secure their dominance...”; *ibid.* However, the question *why* this should be so, why capitalism is “*dependent upon the competent and skillful action of knowledgeable subjects of a realist power community*” (*ibid.*, 424 emphasis in the original) is, I suspect, not answered by Ashley – or else I do not understand his answer.

32 At least in the case of Anthony Giddens, Ashley addresses his critique to the wrong person. Indeed, Giddens (1981, 12) strongly emphasises that “capitalist states emerged as nation-states: the association between capitalism and the nation-state was not the ‘accident of history’ that it has appeared to many Marxist and non-Marxist historians alike”. This is of course rather dubious claim in itself. The argument that capitalism and the ‘modern state’ necessarily developed together is much more popular among Marxist

path to the identity of really existing capitalism with its own concept. Moreover, just how and in what aspect capital becomes more total in particular historical processes cannot be conceptualised on the basis of an 'ideal history'.

8.4. *Territoriality and the World Market (A Second Cut)*

Capitalism exists, politically, in the form of a system of abstract sovereign states not for reasons immanent to capitalism but for historical reasons. Moreover, these historical reasons do not derive from the particular character of early (i.e. mercantile, agrarian or manufacturing) capitalism, but as a result of the processes of political accumulation since the feudal period, which dominated European historical development until the nineteenth century. This argument raises two broad sets of questions for a historical materialist theory of International Relations: firstly the subsumption of the state and international relations under capitalism; and secondly the way in which territoriality continues to shape capitalism.

8.4.1. The Internalisation of the International System

What are the consequences of the capitalist reconstitution of society for the nature of the state and the dynamic of the international system? Against the argument that there is an essential continuity between the early modern and the nineteenth and twentieth century state (and state system) as both are premised on the exclusive territoriality of 'rule', I have argued that the transition from absolutist to capitalist sovereignty is of fundamental importance. In particular, the presumption of continuity obscures the crucial reconstitution of sovereignty from a property relation to a purely political relationship in capitalist societies, and thus the related transformation in the character of territoriality based on generalised impersonal rule.

Most fundamentally, the state and its sovereignty was 'hollowed out': territoriality became exclusive with respect to political space only, while the

and non-Marxists (including, *pace* Ashley, most Weberian historical sociologists) alike, than the positions Giddens and Ashley attribute to them in this respect.

privatisation of appropriative power allowed for the organisation of surplus extraction across boundaries through the productive employment of contractually secured labour.³³ As a consequence, the old problematique of sovereignty (i.e. the assertion and rejection of claims to universal empire and the securing of the territorial integrity of a state's polity, society and economy) was supplanted by a new problematique which has increasingly come to dominate the discourse of sovereignty ever since: the ability of states to shape their societies' destiny in the face of world economic and social interdependence.³⁴

But the internalisation of the interstate system may be the most protracted of all the processes through which capital becomes total. It presupposes that the separation of politics and economics in the domestic realm has been completed, that post-absolutist state classes have lost their grip on the state, that the conflicts between capital and labour have replaced (or at least supplanted) those between the capitalist bourgeoisie and the aristocracy, the monarchy, and so on. Moreover, it presupposes the completion of these processes not just in one state, but in most states, at least those which dominate the international system. Such a reconstitution is thus a gradual process. And yet, if there is any point to the talk about the emergence of a 'postmodern' international system, we should look for its roots not in or around 1973, but in the nineteenth century transition to capitalist sovereignty and property relations. It is this revolution which arguably underlies the redefinition of state identities and interests since 1945 which have so patently changed the nature of international relations.

Does that mean that capitalism as such is peaceful, that contemporary military conflict derives from the 'non-capitalist' elements in capitalism? Such a claim would surely be untenable. As Michael Mann notes,

more and more of the globe has been caught up in the transition from 'backwardness', through an era of massive expropriation, coercive labour forms and military violence, to a more institutionalized integration into capitalism and free wage labour.³⁵

Where no pre-capitalist states existed to internalise this political process of capitalist expansion, imperialist forms of primitive accumulation were employed. Even if capitalist statehood had been spatially coextensive with the capitalist

33 Cf. Diner 1993, 17-24; Rosenberg 1994.

34 Diner 1993, 38ff.

economy from its birth, the expansion of capitalism beyond its existing boundaries is an inherently violent process. *Market forces* only begin to operate when politico-legal force has set in motion the process of primitive accumulation, the separation of the direct producers from their means of subsistence. But what if this process of global primitive accumulation has been completed and all states have become mature capitalist states? Jens Siegelberg notes in his important attempt to develop a Marxist theory of the relationship between war and capitalism:

Only when capital has run through all the intermediate stages of its own development towards self-valorising value does the possibility emerge for violence to be foregone as an economic force. For only capitalism possesses within itself social mechanisms for the permanent increase of labour productivity and of society's wealth, which make the application of direct force in the appropriation of the products of other peoples' labour unnecessary.³⁶

The process of capitalism's maturation, according to Siegelberg, does not only make possible the pacification of class relations in a way that was unthinkable in pre-capitalist societies, but it also creates the conditions for the pacification of the relations between states, which no longer have to engage in external expansion in order to sustain the system of politically constituted property within their boundaries. With an expansive mode of material reproduction existing within and across each state, territorial expansion loses its compulsive character.

In this perspective, patterns of warfare over the last 200 years have to be regarded as accompanying the imposition of capitalist social relations in Europe and beyond, whether war serves the control and transformation of non-capitalist areas, or results from externalisation of the contradictions and tensions within countries undergoing capitalist 'modernisation'. With many countries still in the process of the transition to capitalist modernity, which others have long achieved, there has been an increasing bifurcation of the international system. On the one hand, there is a more or less pacified 'zone of peace' in which competition usually takes economic forms; on the other hand, there are the 'zones of turmoil' in the 'underdeveloped' world, in which military force and

35 Mann 1988, 138.

36 Siegelberg 1994, 58 (my translation).

economic competition still go hand in hand.³⁷ In between, it should be stressed, there are changing spaces of engagement which see the use of military power by members of the zones of peace seeking to contain local instabilities and to maintain the ‘rules of the game’ of capitalist accumulation.

In terms of Wendt’s continuum of security systems, it may be possible to argue that capitalism at least creates the possibility (if not necessity) for a move from a ‘competitive’ to an ‘individualistic’ system – as it similarly creates the possibility for, but not the necessity of, liberal democracy.³⁸ Can we expect, then, that the future of capitalist development will bring a progressive universalisation of the ‘zone of peace’ as capital becomes more total? Only if we accept the neo-classical understanding of capitalism (which finds its correspondences in the marginalist interpretations of capitalism and the state in sociology, political science and IR/IPE), with all its deficiencies and deformations. The capitalist economy is not a self-equilibrating process; it has an inherent tendency to over-accumulation. Capital accumulation gives rise to uneven development between countries and regions; it also leads to severe social tensions and, as Karl Polanyi emphasises, even threatens the very possibility of social life itself.

For Polanyi, this social and cultural contradiction at the heart of market society was a central element in the “breakdown of nineteenth century civilization”, which culminated in two world wars.³⁹ By contrast, Siegelberg (like Mayer and Halperin) sees these wars as an aspect of the protracted rise of capitalism rather than springing from its internal contradictions. He suggests, however, that while economic competition increasingly replaces military competition, there is a possibility that war might once again become more likely even within the capitalist core. The reason is that economic competition itself has become so rampant and destructive that it leads to economic crises and social disintegration, which in turn threaten democracy and the pacification of domestic and international relations.⁴⁰

37 Cf. Singer and Wildavsky 1996; by contrast to Singer and Wildavsky, the argument developed here suggests that these two zones are inherently related to each other.

38 Cf. Wendt 1999, ch. 6.

39 Polanyi 1957, 249.

40 Siegelberg 1994, 100. There is an obvious link in Siegelberg’s theory to the ‘democratic peace’ thesis, which has been highlighted by Wolf 1995. It should be noted, however, that Siegelberg does recognise that threats to democracy and international peace arise

The contradictions of capitalist class society, then, are prone to take a geopolitical form even when states have been subsumed under the capital relation. It could be argued, however, that this is itself a consequence of the incomplete internalisation of the state's territoriality and the interstate system. The state has not been fully subsumed until capitalism's political and economic spaces are co-extensive – in other words, until the multi-stateness of capitalist political space has given way to a 'global state'. As long as an interstate system structures capitalist modernity, such contradictions can and will find expression in geopolitical competition and war.

Capitalism, to conclude, transforms the state, the social relations of sovereignty and the international system; it has also, at least so far, reproduced the international system of territorial states. The states which constitute this capitalist international system are no longer the states of the absolutist period. Every aspect of their statehood, even the nature of their territoriality has undergone profound transformations. The boundaries of the state have, with the rise of a capitalist world market, been transformed from limits into barriers. What were insurmountable restrictions on pre-capitalist forms of social organisation become mere barriers that capital could overcome. Among these are not just social, but also national limits: "capital drives beyond national barriers and prejudices as much as beyond nature worship."⁴¹ But capitalism has not obliterated the boundedness of political space (and thus of political community). The final frontier for capitalism has not been overcome once capital has penetrated every nook and cranny of the globe, every country, every social relations, every aspect of human culture; the final frontier is the boundedness of statehood itself. Marx himself noted:

But from the fact that capital posits every such limit as a barrier and hence gets *ideally* beyond it, it does not by any means follow that it has *really* overcome it, and, since every

from the same historical process that made them possible in the first place: the rise and expansion of capitalism.

41 Cf. Marx 1993, 650: "The limits which it tore down were barriers to its motion, its development and realization. It is by no means the case that it thereby suspended all limits, nor all barriers, but rather only the limits not corresponding to it, which were barriers to it".

such barrier contradicts its character, its production moves in contradictions which are constantly overcome but just as constantly posited.⁴²

What are the contradictions that arise from the persistence of national boundaries, if only as barriers rather than limits? And can the forces unleashed by capitalism ever overcome this final frontier of exclusive political territoriality?

8.4.2. *The Territorial Configuration of Capital*

An answer to these questions can only be framed if we look at the interpenetration of capital and territoriality from the other side and ask how territoriality of political authority has come to structure capital's logic of process. What are the implications of this territorial pre-figuration for the way in which capital operates, for the fundamental laws of motion and contradictions of capitalism? More specifically, how does territoriality shape the nature of competition between individual capitals? How does it structure the relations between classes domestically and internationally? How does it affect the way in which the world market is regulated by territorial authority? And in what way is the operation of the law of value itself modified in the world market context by the fact that the circulation of capital is mediated by national currencies?

There is a clear limit to what we can say about these issues on a theoretical level. Territoriality, in itself, does not structure anything. Only through the agency of states and social classes, which in their competitive struggles (both horizontal and vertical ones) draw on the resources provided by territorial authority, does the territorial form of statehood become imbricated with the social and spatial reproduction of capital. Not only is the relationship between territoriality and capital's logic of process a dynamic one, it can also, ultimately, only be understood in a historical perspective. Yet, as David Harvey points out, for too long social theory has taken space relations and geography as unchanging background conditions in which history takes place. It is crucial, therefore, to set out the conceptual issues involved in introducing a historical and geographical materialist perspective. Harvey rightly emphasises the need not just for greater

42 Marx 1993, 410 (emphasis in the original).

attention to geographical differences, but also for a historical geography of capitalism. As he notes, Marx did not provide more than the starting points for such a perspective: “His political vision and his theory are ... undermined by his failure to build a systematic and distinctively geographical and spatial dimension into his thought”. Harvey however rejects the presumption that such a spatial theory of capitalism “can be reduced to a theory of the state”.⁴³

This is an important point, as it cautions us against taking state territoriality to be the only spatial scale of relevance. Capitalism, even in the abstract, is not an a-spatial mode of organising social life. Even a fully totalised capitalism would not be pure temporality, as postmodern capitalism’s organic intellectuals proclaim. Even as capitalism is producing abstract space, capital accumulation always takes place in specific spatial geographies and in particular places. As Michael Storper notes, economic activity is “territorialised” (or ‘localised’) in as much as it depends on resources specific to a particular locale.⁴⁴ The very dynamic of global accumulation itself presupposes the non-identity of the places of accumulation, production and distribution. Moreover,

capital is not perfectly mobile in any of its forms. Certainly money capital moves with great swiftness and to great distances in search of more advantageous combinations of inputs and markets, labourforces and technology. Yet in order to produce surplus (value), firms must build up a productive apparatus consisting of fixed capital, workers, land, political alliances, and so forth – all with a local base.⁴⁵

This leads to a more general point. Capitalist spatiality can never be simply and immediately global (or local, or national). Following Henri Lefebvre, Neil Brenner argues that we can understand the historical geography of capitalism

as a multi-layered scaffolding of intertwined, coevolving spatial scales upon which historically specific linkages between processes of capital accumulation, forms of state territorial organization, and patterns of urbanization have been crystallized. Lefebvre rejects the attempt to attribute causal primacy to any single spatial scale: local, regional, national,

43 Harvey 1985, 143.

44 Storper 1997, 20. ‘Territorialisation’ in this usage does not refer to ‘state space’; cities, regions or countries could be the relevant ‘place’. Also note that places are, in this perspective, not given by what nature has endowed them with; they are socially produced.

45 Storper and Walker 1989, 47. Compare this to the standard position summarised by Porter: “In a world of global competition ... location is no longer relevant. Geography and political boundaries have been transcended. The firm, in particular, can shed its locational identity or dependency entirely”; Porter 1994, 35.

and global social relations overlap within the same worldwide territorial grid of capitalist modernity.⁴⁶

For Lefebvre, the state scale, though not determining, is crucial in the production of capitalist space. This centrality is not least the result of the globalisation of national statehood itself, of the universalisation of territorial sovereignty as the prevailing form of organising statehood in capitalist modernity since the late nineteenth century and particularly since decolonisation.

The territorial space constituted by the state is thus of particular relevance for the spatial geography of capitalist modernity. Most fundamentally, territoriality has a profound effect on the social and spatial organisation of social classes. By fracturing the social space of capital along territorial lines, it conjoins a horizontal dimension to the vertical relationship between classes within each state. It fragments the classes of capitalist modernity (capital and labour foremost among them) on a particularistic basis, and prevents the transnational dynamic of class struggle from becoming decisive. This fragmentation should not be absolutised, as social scientists, enthralled (whether as supporters or critics) by the spectacle of nation-state formation, tended to do for more than a century. Capitalism does constitute a world economy and society that transcends the territorial state; yet it is clear that states are not merely functional or administrative sub-units of the larger world system.

As a result, the world market and society cannot be understood directly in terms of the economic competition between individuals or firms and the social conflicts between capital and labour over property, production and distribution. Class identities and interests always have a transnational dimension in capitalism, but the territoriality of political authority means that particular amalgamations of class interests and 'national interests' will be of decisive importance in shaping the historical geography of capitalism in any given conjuncture. It valorises the territorial state as the basic spatial point of reference. In important respects, capital constitutes itself as 'national capital'; as Engels suggested, the modern state is "essentially ... the ideal personification of total national capital".⁴⁷ Much earlier, Marx and Engels had noted that in the process

46 Neil Brenner 1997, 145.

47 This claim in Engels' *Anti-Dühring* is quoted in Barker 1991, 209.

of capitalism's development, independent provinces and their institutions "became lumped together in one nation, with one government, one code of laws, *one national class-interest*, one frontier, and one customs tariff".⁴⁸

It should be noted that Marx's developmental sketch of the capitalist state (like most of Marx's other historical schemes and many of his historical accounts) is contradicted by the present analysis. Even where nation-states were formed, during the nineteenth century, by agglomeration, the original 'provinces' had been territorial states. What Marx describes is part of the replacement or supplantation of dynastic states by nation-states (through social incorporation and spatial integration), not the emergence of territorial statehood as such. Also, this account leaves open the question why state-building stopped at the level of the nation-state rather than moving on, by further agglomeration, to the construction of a world state. But the crucial point here is that, in as much as states came to organise national segments of social classes politically, two consequences follow: firstly, competition in the world market is not directly between individual capitals, but is mediated by state boundaries; and secondly, this enables the state to organise the external projection of national class interests through foreign policy, diplomacy, and military force.

The first point is important in that it implies that the law of value has different effects in the national and the international spheres.⁴⁹ In Marx's abstract theory of capital, which regarded "the whole world of trade as one nation", the allocation of socially necessary labour to the various branches of production is explicable on the basis of the law of value. What amount of abstract labour time is necessary is shaped, *inter alia*, by the market in which producers compete. If the whole world is a single nation, then the necessary labour time will be determined on a global basis; consequently, there will also be a single global average profit rate.

But what if the world market is segmented by the boundaries of states? While state boundaries are indeed unprecedentedly porous for the flow of commodities and money in capitalism, and thus allow for the possibility of a world economy,

48 Marx and Engels 1998, 10 (emphasis added).

49 On these issues, see especially Busch 1974, 38-53; compare Braunmühl 1978 and Neusüss 1972, 125-147.

they still have the crucial effect of modifying the law of value. In particular, they make the national market primary in determining necessary labour time and the average rate of profit. The reason for this effect is the existence of different national currencies. The law of value cannot organise the allocation of socially necessary labour time on a global scale in any direct way, as national values are mediated by exchange rates.

This is, of course, the basis for a liberal world market, which allows relatively less productive capitals from underdeveloped countries to compete in the world market with more productive capitals from core countries. The relative protection afforded by the undervaluation of currencies to capitals which would be unable to compete directly (if located within the same national economic space) is what makes an international division of labour possible. However this is an international, i.e. territorial, division of labour; the world market thus constituted is formed not by firms but by nationally delimited spheres of circulation within which firms are located.

This leads us to the second point. The world economy is, of course, not simply the harmonious realm of mutually beneficial exchange that economic theory has seen fit to emphasise. If state boundaries constitute 'national collective capitals', then the competitiveness of individual capitals in the world economy is shaped decisively by the comparative advantages of the 'country'. Consequently, as Realists in their particular one-sided representation of the international political economy have stressed, the boundary mechanisms of the territorial state and its economy can become offensive weapons in the struggle for world market shares and profits. Exchange rates, tariffs, and subventions can all be moments of competition policies by states designed to bolster the competitiveness of their national capitals.

Why should states do this? The actions of states, even with respect to the national and international economy, cannot be reduced to the interests of dominant classes or the purposes of 'hegemonic blocs', even though classes and interest groups do, of course, seek to influence state policies. But in important respects, the autonomy of states with respect to policy is quite real. This autonomy is, moreover, reinforced against the attempts by particular classes or class fractions to impose their particular interests, by the 'Janus-faced' character

of the capitalist state. But, as I have emphasised before, this cannot form the basis of a statist theory which attributes an autonomous logic to political development. The state, at least in its aspect as an abstract political entity, is internal to the capital relation. By maintaining the boundaries between the political and the economic (in the sense of keeping property relations depoliticised), the state reproduces the class character of capitalist modernity. Any state, however, that does nothing more than to guarantee capitalist property relations and the sanctity of contracts will soon face severe problems. The legitimacy of the state has become tied up with its success in securing accumulation and profitability. Moreover, the state itself becomes reliant on the material sources provided by the private economy for its own survival and expansion.

In many ways, then, the fate of the state is bound up with the fortunes of the private economy. Yet while capitalist states have become involved in the economy in order to secure the conditions for their own reproduction as well as that of capital, they are faced with two problems. On the one hand, their interventions can themselves disrupt capital accumulation and thereby undermine the preconditions for the stability of the state and capital. On the other hand, states do not even have complete control over the *background* conditions of successful capital accumulation and social pacification as many of them are located beyond the grasp of their territorially grounded political authority. The abstract nature of capitalist political authority is fundamentally limited. Indeed, as long as the separation of political and economic spheres is maintained, there can be no real self-determination of the national political community through the sovereign state. "*Cuius regio, eius oeconomica*" is not a viable principle of capitalist sovereignty and territoriality.⁵⁰

But while the state cannot, in capitalism, constitute an economy that is completely contained by 'state space', the role of the state in the social and spatial structuration of the world economy remains crucial. Most importantly, the territorial segmentation of capitalist political space means that the role of the

50 Diner 1993, 21. 'Neo-mercantilist' economic policies are therefore quite different from earlier forms of mercantilism; the national economies they constituted were integrated into the capitalist world economy; cf. Latham 1997, 434.

state is quite different in the domestic and international contexts. As long as an international system exists in capitalist modernity, even mature capitalist states will play a decisive 'geo-economic' role. Internally, these states are abstracted from the 'economic sphere'; their central politico-economic role is the maintenance of competition and the provisioning of the rule of law. Successful economic reproduction presupposes a high degree of neutrality vis-à-vis individual competitors within the 'national economy'. In the external context, by complete contrast, the "state represents the interests of the national capitals in the international competitive struggle with all available political and economic means".⁵¹

In the world market, therefore, states are themselves parties in the competition for world market shares, rather than guarantors of the market as such. For this reason, Dan Diner argues, the domestic separation of politics and economics is "inconceivable in the sphere of world society".⁵² Political and economic forms of power mesh (rather than interact) in the international politics of capitalist states; this finds expression in persistent attempts of particular states to structure the world economy and the international division of labour. These endeavours to alleviate the deleterious consequences of the "territorial non-coincidence" of the political and economic spaces of capitalist modernity have long been at the heart of IPE. A central aspect of the struggle for *hegemony* is the attempt to impose a particular political framework on the world economy by internationalising the authority of one state (or perhaps group of states).

8.5. *Conclusions*

The "territorial non-coincidence" of statehood and world economy in capitalist modernity is crucial for understanding the social and spatial development of capitalist modernity.⁵³ The reasons for this non-coincidence of capitalism's political and economic spaces is, I have suggested in earlier chapters, not

51 Busch 1974, 271.

52 Diner 1985, 336-40.

53 The centrality of the "territorial non-coincidence" of world market and sovereign state has been addressed by Murray 1975, 108.

derivative of the capital relation itself; yet its consequences for structuring capital's logic of process in the capitalist age are profound. At the level of the individual territorial state, this finds expression in a tension between the state's need to maintain the ability of 'its' capitals to successfully reproduce themselves on an expanded scale (and thereby to create the conditions for the reproduction of the state).

At the level of the totality, the territorial non-coincidence results in a contradiction. The particular state form of capitalist modernity, the territorially bounded state, is the only basis on which the 'general (class) interest' can be organised. The requirements for the reproduction of capital, of its accumulation and profitability can thus only be met at the national level. This leads not only to an 'overdetermination' (to use this terrible term for once) of economic and class competition with political forms of competition; it also raises the possibility, as Robin Murray noted, that the 'state functions' required by global capital cannot be successfully met by national states.⁵⁴

This is not to say that the relationship between territorial statehood and the world market tendency of capital is *the* fundamental contradiction of capitalist modernity. I accord place of pride to the contradiction at the heart of the capital relation: that between capital and labour. This relationship, in turn, finds expression in a whole range of further contradictions. To name but a few: between use-value and exchange value; between production and realisation; between private accumulation and appropriation and its public, political presuppositions. The contention, then, is that each of these relationships is structured by the contradiction between political territorialisation and economic and social globalisation.

In many ways, the Marxist discussion of the 1970s over the internationalisation of capital, which located the contradiction in the inability of national states to provide the necessary state functions for the social and economic reproduction of increasingly global capital, has anticipated, and even set the parameters for the contemporary globalisation debate.⁵⁵ If so, they may also have to share some responsibility for the limits of this debate, in particular

54 Murray 1975, 129.

those which stem from the particular question they sought to answer: what are the consequences of the *increasing* transnationalisation of production for the national state and the national economy. As for globalisation theorists, the nation-state is here turned into the unquestioned starting point in a progressive historical scheme, even while its future is put in question by the forces which drive this progression towards true social, political and economic globality. This, however, is a serious misrepresentation of the economic and historical geography of capitalist modernity, as I will seek to show in the next chapter.

9. BEYOND THE 'TERRITORIAL TRAP': TOWARDS A HISTORICAL GEOGRAPHY OF CAPITALIST MODERNITY

9.1. The 'Territorial Trap' and the 'Nationalist Conceit'

The central argument of this thesis is that the exclusive territoriality of political authority that prevails in capitalist modernity was not itself a product of the emergence of capitalist social relations. While capitalism entails the separation of political and economic power, we cannot derive from this argument an explanation for the empirical fact that the sphere of the political is fractured by territorial boundaries demarcating sovereign spaces. Moreover, I have argued that the separation of politics and economics, and the differentiation of internal and external realms, did not even have the same historical origins. In the preceding chapter, I have sought to spell out the conceptual and theoretical implications of this argument with respect to our understanding of capitalism and 'modernity'. In particular, I have argued that the continuing existence of territorial statehood in capitalist modernity must have profound consequences for the way in which capitalism's logic of process is structured both spatially and socially.

But while these arguments tell us something about the tensions and contradictions which the "territorial non-coincidence" of capitalism's political and economic spaces generates, they do not in and of themselves allow us to understand the concrete development of capitalist modernity. Firstly, the argument presented so far cannot as such explain the *concrete* historico-geographical patterns and political-economic relationships between national states and the world economy that have existed over the last 200 years. The relationship between politics and economics is not fixed and unchanging. To note their unique formal separation in capitalist modernity is clearly not enough; the question that has to follow immediately is how are they related, ostensibly as

'autonomous spheres', in different historical phases of capitalist development.¹ The same applies to the relationship between the national state and the world economy, where this question arises in a more complex way, and to the relationship between 'external' and 'internal' arrangements. Moreover, although the elements of contradiction and totalisation emphasised earlier introduce a necessary dynamism into our understanding of capitalism, they cannot themselves determine the concrete historical process. How capitalist modernity developed over the last 200 years, in other words, cannot be read off its constitutive social forms and their relations with each other. Any attempt to squeeze the history of capitalism into a rigid succession of 'stages' is futile.

If the contradictory relationship between territorial statehood and world market relations cannot explain the particular social and spatial forms of capitalist development, it can no more provide a direct answer to the question why the territorial state became *more* rather than less dominant in the political economy and geography of capitalist modernity. That the territorial state assumed this centrality, however, is undeniable. For at least 100 years after Marx's death, the dominant tendency was the further territorialisation not just of political authority, but increasingly also of civil society and the economy. The social sciences, even including modern economics, began to take 'national society' and the 'national economy' as their unquestioned 'units' of social life – so much so that the social sciences ended up in what John Agnew has termed the "territorial trap". Socio-geographical space becomes regarded as frozen, held in place by the formative powers of the territorial state. Instead of limiting the problematique of IR/IPE to the question of how these states relate to each other, Agnew demands that we should launch a new research agenda that centres on the

historical relationship between territorial states and the broader social and economic structures and geopolitical order (or form of spatial practice) in which these states must operate. It has been the lack of attention in the mainstream literature to this connection that

1 To argue for the centrality of the separation of politics and economics is not to suggest that there is no 'interaction' between these spheres, or that states do not play an important role in the regulation and reproduction of 'the economy'. Clearly, this role has become more important over the last century, and even in our neo-liberal times it is far from marginal or reducible to liberal ideology. To repeat, however: this does not negate the specifically capitalist separation of political authority from surplus appropriation.

has led into the territorial trap. In idealizing the territorial state we cannot see a world in which its role and meaning change.²

The force of Agnew's important contribution to a non-state-centric IR/IPE is somewhat diminished, however, by his acceptance of the notion that state-centrism, though it has become obsolete in recent decades, was adequate to the period since 1875. Along with other critics of state-centrism, he regards social relations in the era of 'rival imperialisms' as almost completely containerised. Moreover, Agnew also follows the conventional notion of a "secular trend in spatial practice" which leads from a supposedly highly territorialised division of labour under "early industrial capitalism" to a genuinely global division of labour since the late 1960s.³ Globalisation means, in this perspective, the break-up of the cage which the nation-state had erected around society.

I have suggested in chapter 1 that these approaches take as absolute what are only tendencies which actualise different potentialities of capitalist modernity. The age of rival imperialism, for instance, saw not only the containerisation of social relations but also, and in very close relationship, their further expansion. To focus on just one of these dimensions of modern development is highly misleading. A large number of studies have by now reacted to the globalisation thesis by pointing out that the world economy of the imperialist period was in many respects more highly integrated than today's world market.⁴ Moreover, this world economy was not simply an 'international', as opposed to 'global' system, the former involving trade, the latter transnational production. The imperialist world economy was not simply based on 'arms-length trade' in which nationally produced goods were exchanged across boundaries. Levels of foreign direct investment were relatively high, and, as Glyn and Sutcliffe argue, "every available descriptor of financial markets in the late nineteenth and early twentieth centuries suggests that they were more fully integrated than they were before or

2 Agnew 1994, 77.

3 Agnew 1994, 66-67 and 69-70. Martin Albrow, despite his perceptive critique of state-centric social theory, similarly agrees that sovereign nation-states after the 1870s successfully controlled 'their' society, making the nation-state the ultimately definitive institutional structure of (high) modernity; Albrow 1996, 43.

4 Hirst and Thomson 1999, ch. 1; Sutcliffe and Glyn, 1999; Bairoch and Kozul-Wright 1998.

have been since".⁵ The classical Marxist theorists of imperialism, of course, saw the specificity of the imperialist world economy in the dominance of the export of capital instead of goods (as in the period of free trade).⁶

There is, hence, a danger that the critics of state-centric IR/IPE leave the 'territorial trap' only to become entangled in the 'nationalistic snare'. Indeed, as Cameron and Palan note, the paradox of the contemporary globalisation debate is that "the concepts of the nation-state and the national economy have never been so widely and uncritically accepted as at the time of their (alleged) passing".⁷ Even most critics of state-centrism accept the self-representation of the nation-state as the true spatial and social embodiment of political community at face value, when the real task for a critical theory of IR/IPE is to overcome the *nationalist conceit*. This conceit lies not in taking the nation-state seriously, but in accepting its claim to have been the sole source of power, the ultimate container of society, and the primordial unit of space during the century from 1870 to 1970. In reality, the territorial state of capitalist modernity always mediated the dynamics and contradictions of a capitalist world society.

In order to understand the changing nature of this mediation, it is necessary to move beyond the dichotomy of 'national'/international and global' as if they were successive stages of modern social organisation. Instead, we have to look at the changing *spatialisation strategies* of states, classes and firms, which structure successive historical epochs. These spatialisation strategies may be understood as different ways of dealing with the fundamental tensions and problems which the territorial non-coincidence of capitalist statehood and world economy poses to actors, whether political, social or economic. The *dialectic* of nationalisation and globalisation, of the territorialised and the de-territorialised preconditions for the reproduction and expansion of the capital relations, thus has to become the focus of IR/IPE. Within this dialectic, we may then be able to distinguish particular regimes of socially produced space which mediate capital's inherently *global* class relations.

5 Glyn and Sutcliffe 1992: 82.

6 Cf. Lenin 1973, 72.

7 Cameron and Palan 1999, 53.

In the present chapter, I will seek to outline (and no more than outline!) such a historical geography of capitalist modernity. Before we can enter the historical fray, however, we have to engage with one more central concept of contemporary IR/IPE: hegemony. Whereas the national/global dichotomy represents the dominant spatial lens, the notion of hegemony is the prevailing form in which IR/IPE seeks to capture the social dimensions of distinct world orders. Hegemony, more precisely, is the concept through which theorists of the international endeavour to understand the way in which the most powerful states bridge the national and the global by internationalising their authority.

9.2. *Hegemony?*

The concept of hegemony has had an astonishing career in IR/IPE. Originally, it had been adopted by Realists to make up for the limits of its traditional focus: the balance of power. Hegemony is supposed to explain why, in a world of self-help and competition for relative gains, world economic integration is possible. In short, the existence of liberal world economic regimes is thought to be the consequence of the strong concentration of economic and military capabilities in the international system. This approach has been criticised as ahistorical. John Ruggie has argued that while the Realist concept of hegemony introduces a crucial focus on the “internationalisation of political authority”, it remains inadequate. In particular, it ignores that the international regimes established by hegemonic powers always represent a

fusion of power with legitimate social purpose. The prevailing interpretation of international authority focuses on political power only; it ignores the dimension of social purpose. The problem with this formulation is that power may predict the *form* of the international order, but not its *content*.⁸

As Ruggie notes, not only did the Dutch hegemony of the seventeenth century establish or support a mercantilist rather than liberal economic order; even between the liberal orders of the *Pax Britannica* and the *Pax Americana*, there are important differences which reflect distinct relationships between politics and economics in both the domestic and international contexts.

8 Ruggie 1982, 382.

This argument was pushed further by the introduction of Gramscian elements by critical International Political Economists. Like Ruggie, these scholars emphasise the need to add an ideational dimension to crude power politics; hegemony is held to be possible only on the basis of a certain degree of consensus between the dominant and subordinate sides of social and international orders. For neo-Gramscian theorists, this implies a further historicisation of hegemony, as not only the content, but also the social forces that underpin international authority, are to be theorised as changeable. The cyclical Realist story of the 'rise and fall of the great powers' has then to be supplanted with an account of the rise and fall of domestic and transnational 'historic blocs' which managed, for a while, to internationalise their particularistic social and national interests. If we want to understand the construction and demise of hegemons, moreover, we can no longer rely on abstract generalities about the way in which 'the economy' impacts on 'the state', and vice versa; what is necessary is a theory of the relationship of specific social forces to particular regimes of accumulation and modes of regulation.⁹

I have already noted (in chapter 3) some of the problematic implications of this 'strong' conceptualisation of hegemony. Most importantly, it all but severs the crucial link between 'structure' and 'conjuncture', leaving the abstract and the concrete unmediated next to each other. In that way, the concept of hegemony comes to carry a heavier historical and theoretical weight than it can bear. For the social nature of particular domestic and international orders is now derived entirely from the purposes imbued to them by specific social forces.

There is, however, an even more important problem: hegemony itself is a fundamentally ahistorical concept which has been abstracted from one particular period, the *Pax Americana*, and imposed on social and international orders in which there is no basis for a consensual grounding of the relations of domination. In other words, it is impossible to historicise world orders on the basis of a distinction between the contents transported by international authority structures, while ignoring that the very possibility of hegemony is itself premised on

9 Cf. Cox 1996b and 1987; Lipietz 1987. Other critical accounts which accord centrality to the notion of hegemonic cycles and periods include the important works by Arrighi 1994; Taylor 1996; and Agnew and Corbridge 1995.

historical preconditions which certainly did not exist before the nineteenth century. For as long as relations of exploitation were premised on relations of domination, the room for consensus over the nature and purpose of political authority, as well as over distribution, was closely circumscribed. While there may have been hegemony in the Realist sense in the early modern period, the more theoretically sophisticated Gramscian concept of hegemony, while valuable in the study of post-1945 world order, is inapplicable in this context.¹⁰

But even within capitalist modernity, the forms through which states seek to internationalise their territorially-based political authority cannot be circumscribed by the concept of hegemony (whether Realist or Gramscian). As Robert Latham notes, the so-called *Pax Britannica* itself does not meet most of the criteria for a 'hegemonic' ordering of international relations.¹¹ While Britain's role in Latin America, Africa and Asia was clearly very strong, in Europe it was but one member of an international system (the Concert of Europe) whose purpose it was to prevent the dominance of one power. To be sure, Britain was interested in preventing the ascendance of France and Russia (and later Germany) largely because it regarded its formal and informal empire as most important to its economic development and unique geopolitical role; but to claim that this constitutes some form of 'hegemony' seems dubious at best.

Even with respect to the ordering of the 'liberal world economy' of the mid-nineteenth century, the role of the British state and classes in consciously imposing or negotiating a particular structure on world trade and finance seems small.¹² I have earlier emphasised the role of the geopolitical pressures emanating from Britain, which forced upon the continental European states a series of capitalist revolutions from above. Crucially, however, this process took the form of internal 'adaptations' which, while seeking to emulate the British industrial revolution through the imposition of capitalist property relations, also gave rise to very different state/society relations in continental Europe. Not only was the

10 Even if we accept the usefulness of the *realist* concept of hegemony for the early modern period, the claim that Genoa or Holland can be regarded as hegemonic (i.e. dominant) in different parts of this historical period is itself very doubtful. The Habsburg Empire and France would seem to fit the bill much better.

11 Latham 1997, 425-431.

12 Latham 1997, 428-429; cf. McKeown 1983, 88.

continental European state much more actively involved in economic development, the dominant social cleavages were also quite different from the British case.

Despite the significant role of British capital in the expansion of the industrial revolution to continental Europe, there was in no way an internationalisation of the dominant British 'historic bloc' that centred around political liberalism, *laissez-faire* and free trade. Indeed, Britain regularly tolerated or even supported the conservative monarchies of continental Europe in their mostly successful attempts to prevent liberal reforms and revolutions in their own realms.¹³ When European countries converged towards freer trade after the 1860s, this was not the result of an internationalisation of British authority. As Hobson summarises: "Britain's role in the diffusion of free trade in Europe has been greatly exaggerated. Britain proved unable to impose or even persuade other states to adopt free trade after 1846."¹⁴

Thus, if the notion of hegemony, and particularly in its Gramscian form, has any pertinence, it is with respect to the *Pax Americana* alone. Only in this phase of capitalist development has a clear internationalisation of a domestic 'historic bloc' (itself based on some degree of class compromise) and its social purpose been achieved through consensus formation in the international system and transnational society. There is, however, a further and related problem here. For Cox, the notion of hegemony can be equated with stability. The breakdown of hegemony signals, as in Realism, the breakdown of order and the rise of geopolitical rivalry between states. This was the case with the period of imperialism, when the *Pax Britannica* was replaced by a "non-hegemonic configuration of rival power blocs".¹⁵ As with hegemony, imperialism appears as a transhistorical category that has to be filled with historical content by looking at its specific forms in distinct imperialist periods.

This dichotomy between imperialism and hegemony obscures more than it illuminates. Imperialism is not simply a period of non-hegemony and instability, a breakdown of the institutions of internationalised authority. Instead,

13 Cf. Hinsley 1967, 222.

14 Hobson 1997, 200; cf. Keohane 1984, 35-38.

15 Cox 1996b, 106 and 103.

imperialism may be better understood as one particular way of projecting national authority into the transnational space of capitalist world society. Its distinctive aspect is that it is directed not at the establishment of a generalised framework for the world economy, but that it seeks to constitute the relationship between nation-state and world market on a particularistic and exclusive basis. In this respect, imperialism represents one possible form of resolving, for a while at least, the tension between nationally organised political authority and transnational accumulation and reproduction.

Crucially, this form of politico-spatial organisation of the world economy emerged precisely when the construction of hegemony became, for the first time, a dominant tendency in the development of capitalist modernity – at the domestic level. In both the domestic and the international contexts, then, hegemony is the result of a historical process; it is a category which itself has a limited historical existence. More concretely, the late-nineteenth century attempts at social integration through the cooption not just of restricted and elevated social strata, but through the incorporation - by legal, political and social means - of a large part of the population, were the first instances of a hegemonic strategy, at least in continental Europe.

The category of hegemony is then to be reserved for those forms of internationalised authority which are indeed based on a significant degree of domestic and international consensus formation between states and social classes.¹⁶ Hegemony is but one form of 'geo-economic order' through which the relationship between national states and the capitalist world market is constructed. But what does this mean for those periods that can be neither understood as hegemony nor imperialism? What, specifically, do we do with the

16 Agnew and Corbridge (1995, 17) similarly note the problematic duality of hegemony and imperialism in neo-Gramscian IPE. They suggest that imperialism may be understood as "‘competing’ hegemonies" (and aspiring hegemons) based in different states that, while confronting one another with different modes of socio-economic organization, tacitly accept the same assumptions about the nature of statehood and the rules of international behaviour. ... There is always hegemony, but there are not always hegemons". Beyond competing state hegemonies, there is even the possibility, they suggest, to derive from Gramsci a notion of hegemony "without state agency"; *ibid*, 24. But this solution runs not just into the problem that it becomes even more difficult than in the more restrictive Gramscian reading to show how hegemony could exist in the international sphere without an 'international' or 'global' state; cf. Germain and Kenny

Pax Britannica, if it is not a hegemonic order? And can recent forms of socio-spatial restructuring still be understood in terms of a reconstitution of hegemony, or do we have to think of new categories to capture the social and geographical specificity of the present? An alternative is indicated by the argument, suggested by Michael Hardt and Antonio Negri, that the emerging form of globalised authority may be best understood as a new form of 'empire'. This "concept of Empire posits a regime that effectively encompasses the spatial totality, or really that rules over the entire 'civilized' world. No territorial boundaries limit its reign".¹⁷

The question of whether 'empire' is indeed the most appropriate concept for the theoretical grasping of contemporary socio-spatial restructuring takes us beyond the scope of this thesis.¹⁸ For now, it is important to note that the conceptualisation of international authority structures in terms of the rise and fall of hegemonic orders (whether interpreted as a sequence of dominant great powers or as a succession of transnational historic blocs) is not only historically problematic. It also detracts from the explication and theorisation of the changing nature of capitalist statehood as a spatial form.¹⁹

The following outline of geo-economic orders draws together many of the arguments presented over different chapters of this thesis. At its heart is the idea that capitalist development cannot be understood as a unilinear movement from 'the national' to 'the global'. Instead, the political geography of capitalist

1998 (see above, chapter 3, fn. 20). It also entails a historical and analytical inflation of the concept of hegemony itself.

17 Hardt and Negri 2000, xiv.

18 An alternative, but in many respects equivalent approach to Hardt and Negri's is suggested by William Robinson, who argues that current transformations cannot be grasped in terms of the transition from one hegemonic structure to another. For Robinson, the hegemony of one state is the mode of political regulation of *international* world economies; the globalisation of the world economy engenders a process of global state formation based on the hegemony of a transnational class; national states become part of the structure of a 'global state'; Robinson 1999, 7. This formulation is incompatible with the thrust of the argument of this thesis as it posits a strong contrast between international and global; it indicates, however, the need to go beyond hegemony as the core category of critical IR/IPE.

19 This is not to say that such issues are ignored in hegemony-based approaches. The notion of an "internationalisation of the state", for instance, introduced by Christian Palloix 25 years ago, has since been taken up by many hegemony-theorists of IPE in order to capture the transformations in the relationship between the nation state and the world market; Palloix 1977, 14; cf. Cox 1996, 107-109; Agnew and Corbridge 1995, 194.

modernity should be conceptualised as simultaneously involving local, regional and global scales; because of the territoriality of political authority, it is the 'state scale' which will be of particular importance in the construction of the sociospatial orders of capitalist modernity.²⁰ States assume a crucial role in the creation of the spaces of capitalist accumulation, engaging in continual attempts to restructure space. In these attempts, states cannot simply be presumed to always act on behalf of particular classes, class fractions, social forces, socio-economic groups, etc.; state autonomy is a crucial aspect of capitalist modernity.

Yet the autonomy of the capitalist state is highly ambivalent. It is *real* in that the abstract sphere of the political is not directly involved in the act of exploitation; the capitalist class can organise its class power privately, allowing capitalists to pursue their individual interests without the need for the direct control of the state. In fact, for most of the history of capitalist modernity, it was not a capitalist bourgeoisie that controlled the state, but 'post-absolutist state classes' which sponsored and promoted capitalist industrialisation in order to reproduce themselves internally and externally. Exactly who rules the capitalist state, and in whose interests concrete policies are made, cannot be determined on the basis of the definition of capitalism as a class society.

At the same time, this autonomy is no more than *apparent* in that the very abstraction of 'the political' from 'the economic' contributes to the reproduction of privatised relations of exploitation; it is also apparent in as much as the maintenance of the state presupposes not only the guaranteeing of private property and capitalist property relations, but also the successful accumulation of capital. It is for these reasons that states - far from merely guaranteeing private property, the sanctity of contracts and the rule of law - become increasingly drawn into the mediation of the tensions and contradictions of capitalist social relations, whether they manifest themselves economically or socially. This argument, then, leads us back to our starting point, namely the distinct spatialisation strategies that states pursue in order to resolve or alleviate the problems which arise from the fact that capitalist accumulation is always to some degree global, while its political reproduction is territorial.

20 Cf. Neil Brenner 1997,

I cannot hope to achieve more than a preliminary outline of the historical geographies of capitalist modernity, which will necessarily reduce the complexity of the historical process. Its purpose is to provide the starting points for future research and the basis for a concluding discussion of the contemporary process of socio-spatial restructuring.²¹

9.3. The British World Economy

A capitalist world economy did not emerge before the nineteenth century, when under "British auspices market exchange was effectively globalised as production for the market replaced the mere trading of goods".²² Obviously, there had long been international trade, and this trading system increasingly transmitted the goods produced in Britain under capitalist conditions. Some economic historians maintain that the particular role of Britain in the eighteenth-century world economy was the effective cause of the Industrial Revolution in Britain (and the reason for its relatively early onset).²³ While this argument is incompatible with the emphasis I have put on the transformation of social property relations within England since the demise of feudalism, capitalist development and the industrial revolution would indeed have been impossible without a world market for food, resources and manufactured goods. The role of international trade and overseas colonialism was thus far from negligible, but it did not itself constitute the dynamic factor of social and economic development in Britain. More important had been the development of a domestic market and

21 The following account tends, in particular, to focus too narrowly on the dominant spatialisation strategies of the dominant states. This must lead to severe distortions as every world economy reflects the different and often incompatible spatialisation strategies which any particular state pursues, and this in a context of other states doing the same. It misses, for instance the complexity of a system in which some states will pursue certain strategies precisely because other states are *not*, thus trying to fill niches. In this respect the argument presented in the following sections tends to mirror the problems of the hegemony-approach, which attributes to much coherence and homogeneity to particular world orders.

22 Agnew and Corbridge 1995, 27.

23 The list of scholars adhering to this view is almost endless and includes liberals as well as Marxists. For a recent example, see O'Brien 1999. This link has been challenged by a growing number of economic historians; see Thomas and McCloskey 1994. Also see the excellent surveys by Mokyr 1993 and Meyers 1987.

rising mass incomes and demand.²⁴ In other words, the Industrial Revolution was the *product* of capitalism, and the capitalist element was *not* the operation of the world market, whose nature was still largely circumscribed by the non-capitalist property relations prevailing in the areas whose exchange it mediated.

By 1800, Britain had assumed a central role in the world economy. While the world-wide proportion of foreign trade to production was around 3 percent, the ratio was 27 percent for Britain, rising to 45-50 percent by 1860.²⁵ British manufactured goods swamped the European markets after the breakdown of the Continental System, which had difficulties paying for these commodities with agricultural exports into the protected British market. Some (France, Russia and Austria especially) reacted to the introduction of the Corn Laws by raising their own tariffs. But this did not stop the movement of British capital and capital goods to Europe, nor did it prevent the exchange of commodities (although Britain increasingly exported to non-European markets). During this period, Britain was able to develop complementary patterns of trade not only with its formal and informal overseas empire, but also with Europe. These European exports to Britain consisted not only of food and raw materials, but increasingly of manufactured and semi-manufactured goods, too, but many of these commodities were produced with British machines (and financed with British capital).²⁶

If we look at these patterns of economic transactions from the perspective of world economic integration, we can arrive at two very different conclusions. On the one hand, the degree of integration looks relatively low if we take our starting point to be the European market, given that the export and import ratios to GDP of most European countries were rather low. If, however, we begin from the assumption (following from earlier discussions on the process of capitalist development in Europe) that Britain, rather than Europe as a whole, formed the 'core' of the first capitalist world economy, we arrive at a rather different picture. As Eric Hobsbawm notes:

24 Cf. Elsenhans 1983; Wood 1991, ch. 6.

25 Pollard 1974, 14.

26 Pollard 1974, 17-19.

An entire world economy was ... built on, or rather around, Britain, and this country therefore temporarily rose to a position of global influence and power unparalleled by any state of its relative size before or since ... There was a moment in the world's history when Britain can be described, if we are not too pedantic, as its only workshop, its only massive importer and exporter, its only carrier, its only imperialist, almost its only investor; and for that reason its only naval power and the only one which had a genuine world policy. Much of this monopoly was simply due to the loneliness of the pioneer, monarch of all he surveys because of the absence of any other surveyors.²⁷

This unique economic position allowed Britain to introduce its free trade policy during the 1840s, creating the conditions for a "single system of free flows in which the international transfers of capital and commodities passed largely through British hands and institutions".²⁸ But while many European states subsequently embraced free trade, and the *idea* of free trade may be said to have become hegemonic, Britain itself did not become a hegemon. According to Holsti, "Great Britain's role as a world power did not translate into continental hegemony. The governance system in nineteenth century Europe was a polyarchy, not a hegemony".²⁹ In its relationship with Britain's formal and informal empire, on the other hand, the internationalisation of the authority of the British state was much more direct. The element of coercion was far more decisive here than that of consent and 'leadership'.

The 'regime of free trade' was therefore not premised on the internationalisation of British authority as far as Europe was concerned, while the 'imperialism of free trade' to which areas in the Middle East, Latin America and Asia and later Africa were subjected was dependent on direct or indirect political control. This should not distract from the specificity of the British world economy. Most importantly, political control was not systematically employed to advance the interests of British capitalists, but guaranteed the penetration of the European periphery by all capitals. It thus acted as an 'ideal collective capitalist' on a global basis, however much the benefits did *de facto* accrue to British traders, industrialists and financiers (given the limited scope of overseas activity of continental European capitalists). The spatialisation strategy of the British state was thus oriented towards providing the preconditions for the world-wide expansion of capital, whatever its origins. Yet while this spatialisation strategy

27 Hobsbawm 1990, 13.

28 Hobsbawm 1990, 14.

29 Holsti 1992, 56.

required the widespread and ongoing use of force in order to produce and maintain social property relations conducive to capitalist penetration, it also reflected the notion that political means should not be used for particularistic economic interests.

The presupposition of this system was the temporary absence of economic and political competitors who could have threatened the exceptional role of Britain – a presupposition that could not possibly be maintained forever without political control over the European countries undergoing capitalist transformations. In these countries, however, political power was used in order to shape comparative advantages in the international trading system, though this power was so far used mainly in a defensive capacity. The situation after the Vienna Congress put severe restraints on the European great powers; instead of resuming their traditional military competition, their main consideration was now the prevention of liberal revolutions and nationalist projects of secession or unification.

The primary international issue became the management of the external consequences of the passive revolutions to capitalism, while securing the internal consolidation of the post-absolutist state classes. Far from expressing the interests of capitalists or the capitalist class, foreign policy in this period reflected the concerns of ruling 'groups' which had formed a kind of class during the ancien regime (a 'state class' which maintained itself mainly through its control of property in the state), but had now become an 'elite' seeking to maintain control over the social and economic forces they created in order to maintain at least some of their privileges. It is this ambivalent role of these 'post-absolutist elites' which also helps us to understand the very different role of the state in the 'newly industrialising countries' of continental Europe. Their spatialisation strategies were directed at achieving national economies which could sustain the pursuit of the 'national interest' of these states.

It was clear that this purpose could only be achieved if European countries did not become permanently integrated into the British world economy on the basis of existing comparative advantages in food and natural resources. Natural factor endowment could be no more than a starting point for nationally defined development projects that aimed at catching up with industrial Britain. The 'national political economy' of List and Hamilton rather than the 'cosmopolitical

economy' of Smith and Ricardo thus became the guiding ideological framework in many of these states.³⁰ Even when, after 1860, most of the newly industrialising countries committed themselves to free (or freer) trade, their governments typically maintained a strong role in economic development and in shaping the international competitiveness of specific sectors and industries.

But, as we have seen, for a long time the role of the state in economic development remained defensive. Ironically, it was during the heyday of free trade that the only relevant peak of international wars during the "hundred years' peace" occurred (between 1858 and 1871). The failure of the 1848 revolutions, and the incorporation of the middle classes, allowed European states more latitude in their international relations, and enabled them to once more use the instrument of war to advance their interests. But these interests themselves were changing. The wars of this period were neither simple wars of aggrandisement, nor were they meant to achieve economic advantages in any immediate way. Hobsbawm notes correctly: "Nobody – not even Marx, contrary to a common assumption, thought of European wars as primarily economic in origin in this period".³¹

These wars were, instead, wars of nation-building. To reduce this process in Germany and Italy to the creation of larger economic territories in the interest of 'capital' would be fundamentally misleading. There was clearly a link to the rupture in social life which the ongoing capitalist transformation brought with it. But in many ways, these wars were part of the defensive movement of the post-absolutist state elites against the aspirations of the capitalist bourgeoisie. Bismarck's project of unification, for instance, aimed first and foremost at the weakening of the middle classes in the Prussian parliament and the preservation of the privileges of the aristocracy and monarchy. The achievement of national unity by the monarchical institutions of Prussia was meant to undermine the ability of liberal groups in parliament to press for constitutional changes.

30 Cf. Ruggie 1983b, 6. "Political economy, as [List] used the term 'teaches how a given nation in the present state of the world and its own special national relations can maintain and improve its economic conditions,' whereas cosmopolitical economy 'teaches how the entire human race may attain prosperity' on the assumption 'that all nations on earth form but one society living in a perpetual state of peace'"; *ibid.*, 6-7.

31 Hobsbawm 1989, 99.

The result was the increasing cooptation of the middle classes on the basis of an aristocratic worldview, which had been the dominant trend since 1815 (and reinforced after 1848). Nowhere in continental Europe did industrial capitalist interests have immediate sway over governments. The interests of capitalists, and more importantly, of the capitalist economy, could not be ignored, but their 'requirements' could only find their way into government policy refracted through the social, political and economic interests of the post-absolutist state elites.³² In no way can the switch to free trade itself be explained with reference to the interests of the 'rising' industrial bourgeoisie; in Germany the interests of the Junkers were probably decisive.

Even in Britain, the dominant social interest was not that of the industrial capitalists. For Hobsbawm, the repeal of the Corn Laws is a clear sign of the ascendancy of industrial capital over agriculture. But, as Cain and Hopkins argue, industrialists remained subordinated to the 'gentlemanly' culture of service capital concentrated in the City of London. The dominance of 'gentlemanly capitalism' dated back to 1688, arising from an alliance between agricultural and finance capitalists, which henceforth shaped British trade and colonial policy.³³ After the turn to free trade, agriculture suffered a sharp decline, and industrial capitalists achieved more influence; moreover, the central form of capital internationalisation became, for a short while, the export of manufactured commodities, before it was once again surpassed by financial exports. Industrialists were integrated in a subordinate position into the genteel and, despite the decline of agriculture, landed culture of the city and the manor.

There was, however, a crucial difference between the ruling orders of Britain and continental Europe. Put simply, whereas in the latter the dominant aristocracy, until very recently at least, was a thoroughly non-capitalist class which imposed its purposes on the newly emerging capitalist bourgeoisie, in Britain the aristocracy had been a (or even *the*) capitalist class for many centuries and politically dominant since 1688. This implies an important modification of the Schumpeterian perspective which pervades the work of Mayer and Halperin: the same label may disguise very different contents; the British aristocracy

32 Pieterse 1989, 153-55; cf. Halperin 1997, 85-92; Mayer 1981, ch. 3.

represented a very different social interest than the aristocracy in France, Austria, or Germany.

According to Cain and Hopkins, there “was no sharp, Schumpeterian antithesis between aristocracy and capitalism in Britain after 1850, but there was a distinction to be drawn between gentlemanly and industrial capital”. In their perspective, while Schumpeter’s “insight that the capitalist system’s development was significantly affected by the non-capitalist environment from which it sprang” must be maintained, it is misleading to posit too strong an opposition between the old and the new. Thus, instead of stressing “the gulf between traditional elites and the modern economy”, Cain and Hopkins emphasise “the extent to which capitalism and tradition came to terms with each other to create a unique domestic ‘substance’”.³⁴ The alliance of gentlemanly capitalists also expressed itself in a particular form of imperialism and expansion. “Put simply, overseas expansion and the imperialism which accompanied it played a vital role in maintaining property and privilege at home in an age of social upheaval and revolution”.³⁵

This argument applies, in principle, also to continental Europe which was in the middle of the transition to capitalism, even if the aristocratic element was clearly much more dominant here (and thus created different ‘domestic substances’). The point to emphasise here is not the dualism of contradictory social forms and motivations, but their interpenetration. When, after the 1870s, war and military competition made their return onto the European (and increasingly global) scene, this did not reflect the resurgence of the aristocracy’s ‘atavistic impulses’, but the increasing contradictions of capitalism in its existing form. The conflicts between the aristocracy and the middle classes were overshadowed (though not replaced) by the aspirations of the workers; the contradictions between national regulation and global accumulation increasingly emerged as acute problems facing the newly industrialising countries.

While the development of capitalism in this period implies a totalisation of capital, it also entailed a certain fragmentation of the world economy that had

33 Cain and Hopkins 1993, ch. 1.

34 Cain and Hopkins 1993, 15.

35 Cain and Hopkins 1993, 45.

been created under British tutelage. It is this state of affairs which those, who posit an ascending movement from the national to the global, take as their starting point. As we have seen, this must misrepresent the real development of capitalist modernity which started out more global (though less universal) than perhaps any capitalist world economy since. In order to understand this process, we must turn our attention to the emergence of the nation (as opposed to territorial or national) state.

9.4. Nation-Formation and the Imperialist World Economy

9.4.1. The State and the Nation

Why did states become so crucial in defining not just the spatial, but also the social forms of organisation which have characterised capitalist modernity ever since the last third of the nineteenth century? For most liberal theorists of the nineteenth century, it was clear that military rivalry had become a thing of the past with the onset of the capitalist or industrial period. In this perspective, the rise of this new economic society generated a new economic rationality, which would leave individuals to prefer chasing wealth rather than power. In the long run, this new order was bound to assert itself politically, subordinating the state to the rule of rational interests of the bourgeois classes as the bearers of rationality rather than the violent passions of the aristocracy. As Hobsbawm puts it:

The bourgeois prophets of the mid-nineteenth century looked forward to a single, more or less standardized, world where all governments would acknowledge the truths of political economy and liberalism carried throughout the globe by impersonal missionaries more powerful than those of Christianity or Islam had ever had; a world reshaped in the image of the bourgeoisie, perhaps even one from which, eventually, national differences would disappear.³⁶

Herbert Spencer even envisaged the demise of the state, whose functions would be taken up by a society growing increasingly complex and integrated. Indeed, the state itself originated in a society organised for war rather than commerce, and the increasing predominance of the latter made war, and thus the state, increasingly unnecessary for its reproduction. As a result, there would be a

world in which individuals competed directly against each other in the world market, with no role for military competition organised by states.³⁷ Marx and Engels did not follow liberal thinking quite so far, but there can be no doubt that they, too, expected a declining role for the state, given that “the national differences and antagonisms between peoples are daily more and more vanishing”.³⁸ While this would allow for the universal competition between individuals, it would, more importantly, also lead to a situation in which war between classes would replace war between states. As we have seen in chapter 5, they had an inkling that these two lines of conflict might intersect in ways as yet unforeseen, but the full historical consequences of this intersection escaped them.

Central to the historical process, whereby the territorial state became more and more critical to all aspects of social life, was the transformation of statehood from the dynastic to the nation-state. One aspect of this transformation was the tendency for the borders of the state and the boundaries of nations to become more congruent, whether through movements of national secession or unification. Perhaps even more important, however, was the increasing need for states to be able to represent themselves as embodying the nation - not just culturally, but also politically.

What were the sources of the historical constitution of the nation-state? The idea of the nation had existed for many centuries in Europe, without becoming the basis for state legitimacy. During the nineteenth century, it became a political rallying point especially (but not only) for the middle classes, which often associated the demand for national sovereignty with the call for national unity or secession. By the late nineteenth century, however, *nationalism* had become a weapon in the hands of the post-absolutist state classes against the middle classes as well as a means of integrating the working classes. The latter task became increasingly pressing with the onset of the Great Depression after 1873, and the second industrial revolution which not only increased the number of workers but also created (with its large factories) the conditions for more effective organisation in parties and trade unions. These processes of social and territorial

36 Hobsbawm 1989, 83.

37 Koch 1984, 324.

38 Marx and Engels 1998, 36.

integration also allow us to understand the 'territorialisation' of the social sciences, and their role in the construction of national spaces.

9.4.2. *The Territorial Trap Revisited*

For Marx and Engels, the worker had no fatherland. In their 1848 perspective, the individual worker was quickly losing his or her ties to particular localities: "modern industrial labour, modern subjection to capital, the same in England as in France, in America as in Germany, has stripped him of every trace of national character".³⁹ From the perspective of 1914, however, this was clearly a cruel misunderstanding. Not just the workers, but the capitalist bourgeoisie as well, were evidently associated with particular national states. Thus, the period between 1873 and 1914 has thus laid the foundations for the state-centrism that has dominated the social sciences until recently. And yet, it would be completely misleading to follow the social sciences into their statist ontology. For both the 'nationalisation' of the social sciences and the 'containerisation' of society after the 1870s were aspects of the mediation of capitalist class relations and of the social and economic contradictions to which they gave rise. And, as Martin Albrow points out, much of these efforts of the state were stimulated directly by Marx's theory of global capitalism and transnational class relations:

Marx's work revealed the deepest problem for the future of nation-state society, namely that its trajectory would be influenced by forces which crossed its boundaries. For any analysis of the economic system showed that it was intrinsically connected to the world as a whole. ... Marx's ideas struck terror into the nation-state and simultaneously gave internationalism the reputation of subversion.⁴⁰

The subsequent 'caging' or 'containerisation' of the market and of social relations must be understood in this context. It is not so much an expression of a transhistorical logic of centralisation inherent in the 'political sphere', but a reaction to the transnationalisation of social relations which had been a product of the very measures (i.e. the imposition of capitalist production relations) which continental European states had pursued since the early nineteenth century in order to effect an industrial revolution. As Albrow argues:

39 Marx and Engels 1998, 21.

40 Albrow 1996, 45.

It is well known that the response of the nation-state to the social transformation which industrial production brought in its wake was to domesticate the problem. That is, the forces which were worldwide, the new threats from uncontrolled society, were converted into problems within the nation-state. The 'social problem' was a code to refer to the problem of incorporating the newly formed industrial proletariat into nation-state society. It was a big enough problem setting to generate simultaneously socialism, the welfare state and sociology as an academic discipline.⁴¹

Albrow's arguments allow us to understand the nationalising of the social sciences *after* Marx as a reflection of the process of social containerisation, to which they themselves contributed by legitimising the state's project. The first major sociological challenge to Marx's understanding of modernity as based on capitalist class relations which embodied this trend was Max Weber's historical sociology. In the self-representations of the social sciences, this challenge is usually regarded as the recovery of the dimension of political power which liberals and Marxists had chosen to discount, blinded by the rise of industrial capitalism. In this perspective, a vital reality of modern life since at least the sixteenth century is finally given the weight it deserves, whose consideration would enable Weber and his successors to make understandable why the socialist movement failed to make a world revolution and the state became more rather than less dominant in the further course of modern history. In this sense, we have become accustomed to resolving the Marx-Weber debate in the latter's favour: Marx was wrong, Weber was right.

Alternatively, however, Weber's work may be regarded as a critical step into the state-centrism which has since taken hold of the social sciences, including International Relations. Moreover, his contention that bureaucratised and territorial states rather than transnational classes determine socio-spatial organisation appears as not simply a value-free analytical statement reflecting the role which the state had assumed in orienting the actions of individuals; it is itself an intervention by this self-described "class-conscious bourgeois"⁴² into a social struggle which at that moment was far from decided. The purpose of this intervention was precisely to legitimise the caging and domestication of social relations whose revolutionary potentials were threatening capitalist society, and thus to make the ideal-type of the modern state more reflective of the actual

41 Albrow 1996, 45-46.

42 Weber's self-description is quoted in Mommsen 1985, 235.

practices of the individuals of capitalist society by legitimising the state's claim to the loyalty of its subjects. If, therefore, the *Communist Manifesto* proved "a pathetic prophecy", as Weber suggested,⁴³ it did so not least because Weber and other social scientists developed theories which sustained the state's right to suppress alternative forms of social and spatial organisation, and to employ 'legitimately' their monopoly of the means of coercion for this purpose.

Returning to Albrow's argument, it is thus possible to see that Weber's sociology, like "much of social theory was effectively designed to reflect back to the state its own efforts to control society". But, as we have seen, not *just* to reflect these efforts:

Most of the modern theory of the state was devoted to demonstrating that its particular form of social organization was indeed the true and permanent expression of the nature of society. But the fact is that a particular version of the state, the nation-state, sought to create society in its own image.⁴⁴

The origins of the 'modern' social sciences in the period of nation-state formation at the end of the nineteenth century were thus not coincidental; they were themselves deeply implicated in the construction of nation-state as the primary form of political community. The importance accorded to the nation-state in Weber's work is not the result of his rediscovery of an 'objective reality' temporarily forgotten by liberals and socialists. For Weber, in other words, the analytical centrality of the state follows from his belief that "the furtherance of the nation-state must take primacy over all other objectives".⁴⁵

Behind the move of the social sciences into what John Agnew has termed the "territorial trap", which can be understood as the conceptualisation of the territorial state as a "sacred unit beyond historical time", is thus the political *project* of the containerisation of social relations.⁴⁶ This project sought to supplant and eventually replace the imagined community of a transnational class striving to overcome the territoriality of political authority, and ultimately even statehood as such, with the imagined community of the nation. The social substance of this project was not any natural tendency of the state towards self-

43 Quoted in Mommsen 1985, 235.

44 Albrow 1996, 43.

45 Giddens 1972, 26.

46 Agnew 1994, 65.

aggrandisement, which Realists have abstracted from the historical context of this period, but the attempt to maintain capitalist class relations and the capitalist market, both potentially non-territorial, through the strengthening of the relationship between state, territory, and society.

9.4.3. *Nationalisation, Internationalisation, and Inter-imperialist Rivalry*

There is more that needs to be said about the constitution of the nation-state, the national economy, and national society. We may best understand certain aspects of nation-formation, however, if we also look at this process from the perspective of the international system, and particularly the growing inter-imperialist rivalry between the leading states of this system. The blurring of the boundary between domestic and international spheres is not an innovation of the contemporary period.⁴⁷ Nation-formation and imperialist expansion were closely related processes. The theorisation of this relationship, moreover, was a central concern of the classical Marxist theorists of imperialism. As Ankie Hoogvelt notes, they developed their frameworks in a historical context dominated by two countervailing tendencies:

One the one hand there was the intensifying *nationalist* rivalry between the capitalist countries which boiled over into the First World War, and on the other was the phenomenal growth, not just of a world market for commodities freely exchanged across borders, but of the internationalisation of production itself when giant firms from metropolitan countries began to vertically integrate mine-to-market production chains across the globe, when international trusts and cartels appeared to set world market prices and allocate spheres of investment and distribution outlets, and when shares began to be traded across frontiers and international loans became the order of the day.⁴⁸

The theories which Hilferding, Bukharin and Lenin produced to account for these contradictory tendencies gave historical materialism a slant which removed it far from the original perspective of Marx and Engels, who clearly privileged the tendency of globalisation. Yet they could claim that the seeds for the

47 It is crucial, however, not to dismiss the historical efficacy of such socially constituted boundaries between inherently related 'spheres' of social reality too easily, whether in the context of the present or the past. The task of the social sciences is to grasp the nature of historical social orders through their 'appearances', and to account for these appearances, rather than to seek undifferentiated essences just beneath the surface of social life.

48 Hoogvelt 1997, 23.

transformations of capitalism which they had to grapple with had already been recognised by Marx and Engels - and therefore that they were doing nothing but building on Marx's original insights. It was in the tendency for monopoly to replace free competition, which Marx had posited as an inevitable process of capitalist development, that they located the sources of both nationalist integration and imperialist expansion.

The result of this inevitable process of monopolisation was, according to Hilferding, the rise of 'finance capital', which united the banking and industrial capital and thus imposed on the capitalist class a single class interest. Having rid themselves of their fractions, capitalists could now impress their collective interest on the state. This interest was seen to lie in maintaining the conditions for reaping monopoly profits at home (through the raising of tariff walls), and in promoting the search for new outlets for investments abroad. Capital export implies the control of the areas of investment. Finance capital thus entails a stronger economic role for the state which acquired three essential functions: the creation of an economic space as large as possible; which is shut off by the state against foreign competition through tariff walls; and which thus becomes an area for exploitation by national monopolies organised by the state (which in turn comes to lose all autonomy vis-à-vis finance capital). As a consequence of the rise of monopoly capitalism, the "bourgeoisie ceases to be pacific and humanitarian. ... Its ideal is now to secure for its own nation the domination of the world, a striving which is as unlimited as the capitalist drive for profits from which it derived".⁴⁹

The state thus came to assume a central role in securing the expanded reproduction of (monopoly) capital. We have already noted (in chapter 5) that the classical Marxist theorists of imperialism had little by way of a theory that explains why 'national blocs of capital' should have become the organisational form of international political and economic competition. But theirs was a specific concern. Taking the existence of capitalist states (and the complete dominance of the capitalist class over these states) as given, they wanted to know why these states increasingly engaged each other in military competition. The

49 Hilferding, quoted in Faber, Groh and Walther 1982, 219.

thesis which they put forward has immediate spatial implications: the more competition within the industrialised states was restricted, the more competition was transferred to the international realm, where it was pursued with the support of the state apparatus. As Bukharin suggested, national economies were transformed “*into one gigantic combined enterprise under the tutelage of the financial kings and the capitalist state*”.⁵⁰ These political-economic complexes now competed against each other for profits in the world market much like individual firms had competed against each other within the national economies – with the vital difference that the new form of competition was pursued by political and military means. Each state, furthermore, sought to gain exclusive control of economic territories beyond its national boundaries. Lenin in particular saw the super-profits that could be reaped in these dependent areas as crucial to the ability of capitalists to bribe the ‘aristocracy of labour’ into accepting the existing political and economic structures.

It should be noted here that the element of colonialism never assumed more than a subordinate role in these theories of imperialism. For Lenin, Bukharin and Hilferding, what was new about the ‘new imperialism’ was not the striving for colonies. All of them recognised that colonialism had existed throughout the nineteenth century and far beyond. Indeed, as Lenin argued, the *new* imperialism only began when all the world had been split up between the capitalist great powers – roughly around 1900. Their theory of monopoly capitalism was thus not meant to explain the scramble for Africa and the division of Asia into spheres of influence, as so many of their critics assumed when they sought to falsify the ‘economic’ theory of colonial expansion.⁵¹ Indeed, they were perfectly willing to accept that colonialism was, like every concrete historical phenomenon, the result of ‘manifold determinations’, from the need for raw materials to strategic considerations, to the externalisation of social problems.⁵² What their theory of monopoly capitalism was meant to explain was the increasing inter-imperialist rivalry between capitalist states and the failure of the working class to resist a war in which workers fought willingly for their fatherlands.

50 Bukharin 1972, 73-74 (emphasis in the original).

51 Stokes 1969; Etherington 1984.

52 Cf. Linklater 1990, 86-89; Etherington 1984, 134.

Imperialism, in the sense used by the classical Marxist theorists of imperialism, was thus not identical with colonialism. Colonialism was only relevant to the theory and practice of imperialism in as much as colonies became part of the spatialisation strategies of the imperialist powers. Where colonies, under whatever flag, had so far been open to the capital of any country, they now (around the turn of the century) became the preserves of the colonising power. And where the colonialism of the pre-imperialist era, including the scramble for Africa, had been managed cooperatively and relatively peacefully (as far as the relationship between the colonisers is concerned!), the competition for the redivision of colonies for exclusive use now became much more aggressive.⁵³

While these issues and problems do indeed constitute the proper focus of a theory of imperialism, the preceding remarks are not meant to suggest that the answers given by Hilferding, Bukharin and Lenin can be accepted without scrutiny. Far from it. Scores of critics have dealt severe - and probably deathly - blows to the idea that imperialism is nothing but monopoly capitalism. Bill Warren (whose alternative theory of capitalist development is, it must be said, at least as dubious as the one he attacks so effectively), has pointed out that the causal link between monopolisation, capital export, and imperialism posited by Lenin et al. cannot be maintained. The states with the most extensive empires and capital exports do not fit the monopoly theory either. Britain (and to a lesser extent France) was marked by a low degree of monopolisation and concentration.⁵⁴ On the other hand, some of the players on the imperialist chess board, including Russia, the USA, Italy, Germany and Japan, were rather insignificant as capital exporters. In fact, as Fritz Fischer notes, a crucial problem for Germany's imperialist aspirations was its *lack* of exportable capital, which undermined its ability to tie governments in the agrarian world to itself. This was the result of the enormous industrial development recently experienced by Germany:

German industrialisation had consumed vast investments, which were no longer available in the race for spheres of influence; this was directly contrary to France, which could employ

53 Cf. Kiernan 1974, 6.

54 Warren 1980, 65.

enough investment-seeking capital politically, because she was less developed economically.⁵⁵

The Russian case was rather different from these two (or that of Britain); it was the main recipient of French funds and only just beginning to undergo capitalist industrialisation. What, then, is the common element which drove these states to pursue imperialist strategies, if it is not monopolisation and the need for outlets for capital investments? Realist scholars of IR/IPE have often suggested that there is no such common element; states of all possible social constitutions have engaged in imperialism since the beginning of time.⁵⁶ Instead, they have pointed to the inexorable logic of anarchy which forces states to expand their power. In this way, the crucial question asked by the classical Marxist theorists of imperialism (and many other contemporary observers), why military violence assumed such renewed prominence at the end of the nineteenth century, disappears from sight.

If abstract theories of the anarchical international system remain unable to elucidate concrete historical processes, it should also be noted that the search for an element common to all late-nineteenth century imperialist state/society complexes may indeed be futile, as Realists suggest. But does a theory of imperialism have to be built upon either an international or a comparative methodology? I would suggest that such is not the case. It may be quite possible that imperialist strategies were first adopted by some states, in reaction to the social and economic contradictions of capitalism, whose strategies then induced other states to embrace similar policies even though the social and economic problems which they confronted were rather different ones. In this way, imperialism may become an attribute of the international system, even though the origins of imperialism can only be found in a limited number of imperialist states.

55 Fischer 1984, 133.

56 Cf. Waltz 1979, 25.

9.4.4. *Imperial World Economies*

This is not the place to develop a new Marxist theory of imperialism beyond establishing some starting points. Such a theory would have to encompass, as we have seen, the international dynamic which relayed the consequences of the increasing imperialist orientation of states like Germany or France to other states at the end of the nineteenth century. The increasing rivalry between states also reinforced the militaristic tendencies within these states which led to the increasing subordination of bourgeois to military values. Any historical materialist theory that fails to admit the central role of inter-imperialist strategic rivalry (and the autonomisation of this geopolitical dynamic once it had been set in motion) in the age of imperialism remains one-sided and, in the end, irrelevant. Neither in the process of colonial expansion up to 1895-1900, nor in the subsequent imperialist struggles for the redivision of the world (and the political engagement of parts of the world economy under the leadership of rival imperialist powers), can economic motives account for all or even most foreign policy decisions.

And yet, imperialism was unequivocally part of the contradictory self-expansion and the social, political and economic reproduction of capitalism. Its origins are to be found in the world economic crisis of 1873-1896, which also became a world social and political crisis. Given that the territorial states which global capitalism had inherited from the absolutist period were the only available political organisations that could assume the role of maintaining capitalist property relations and securing (and this meant: expanding) the conditions for capital accumulation, it was these territorial states which more and more came to assume centre-place in the process of capitalist development. But in this process of crisis management, these states also sought to establish increasing control over the global presuppositions and dynamics of capitalism.

On the one hand, this took the form of the development of nation-states. Most importantly, this entailed redirecting the loyalty of the workers from a transnational class allegiance to the state itself (as well as the shifting of the loyalty of other parts of the population from the local to the national level). This could not be achieved through nationalistic propaganda alone; legal, political and social concessions, which often entailed significant economic costs, were

necessary. This, in turn, required more control over the economy; nation formation also necessitated the creation of national economies. On the other hand, for many states the formation of national economies was only part of a strategy which aimed at the incorporation of parts of the world economy under the sovereign authority of rival nation-states. Especially those states undergoing the 'second industrial revolution' could not afford (or *thought* they could not afford) to remain dependent on the goodwill of other states for their access to raw materials. With respect to finance and credit, too, the political, diplomatic and military power proved of great value. The more exclusive the rights that could be wrought by governments from the ruling groups of non-European states, the more the potential benefits to their own 'national' capitals.

Imperialism was itself also directly involved, at least in some countries, in the constitution of the nation as the primary form of political community. 'Social imperialism' is thus central to any comprehensive theory of imperialism.⁵⁷ It allows us to see, in particular, that the descent into inter-imperialist rivalry was intimately bound up with the constitution of 'hegemony' within some of the crucial imperialist powers, especially through the national and social incorporation of the working class. The very attempt of the dominant classes to make their authority more stable in the face of social challenges by reconstituting this authority on a hegemonic basis had profound consequences for the relations between states. For the establishment of hegemony within gave the pursuit of 'national interests' abroad much more importance and allowed for much less compromises, whether for 'material' or symbolic reasons. Domestic consensus formation and inter-imperialist rivalry were thus aspects of the same process. Together, they spelled the end of the transnationally integrated British world economy. *For the workers could only be given a fatherland if capital could be made to carry the national flag.*

The imperial political economies, which sought to internalise partial world economies into the boundaries of an imperial state, were at the same time symptoms and agents of the demise of the British world economy since the world

57 The role of social imperialism has been emphasised by Wehler 1970 and 1985 (on Germany); Williams 1980 (on the USA); for the relevance of the concept in the English

economic crisis. After the first industrial revolution in continental Europe, Britain had increasingly shifted its division of labour to the non-European areas. With the second industrial revolution, the continental European states followed Britain on this path, seeking to recreate a core-periphery relationship with their own colonies. But while for the European states this was but one part of their economic development strategies, in Britain the 'retreat into empire' emerged as an 'alternative' to the state-sponsored organised capitalism that was a precondition for the second industrial revolution.⁵⁸ Britain, however, did not react to the imperialist strategies of its continental rivals by imposing tariffs and other forms of exclusion around its colonies. In this respect, even though Britain had the largest colonial empire the world had ever seen, the notion of imperialism as defined by the classical Marxist theorists of imperialism may be much less applicable to Britain than to France and especially Germany. This was also suggested by Joseph Schumpeter, whose position is concisely summarised by Etherington:

as long as [the British] colonies were not cordoned off by tariff barriers as 'objects of exploitation in a sense different from that in which independent countries can be exploited', Britain could not be numbered among the aggressive imperialists.⁵⁹

This leads us back to the domestic processes which gave rise to imperialist strategies of expansion. Schumpeter, of course, pointed to the continuing dominance of absolutist ruling classes in explaining why the continental European states were so prone to militaristic forms of political and economic expansion. Put this way, Schumpeter's argument is completely overstated. However, it is crucial to note that while imperialism was, at heart, a response to the global crisis of capitalism, the way in which states reacted to this social and economic crisis was indeed strongly shaped by the interests of the post-absolutist state elites of continental Europe. These social strata, while having become dependent on the growth and expansion of capitalism, nevertheless had interests which often conflicted with those of the capitalist bourgeoisie. It was on the

context, see Snyder 1991, ch. 5. For the problems of the concept of social imperialism, see Eley 1976.

58 Hobsbawm 1989 and 1990.

59 Etherington 1984, 155.

premise of their predominance, moreover, that hegemonic blocs were created in the period of nation-state formation and inter-imperialist rivalry.

The classical Marxist theorists of imperialism looked at the 'new imperialism' from the perspective of its implications for the transition from capitalism to socialism. They depicted a situation where capitalism, as a result of its 'maturation', had become 'overripe'. Its contradictions had become so severe that only military expansion could sustain its need for new outlets for goods and capital. The state, which had assumed a decisive role in this quest, had itself come completely under the sway of finance capital. Looking forward to the final breakdown of capitalism, however, these theorists failed to notice that the new imperialism was, in many respects, still part of the transition from absolutism to capitalism, even though it already expressed and mediated the contradictions of global capitalism. In many respects, the increasing inter-imperialist rivalry was thus not the result of monopoly capitalism; imperialism was not a necessary and inevitable stage of capitalist development, but a political strategy of specific social strata seeking to maintain their privileges in the face of the rapid social, political, and economic transformations brought about by capitalism. In this sense, imperialism was also an aspect of the 'European civil war' which was to lead the world into two devastating wars.⁶⁰

9.4.5. *Conclusions*

The decisive development of the period between 1873 and 1914 was the replacement of the British world economy by a number of competing imperial world economies. This was the result of the role assumed by the territorial state in 'resolving' the contradictions of capitalism through specific social and spatial 'fixes'.⁶¹ It should be noted, however, that just as the caging of capitalism's global civil society through the nation-state, the nationalisation of the economies was only relative. The imperialist states that strove to replace Britain at the apex of the international system and the world market, as Philip McMichael points out, "internalized the conditions of (world) capitalist competition in their

60 Cf. Mayer 1981; Halperin 1997.

61 Cf. Harvey 1982, 431-45.

commercial policy". Most crucially, they secured the ability of the capitals on which they placed increasing "national limits" to reproduce themselves in the world market through the adherence to the gold standard. "Thus, in the center of world-capitalism in particular, the *nation-state* emerged as the characteristic political structure of the world market".⁶²

In this sense, it would be completely mistaken to understand the efforts of states to nationalise capitalist society as an absolute reality rather than as a tendency, or even to regard this as *feasible* within the framework of capitalism. Levels of trade and investment between capitalist states remained high and colonies never became fully exclusive. It was, in fact, only in the autarkist fantasies of the fascist regimes in Germany and Japan some decades later that the idea of a (partial) world economy subordinated completely under one state came to dominate. The notion of a political and economic 'Großraum' came to express the most extreme variant of the perpetual attempts of capitalist states to resolve the contradictions between territorial authority and global capitalism.⁶³ In the end, however, it was a completely different model of bridging the national and the global that emerged as dominant (or, indeed, hegemonic), based on a system of international governance under American leadership.

9.5. Pax Americana and the Welfare State

9.5.1. A Re-embedded Economy?

The international order established after World War II seems to be that of a system of national states and national economies linked together through international relations. While there is a world market, it appears to be subordinated to the control of sovereign states who, by limiting the mobility of capital, gained a high level of national autonomy in deciding over their societal development. A major reference point in this mythology is the work of Karl Polanyi.⁶⁴

62 McMichael 1987, 193-94.

63 Cf. Diner 1993, 50-54.

64 Polanyi 1957. I argue in Lacher 1999a that Polanyi has been claimed wrongly for the social-democratic project of national welfare capitalism that came to dominate after 1945. Many parts of the present section are based on this article.

Towards the end of World War II, Karl Polanyi came to the conclusion that 'market society' had finally run its course. The devastation it had wrought upon social life, he argued, had been just too catastrophic for the 'market utopia' to emerge as dominant once again, as it had after World War I. All the now dominant models of social organisation, namely communism, fascism and the New Deal, had one thing in common: they rejected the self-regulating market for societal self-determination. Polanyi, while not expecting the New Deal to represent the final form of an economy embedded in society, certainly took it to be a first step in a gradual reassertion of the primacy of cultural and political institutions over the market.

But is this what actually came to pass after the end of World War II? According to John Ruggie, the postwar period saw indeed a major reorganisation of the balance between economic and politics; this balance was institutionalised in an international system of economic "multilateralism ... predicated upon domestic intervention", which may be termed "embedded liberalism".⁶⁵ This international order sought to reconcile an open world economy with the active role of states within their domestic economies, thus reflecting a general reversion of the priority formerly accorded to economic concerns both domestically and internationally. However, as Ruggie himself points out, "Polanyi's prediction of the end of capitalist internationalism does not stand up well against the subsequent internationalization of production and finance".⁶⁶ These processes took off during the late nineteen-fifties, suggesting a rather gradual contrast between the supposedly 'subservient' role of finance in the *Pax Americana* and its dominance in the neoliberal period thereafter. The expectation which Polanyi associated with the 'great transformation' envisaged for the postwar period was that

the market system will no longer be self-regulating, even in principle, *since it will no longer comprise labor, land, and money*. To take labor out of the market means a transformation as radical as was the establishment of the competitive market'.⁶⁷

But can it really be maintained that, measured against these criteria (which require a complete decommodification of the so-called factors of production), the

65 Ruggie 1982, 393.

66 Ruggie 1982, 388.

economy of postwar western societies underwent a process of re-embedding in Polanyi's sense? Gøsta Esping-Andersen has indeed suggested that the essence of social policy is the extension of social rights, which have the capacity to decommodify labour power by allowing people to sustain their standard of living independently of the market. Yet Esping-Andersen himself is quick to note that what he calls decommodification "should not be confused with the complete eradication of labor as a commodity", i.e. with "de-proletarianization". This, however, was precisely what Polanyi regarded as central to an economic re-embedding.⁶⁸ Nowhere was decommodification in this more far-reaching sense approached or even attempted, not even in the social-democratic welfare states which rank highest on Esping-Andersen's "de-commodification score".⁶⁹

In the period of the dominance of the welfare state, the possibility for individuals to temporarily 'opt out' of the market, and the capacity of society to sustain this partial decommodification of the labour power of individuals, remained premised on the operation of the market mechanism, and thus on the ability of nationally defined societies to achieve their material reproduction through the market. Moreover, this societal reproduction was, as in all phases of capitalist modernity, dependent on the ability of individual capitals to compete in the world market. This was a capitalist world market - but what kind of capitalist world market?

9.5.2. *Bretton Woods and the Expansion of the Commodity Form*

The nature of the world market of the *Pax Americana* has been the subject of countless studies, many of which are built on the assumption that this was an inter-national world economy par excellence. There were, indeed, important mechanisms that had been designed with the express purpose of insulating, to some degree, the national economies of this system from the immediate pressures

67 Polanyi 1957, 251 (emphasis added).

68 Polanyi made a strong distinction between societal protectionism, marked by communal or state that put certain limits on the commodity status of land, labour and money, and a re-embedding of the economy, which can only be achieved by taking these 'factors of production' out of the market. This argument is developed in more detail in Lacher 1999b.

69 Esping-Andersen 1990, 37 and 47-54.

of the world market.⁷⁰ While the expansion of world trade had been a central objective of the Bretton Woods order, it was accepted that the stability of the world economy presupposed the political and social stability of the state/society complexes which 'made up' the postwar world political economy. This was seen to require the ability of national economies to adjust to changes in comparative advantages through (limited) adjustments of the exchange rate. In order to prevent speculative assaults on currencies, however, capital mobility was severely restricted. These mechanisms, it is argued, constituted a world economy integrated by 'arms-length' exchange of products manufactured within distinct national economies.

Instead of a Polanyian re-embedding of the economy, the world economic order constructed after World War II reflected the Keynesian concern of saving capitalism from itself. It sought to contain the economic and social contradictions of capitalism through a number of mechanisms which transformed the relationship between the political and the economic (without transcending their fundamental abstraction from each other)⁷¹. State interventionism was, more than ever before, recognised as a necessary and legitimate instrument in securing the social reproduction and profitable accumulation of capital. But whereas the rise of organised and welfare capitalism had been a crucial aspect of the turn to imperialist strategies, it was now accompanied by the development of institutions of international governance. Their task was the prevention of a return to imperialist competition by allowing for the coordination between capitalist states in their attempts to secure the international competitiveness of their capitals. To some extent, moreover, the world economic institutions also enshrined the right of states to shield parts of their national economies from the world market.⁷²

The reconstitution of the relationship between politics and economics was thus part and parcel of a more encompassing transformation in the relationship between the territorial state and the world economy. The re-emergence of a universalistic world economy was made possible by the mitigation of its sway over national economies. The Gold Standard of the late nineteenth and early

70 See, for example, Ruggie 1982; Helleiner 1994a; Kapstein 1994; Cox 1987.

71 Cf. Rupert 1995, 86.

72 Cf. Cox 1987, 220.

twentieth centuries had allowed for the direct impact of the law of value on each national/imperial economy, which could only be lessened by individual states through the use of political instruments that led to the particularisation of the world economy. The Bretton Woods order, by contrast, provided the political preconditions for the increasing force of the law of value over national economies by establishing the collective institutions which would allow national economies to adjust to its constantly changing commands and demands.

The geopolitical presupposition of this system was the internationalisation of the authority of the US. If ever the notion of hegemony had any pertinence in the international realm, it was in this historical context. Not only did the US accept some of the demands of its junior partners, it also played a crucial role in the social, political and economic reconstruction of these state/society complexes. A central aspect of this process was the final obliteration of the influence of post-absolutist ruling elites in European societies. From now on, the class conflicts which shaped the development of these state/society complexes were indeed those between capital and labour. The sphere of the political was now, finally subsumed under capital, though the exclusive territoriality of political space continued to structure capitalist modernity.

The ability to construct the relationship between national states and the world market on a relatively consensual basis, however, required more than the hegemony of one state, but also the transformation of class relations within each state. The 'politics of productivity', which the US actively promoted, aimed at transforming producers into consumers. The postwar reconstruction of 'social order' was achieved by de-ideologising "issues of political economy into questions of output and efficiency"; in this way, the postwar "politics of productivity" was thus to "ensure the primacy of economics over politics".⁷³ It sought to shift class struggles from conflicts over property and sovereignty to conflicts over distribution. After the ravages of the first half of the twentieth century, stabilisation "meant winning the adherence of a large enough segment of the working classes to preserve the scope for private economic power and

73 Maier 1987, 146; cf. Panitch 1987, 134.

hierarchy that defined liberal capitalism".⁷⁴ In that respect, postwar reconstruction can be seen as a completion of the inter-war stabilisation of capitalism through a social bargain, "the increasing satisfaction of material wants in return for a restoration of industrial authority".⁷⁵

In *this* sense, the domestic and international limitations placed on the economy through the extension of citizenship rights and social policy were accompanied by an increasing subordination of all aspects of social life under the exigencies of 'the market'. Efficiency and productivity became, more perhaps than ever before, the guiding principles not just of action in the economic 'sphere', but of the organisation of society as a whole. It should be noted that the totalisation of capitalism in this particular form was not just a phenomenon of the domestic sphere. As Robert Gilpin argues: 'While solving the problem of a closed economy, the welfare state has only transferred the fundamental problem of the market economy and its survivability to the international level'.⁷⁶ For Gilpin, the tensions between the welfare state and capitalism could be limited, for a while, because of the US's willingness to shoulder the burdens of the hegemonic power. But Ruggie also notes that a crucial aspect of the welfare compromise was the externalisation of its costs (in particular, inflation) to other welfare states, but also to the Third World.⁷⁷

But the postwar order was marked not simply by an externalisation of the problems arising from welfare capitalism; more fundamentally, the partial decommodification of labour within these states was accompanied by the global expansion of commodity relations. This took the form of an ongoing process of 'primitive accumulation' (i.e. the first level of commodification of labour). As Aristide Zolberg suggests, the postwar "expansion of the market system fostered the transformation of the outlying regions of Europe into a periphery whose growing population was propelled by the processes of the great transformation into the national and international industrial reserves".⁷⁸ The reliance on foreign labour, to be procured and discarded according to economic rationales, was

74 Maier 1987, 184.

75 Maier 1987, 168.

76 Gilpin 1987, 63.

77 Ruggie 1982, 229f.

78 Zolberg 1991, 312.

fundamental to the operation of welfare capitalism, in its ability to limit inflationary tendencies inherent in national economies based on relatively high wages.⁷⁹ Thus he concludes: "The arrangements that arose throughout the OECD were predicated on an expansion of the world economy to encompass a vast periphery and the subjection of this periphery to the great transformation".⁸⁰ The availability of migrant labour allowed the welfare states of the West to keep in check the social rights and economic incomes of workers, by buttressing competition between them. It thereby underpinned the 'social contracts' which turned workers into consumers.

The territorial state, it may be concluded, did indeed play a crucial role in organising not just political space, but also the social and economic space of capitalist modernity. It did so especially during the century from 1870 to 1970, in very diverse forms in different historical phases. But while the territorial state, as nation-state, came to structure economy and society in decisive ways, it never fully contained capitalist social relations within its particularistic boundaries. The state mediated the contradictions of capitalism in every phase of this development. And as capitalism always remained - in a fundamental way - global, states continued to face the problem of having to secure the reproduction of 'their' capitals in a world market in which their authority could not be projected without being limited by the sovereignty of other states. We have to take account of both these dimensions of capitalist modernity instead of falling for the nationalist conceit. Only then can we effectively disentangle ourselves from the territorial trap, for we can now see that the methodological territorialism of the 'modern' social sciences was indeed inadequate even to the period of the world-historical dominance of the nation-state.

79 Cf. Dreher 2000, ch. 2.

80 Zolberg 1991, 316; cf. Pellerin 1996.

CONCLUSIONS AND PERSPECTIVES: THE DEMISE OF THE TERRITORIAL STATE?

Summary

The starting point for this thesis has been the observation by many critics of state-centric IR that an autonomous science of 'the international' is no longer a plausible suggestion. Theorists of IPE, in particular, have suggested that 'globalisation' has led to an increasing blurring of the boundaries between politics and economics on the one hand, and domestic and international spheres on the other. The new global age is hence seen to require a change from international to global studies.

I have argued that this challenge to state-centric IR (and IPE) is, in many respects, not far-reaching enough. By accepting that the state was the 'container' of society prior to the dawn of the global age somewhere around 1973, the critics of orthodox IR/IPE fail to recognise the global dimensions of capitalist modernity even before this supposed historical breaking point. They thus arrive at interpretations of current processes of transformation (and transformations there certainly are), which are too simplistic with respect to both the differences drawn between the periods of capitalist modernity before and after 1973, and to the sources identified as underlying this transformation. What they miss, in short, is the existence of a capitalist world society which in some (though changing) ways transcends the territorial boundaries of states.

However, there can be no doubt that states were much more than epiphenomenal superstructures in the development of capitalism. They were certainly not, as world-systems theory posits, subordinate moments of a totality determined by the world-economy and international division of labour. As a social system, world capitalism is clearly more than the sum of its national parts, yet the parts are not merely 'organs' of the whole. Conversely, while capitalist society has been (and continues to be) identifiably related to states, it was never simply encaged by the states of capitalist modernity. The state-centrism of

mainstream IR and IPE, and Wallerstein's world-systemic analysis mirror each other's one-sidedness. As conceptualisations of modernity, which prioritise different aspects of the same social reality, they are equally problematic. The challenge is to develop an approach that avoids their respective limitations.

I have argued that this challenge can best be met within the framework of historical materialism, which is able to grasp the character of capital as a global social relation – but only if historical materialism is able to overcome its economistic and evolutionistic tendencies. I have sought to show that the attempt by Marxists to overcome the base/superstructure model by positing the 'relative autonomy' of the state (and other social 'levels') has led into a cul de sac. In trying to overcome the deterministic implications of structural Marxism, the heirs to this tradition have increasingly severed the link between structure and conjuncture, between capitalism in the abstract and the concrete forms of capitalism.

The first generation of post-structural Marxists, especially Aglietta, managed to bridge this gap, but only at the price of overt functionalism. The more theorists moved away from the original regulationist formulation, the more they began to ground the relationship between capitalism and its conjunctures in the instrumentalist agency of dominant classes and hegemonic blocs. In the end, in the work of Robert W. Cox, the conjuncture has itself become the *longue durée*, the historical structure which serves as the basis for historicisation of social life. The transition between, for instance, the *Pax Britannica* and 'imperialism' is thus situated at the same historical level (and accorded the same ontological status) as the transition from feudalism to capitalism. The consequence is the inability of this approach to account for the fundamental social forms of capitalist modernity which span different 'historical structures'. It directs our attention to the social forces which impose specific purposes and functions on *given* institutions, rather than to specify the social relations which constitute the social forms themselves. However, these cannot be alternative focal points of historical materialism; both dimensions have to be integrated in a viable theory of historical change.

I have suggested that the notion of capitalism as a 'structured process' provides an alternative starting point for a non-reductionist historical materialism. Such an approach would allow us to take account of the historical

specificity of capitalism as a form of social organisation without assuming that capitalism is always essentially the same. The key to the specificity of capitalism lies in the way in which surplus is extracted in this form of society. This, in turn, enables us to see that the abstract state of capitalist modernity is both part and parcel of capitalism and autonomous from the directives of the capitalist class or the requirements of the economy. While both class interests and economic needs are important factors that influence policy formation, they cannot be accorded *a priori* ontological primacy.

The capitalist state is not, however, simply 'abstractly political'; it is also an organisation that claims political sovereign authority over a territorially delimited space. Yet while capitalist sovereignty is distinguished by its abstract nature, the question remains why capitalist states are based on exclusive territoriality in the first place. If the relations of exploitation under capitalism are inherently global(ising), then why are the capitalist relations of domination not corresponding in their spatial extension to the capitalist world market and global social relations? I have argued that the reasons for this disjuncture are not to be found in the nature of capital itself; the territoriality of capitalist political space should instead be seen as a historical legacy of the feudal and absolutist dynamics of 'political accumulation' that preceded capitalism.

What do these arguments imply for the historicisation of the international system? Most importantly, the sovereignty or territoriality of the state can no longer be understood as the defining hallmark of the 'modern' international system. Modernity in international relations is, *pace* Ruggie, underdefined in terms of territoriality. We cannot, in other words, attribute a single historical dynamic to the international system in the period from 1500 to 2000 (or even just 1973). In fact, the very notion of 'modernity' itself becomes highly problematic as social forms which are usually regarded as aspects of a single historical epoch, namely 'modernity', now appear to have their social roots in very different social (property) relations.

This argument clearly contrasts to the widespread notion in historically informed scholarship on 'the international' that there is an "analogy" between the emergence of absolute private property and absolute sovereignty in the absolutist

period.¹ The private property of absolutism was a pre-capitalist form of politically constituted property, which continued to mediate political forms of surplus appropriation. Thus, the late fifteenth-century differentiation of external and internal realms was not accompanied by the separation of politics and economics. Only in the nineteenth century did the latter process take place in continental Europe. Capitalism thus came to exist in a preconstituted system of territorial states. While the capitalist revolution transformed the nature of statehood, it reproduced the basic fact of the exclusive territoriality of political space. Neither Ruggie's privileging of territoriality nor the Marxist decoding of sovereignty as a specifically capitalist social form are therefore adequate as centres of a historical theory of 'modern international relations'.

Having started from the argument that modernity is fundamentally misunderstood if conceptualised as a historical order dominated by and centred on territorial states, it appears, at this point in the argument, that the category of modernity itself is highly problematic, as it subsumes under one term forms of social organisation that are radically dissimilar. Most of what is today designated as typically 'modern' is in fact an outgrowth of a social order that has vanished long ago. R.B.J. Walker appropriately laments the tendency of IR theorists to build their understanding of international relations on the practices of the early modern period while ignoring the fundamental changes in the constitution of the international system which have taken place since then: "theories of international relations remain deeply informed by the ontological horizons of early modernity". In particular, the "primacy of space in the cultural and intellectual experience of the early modern period" proved decisive in shaping later forms of political community, as well as the modes of thought with which we understand society as territorially bounded and organised as sovereign spaces.²

Walker adds that sovereignty discourses that take space to be fixed and outside of history, identical with itself through time, are becoming increasingly problematic:

1 Ruggie 1993; Burch 1994; Ashley 1987; Giddens 1985; and, as something of a *locus classicus*, Anderson 1974.

2 Walker 1993, 10 and 11.

questions about political identity, and thus about the legitimation of various forms of inclusion and exclusions, are no longer adequately answered in the territorial terms we have inherited from early-modern Europe and reproduced so readily in the name of state and nation.³

Unlike most other critics of state-centric IR/IPE, Walker recognises and problematises the limitations of the territorial understanding of social life in the nineteenth and twentieth centuries. Avoiding the 'nationalist conceit', he does not take the (self-)representations of the nation-state as the sovereign master of space as an unproblematic and irreducible fact of the last 200 years. In that way, he also avoids the linear historico-geographical scheme positing a progression from the national (and, by corollary, the international) to the global - or from spatiality to temporality - that underlies much of the globalisation debate.

I have suggested that the solution to the problems of the category of modernity may not be found in redefining modernity, but in replacing it with 'capitalism'. This cannot be achieved, however, by simply redesignating all that is commonly held to be 'modern' as 'capitalist'. The two categories are incommensurable. Neither should they be taken to refer to the same social reality (if from different vantage points); nor can capitalism be understood as a sub-set of modernity, whether as its 'economic structure', or as a particular historical variant of 'modern society' alongside others (such as absolutism). But, while according place of prominence to 'capitalism' as the category best suited to provide the bases for the historicisation of contemporary society, I have also noted that this presupposes a limitation of the claims made for efficacy of capitalism as a constitutive and explanatory concept. In particular, capitalism did not develop out of itself the system of territorial states which fragments capitalist world society.

Nevertheless, international relations during the period of capitalist modernity did not simply represent an anachronistic or atavistic principle. On the one hand, territoriality was increasingly 'internalised' as the content of territorialised authority was transformed and became *capitalist* territoriality. The international relations of capitalist modernity came to mediate the emergence and expansion, but also the crises and contradictions, of a historical form of society in which

3 Walker 1993, 21-22 (emphasis added).

surplus is primarily appropriated privately by 'economic' means. But this 'internalisation' of the system of territorial states also entailed, the 'imbrication' of the interstate form of capitalist political space into the 'base' of capitalism. The logic of process of capitalist modernity has been socially and spatially structured decisively through the super-imposition of interstate relations on the contradictions of capitalist class society. And while the foreign policies of states caught in the transition from absolutism to capitalism increasingly reflected the social challenges and economic problems which this process generated, the solutions to the problems of capitalist society at specific points of development also came to reflect the concerns of states. These concerns were also shaped in the process of strategic interaction with other states.

While the 'anarchy' of the capitalist international system has a character that is very different from the anarchical system of absolutism, and while the particular capitalist logic of anarchy is itself the product of the contradictory development of capitalist modernity, the fact that an anarchical system of states came to structure capitalism's real existence in the first place was highly significant for the further development of capitalist modernity. In fact, every crisis in global capitalism has led to the strengthening of political territoriality; even more importantly, perhaps, it has also led to the territorialisation of capitalist world society and economy. The inherited territoriality (and thus, from the systemic point of view, anarchy) of the international system, even in its capitalist form, prevented the possibility of state-formation at the global level to 'deal' with the contradictions of global capitalism. Consequently, as political power became increasingly central to the reproduction of capitalist property relations and capitalist accumulation, it was national states that *organised* capitalism. They did so, on a particularistic basis, deploying various strategies to subsume the world economy (or parts of it) under their independent territorial authority.

The conflicts between these national states, and even the process of their consolidation, mediated the expansion and deepening of capitalist social relations.⁴ We cannot understand imperialism and the world wars of the first half of the twentieth centuries if we abstract from the world-historical and "global

4 Cf. van der Pijl. 1997, 30-36.

character of this structuring process” whereby states sought to engage social relations that inherently transcended boundaries.⁵ Global capital remained the presupposition of the nation-state. As a consequence, the dynamics of *international* relations between 1873 and 1945 continued to reflect not only the contradictions of global capitalism; they expressed, more specifically, the contradictions which arose from the attempts by national states to resolve the social and economic contradictions of capitalism by strengthening not just the power of the state, but also the link between individual and state through the construct of the nation, which became the primary source of political identity.⁶

Karl Marx and Friedrich Engels, it should be noted, have correctly identified, in the *Communist Manifesto* and elsewhere, the inherent tendency for capital to globalise and totalise itself. And yet, when they argued that capital was reshaping the world in its own image, they were at least as completely wrong about capitalist modernity and its developmental trajectory, as they were absolutely right. They failed, in particular, to anticipate how closely conjoined capital and the territorial state would become. While Marx and Engels clearly recognised that it was *British* capital that was doing most of the reshaping, they did not grasp the implications, which were to become so decisive for European and world history: that the image of capital could be painted in rather different (national) colours.

This failure may be easily understood in the context of the 1840s, when the expansion of capital took place under the auspices of a state that pursued an universalistic world market strategy, keeping its own borders, and the boundaries of the areas it controlled, open to non-British capital. But it nevertheless indicates a profound misunderstanding of the (potential) role of the state, and of interstate relations, in capitalist modernity. Marx and Engels simply did not understand the extent to which capital’s ‘logic of process’ could become transformed, in response to the social and economic crises of global capitalist

5 McMichael 1987, 194.

6 The expansion of citizenship, the construction of domestic hegemony, and the national fragmentation of global capital and world society were closely related processes. As Grew laconically notes, the “states so reconstructed then plunged into World War I as their citizens cheered, seeking in wartime the social integration the state at peace could not provide”; Grew 1984, 112.

development, through the utilisation of state power as a resource in world market competition. Historically, as we have seen, the nationalising of capital was not so much the result of capital using states as their tools. Rather, states, as they claimed to pursue the interests of the nation, imposed their colours on individual capitals in order to integrate national society and to challenge the British red on the map of the world.

Capital did indeed create a world in its own image. But superimposed on the canvas of capitalist world society were the frames constructed, in historically changing ways, by states and their borders. At least for the 100 years from 1870 to 1970, the 'units' of the world market were not individual capitals, but national economies. States were able, to a significant degree, to containerise social relations and processes. They were able, in this way, to impose an inter-national form on transborder social and economic movements. Yet this international system was never more than part of the reality of capitalist modernity. Far from being a mere appearance that hides a global essence, the representation of the world as an agglomeration of national states with their attendant national societies and national economies is nevertheless a mystification. At every moment of the development of capitalist modernity (a development in which states clearly assumed a *directing* role), states continued to mediate the dynamics and contradictions of global capitalism. In any particular conjuncture, moreover, states were confronted with the impossibility for capital (as a social relation and as a process of accumulation) to be merely national or even international.

The dichotomy of 'the national' (and its corollary 'the international') and 'the global' is therefore incapable of serving as the basis for the conceptualisation of current processes of social and spatial transformation. Rather than a teleological progress from the ideal-type of the national/international to the ideal-type of the global, the central focus of a historically informed analysis of globalisation should be the continuing *dialectic* of territorializing and globalising tendencies. This dialectic, I have argued, arises from the tensions and contradictions inherent in the 'territorial non-coincidence' of national statehood and global economy, which in turn feeds on the contradictions of capitalist class society.

The centre of a historical geography of the international system thus has to be the political production of space, and of different spatial scales. The national

state has played, throughout capitalist modernity, a crucial role in patterning the integration and fragmentation of global space. But neither was this state ever a container of social relations, nor could the strategies it pursued to produce social and spatial 'fixes' be understood in abstraction from the problems of the economic and social reproduction of capitalist social relations. State-centric IR/IPE, in short, was never a viable proposition.

Perspectives

One implication of the argument that I have put forward in this thesis is that we misunderstand the current transformation of social relations, and the reconstitution of the relation between the spaces of the political and the economic, if we conceptualise it in terms of a progression from 'the national' to 'the global'.

Does this mean that nothing has changed? Certainly not. The relationship between state and market has been reorganised, as the functions of states in the national and the global economy have been redefined. The boundary between the political and the economic has been redrawn, as many dimensions of social life have been taken out of the realm of public control and subjected to considerations of profitability. Finance has assumed, as a result of decreasing restrictions on its mobility, a central role in the capitalist economy, which it did not have in the immediate postwar period. There have also been profound changes in the organisation of capitalist production over the last quarter-century. In many ways, production has indeed become more integrated across borders than after 1945 - and perhaps more than at any time since the emergence of a capitalist world market.

All this adds up to an important modification in the way in which capitalism exists and operates; more specifically, it clearly signals a transformation of the socio-spatial organisation of capitalist modernity. But it does not amount to a transition from a national/international to a global mode of existence of capitalism. To be sure, the spatialisation strategies of firms (and not just of the huge global corporations among them) are increasingly geared to the formation of transnational production chains. World market competition has become the

necessary point of reference to their economic activity. In some sectors of the world economy, the classical notion of a territorial division of labour posited by Ricardo seems indeed increasingly inadequate; rather than specialisation on the production of goods in which *countries* have comparative cost advantages, we find firms in different countries, producing the same goods and competing with each other on the basis of absolute advantages.

It may be argued that this development heralds the transcendence of the territorial division of labour by a global social one. It should be noted, however, that the intra-sectoral trade first became a hallmark of precisely that world economy which serves the globalisation debate as its *international* counter-point: the *Pax Americana*. John Ruggie argues that states in the postwar period promoted a division of labour that would reduce the costs involved in adjustments to changes in comparative advantages that could undermine the competitiveness of whole economic sectors. In order to shield the national economy, and in order to prevent social instability, they promoted competition within economic sectors, as this would not entail lower adjustment costs.

The result was that economic transactions were increasingly concentrated between the industrialised countries of North America, western Europe, and Japan; this triadisation remains a central feature of today's world economy. It also led to decreasing specialisation between countries and rising intra-firm trade. As Ruggie concludes, the postwar division of labour entailed a "critical shift in functional differentiation *from* the level of country and sector *to* the level of product and firm".⁷ Robert W. Cox, moreover, notes that a transnational economy of global production was gradually supplanting the international economy of trade already since 1945.⁸

But is the implication of these arguments merely that a more gradual transition process from the national/international to the global should be assumed than most contributions to the globalisation debate are willing to accept? This would modify the notion of a progression to the global rather than to replace it with a focus on the dialectic of territorialisation and globalisation. The latter approach, by contrast, starts from the recognition that no phase of capitalist modernity has

7 Ruggie 1982, 399-401; Ruggie draws heavily on Cooper 1980.

ever been purely 'international', but combined national, international and global (as well as local, urban, and regional) scales. We cannot, however, leave things at that and conclude that capitalism in the current phase is just the same as capitalism in any other phase, a mix of scales. The crucial question is how these scales are related to each other in specific historical conjunctures.

The production of space, and of the nexus of spatial scales, I have sought to show in the preceding chapter, is a social process in which territorial states have historically played a crucial role. The intrinsic globalising tendency of capital has always formed the context in which states deployed their spatialisation strategies, and it has also tended to undermine any particular 'spatial fix'. However, states never just codified the prevailing world market strategies of firms, nor did they simply execute the global interests of 'their' capitalist classes. States constitute social spaces, creating a specific nexus between territorially based political authority and the different scales of accumulation, from the local to the global. They thereby shape and limit the spatialisation strategies of firms and classes.

If one thing is clear from the history of capitalist modernity over the last two centuries, it is that the role and function of the territorial state cannot be 'read off' the dominant forms of capital and its prevalent form of world market movement. The crucial difference between imperialism and the current phase of capitalism, for instance, is not to be found in the 'fact' that today foreign direct investment has replaced portfolio investment and trade as the basis for world economic integration. Much of liberal and Marxist globalisation theory relies, however, on the representation of economic development (linked to arguments about technological progress) as an 'independent variable' that is supposed to explain changes in the forms and functions of states, without itself requiring much explanation.

In historical materialist versions, the rise of the transnational corporation, which organises globally integrated production, accounts for the dissolution of the close link between nation-state and capital. The 'internationalised state' is one that no longer represents its 'national capital', but all the capitals active within its boundaries. In this way, a global capitalist class, which is no longer

defined by the territorially fragmented character of political authority, emerges, and with it a global class interest.⁹ This argument also underlies the neo-Gramscian perspective. As Cox notes, while classes have so far existed within “nationally defined social formations”, the result of the emerging global production structure is that “it becomes increasingly pertinent to think in terms of a global class structure alongside or superimposed upon national class structures”. What is more, the globally organised capitalist class is dominated by ‘finance capital’, which now no longer rules through the nation-state, but instead generates a “network of control and private planning for the world economy of international production” that “performs the function of Lenin’s collective capitalist in the conditions of late-twentieth-century production relations”.¹⁰

William Robinson takes this approach to its conclusion by arguing that “economic globalization has its counterpart in transnational class formation and in the emergence of a transnational state (...) which has been brought into existence to function as the collective authority for a global ruling class”.¹¹ For Robinson, this argument expresses the essential difference between a Marxist and a Weberian understanding of globalisation. Whereas the latter can posit a disjuncture of political and economic structures, as each sphere follows its autonomous logic, Marxism, according to Robinson, suggests that when capitalist class relations become global, the state cannot but become global, too, as the capitalist state is nothing but the institutionalised political form of the capital relation.¹²

It is precisely this logic that has been challenged in this thesis. The fact that the capitalist state has, so far at least, taken the form of a territorial state wielding exclusive political sovereignty does not derive from the *independently given* international form of world market integration. Capitalist statehood has been based on territorial sovereignty not because capital, in its early stages of self-realisation, required a national state, but because of the historical prefiguration of capitalist modernity by precapitalist forms of territoriality. That capital’s world market movement was, for most of its history, predominantly (though far from

9 Cf. Radice 1984, 116.

10 Cox 1996b, 110-111.

11 Robinson 1999, 2.

exclusively) based on international forms of intercourse (i.e. trade rather than foreign direct investment) was itself also the result of the agency of states seeking to territorialise socio-economic processes in order to contain the contradictions of capitalism.

If such is indeed the case, then we have to start analysing contemporary processes of 'globalisation' in rather different terms. To begin with, the teleological notion of globalisation has to give way to a concept of socio-spatial restructuring that does not presuppose the necessary obliteration of territorial statehood and the creation of a seamless global space regulated by global forms of political authority. This allows us to appreciate the increasing integration of finance and transnational production (at least in some sectors), without losing sight of the crucial role of territorial states in the new world economic order. Instead of taking 'globalisation' to be an irreducible economic process with certain political consequences, some scholars have pointed out that states were actively involved in the mobilisation of capital during the 1970s and 1980s. This role of states does not begin with the construction of hegemonic blocs to secure the stability of an autonomously emerging global regime of accumulation. States *constituted* transnational spaces and thus promoted transnational strategies of economic actors.¹³ This form of agency, rather than aiming at the creation of global consensus, was often part of a competitive strategy designed to enhance the competitive advantages of firms originating from within particular states.¹⁴ Though some of these arguments are overstated, they nevertheless indicate the direction that future research needs to take: to analyse 'globalisation' as a political process.

Research on the current processes of socio-spatial restructuring can thus not limit itself to asking about the consequences of 'globalisation'; it has to begin by asking how and why transnational forms of economic intercourse were promoted by (specific) states. That does not make the question regarding the consequences of global economic integration redundant; the Realist argument that national states are the unchallenged masters of the 'global economy' as they created it, is

12 Robinson 1999, 5-6.

13 On the construction of 'global finance', see Helleiner 1994b.

equally misleading as the suggestion by some Marxists that 'globalisation' cannot lead to the demise of the sovereign state, as capitalism cannot exist without a state. As I have pointed out in chapter 5, this argument suffers from the equation of 'the capitalist state' with the territorial state that has characterised capitalism's history so far. Indeed, I have argued that the form of statehood that corresponds to the concept of capital is the 'global state'; the contradictions that arise out of the 'territorial non-coincidence' of state and world market have been the main concern of the final chapters of this thesis.

From this perspective, it is clear that the globalising tendency of production and finance, incomplete as it is, must lead to a sharpening of these contradictions, even if it was itself originally a state-sponsored development. The globalisation literature recognises the increasing gap between global accumulation and the regulation and governance of the world economy. But it takes for granted that, this time around, the historical process will lead to the strengthening of global governance rather than to the reversion to some form of inter-imperialist rivalry. Along with the exhaustion of Enlightenment thought, it might be argued, there is now a definite collapse of the efficacy of exclusive territoriality in structuring capitalism, which goes hand in hand with a process of global state-formation.

This process, according to Robinson, does not imply that national states disappear; far from it, as global capital requires the differences between national legislations to play off against each other. But beyond the destruction of the autonomy of the national state, there is also a transfer of ultimate decision-making authority to supranational institutions.¹⁵ Michael Hardt and Antonio Negri similarly note: "Government and politics come to be completely integrated into the system of transnational command. Controls are articulated through a series of international bodies and functions".¹⁶ This development can best be grasped, they argue, in terms of the emergence of a new form of state, a 'global empire', which is as different from the nation-state as it is from the particularistic and rival empires of the late-nineteenth century. Moreover, it is only with the

14 On the role of the USA in creating a 'global' economy as part of its attempt to undermine trade competition from Europe and Japan, see Gowan 1999, ch. 3.

15 Robinson 1996, 18-20.

process of global state-formation corresponding to the globalisation of production that a Marxist theory of the state becomes possible; for only when nation-states decline and “the state and capital effectively coincide” do we find the “full realization of the relationship between the state and capital”. Capital and labour now confront each other without the mediation of national frontiers and national state apparatuses.¹⁷

The possibility of global state-formation cannot be precluded, then, by reference to the need for states in capitalism; if anything the globalising tendency of capital would make a corresponding process of political integration necessary. Only such a global state could sustain global capital through crises and contradictions. Only a global state could secure the social and economic reproduction of global capital. But while a global state is an essential requirement for the successful continuation of capitalist globalisation, the point of this thesis was to show that it cannot be presumed that such a process will indeed take place.

While there are, indeed, discernible movements towards global state-formation, there are equally strong movements towards political fragmentation. True, the institutions of global governance have taken over increasing state functions, supported by the organisations of consensus formation. But, as E.A. Brett correctly notes, that “is not to say ... that this structure is capable of performing the functions required of it if the stable evolution of the system over the long term is to be guaranteed”. Brett argues that while increasing economic integration has indeed, as most globalisation theorists posit, undermined the efficacy of the national state in the social and economic reproduction of capital, there is no effective global political structure that could take over the role of the nation-state.¹⁸

It may be, then, that territorial statehood, while not originating within capitalism, has become so entrenched that it is all but impossible to move

16 Hardt and Negri 2000, 307.

17 Hardt and Negri 2000, 236. More positively, it might be argued, there is the potential for the emergence of a more inclusive form of political community, in which national states no longer define citizenship by excluding most of the world's population; cf. Linklater 1998, 216-218.

18 Brett 1985, 22-23.

towards a form of state that corresponds to capital's globalising dynamic. The very fact of international anarchy, despite its transformations not only with the emergence of capitalist relations of sovereignty, but also with the subsumption under capital of the relations of domination within nation-states after 1945, prevents the possibility for a state form adequate to capital's global existence to emerge. This does not imply a return to Realism or even to the 'anarchy problematique' in the orthodox sense; what distinguished the approach presented here is precisely the recognition of the contradictions between national statehood and capital's global dynamic, which is totally absent from the Realist framework. Having been reproduced in the transition to capitalism, territorial statehood may not be so easy to get rid off. As Ellen Meiksins Wood suggests: "The inevitable uneven development of separate, if inter-related, national entities has virtually guaranteed the persistence of national forms".¹⁹

If this is the case, we would do well to analyse current processes of socio-spatial transformation from the perspective of the continuing dialectic of territorialisation and globalisation, rather than from the expectation that the globalising tendency is about to obliterate the territorializing one. We have to focus on the contradictions inherent in the further totalisation and universalisation of capital, and to ask in what way the dynamics and contradictions of global capitalism may be shaped by states, which still find themselves in a relationship of political and economic competition with each other. From this perspective, the question that has to be asked about our current period is not only in what way global economic integration is undermining the state, but also in what way the continuing territoriality of capitalist political space is undermining the possibility for globally integrated production and finance. Even today, as István Mészáros notes, is the globalising urge of capital limited by the fact that the

vital configuration of ... 'global capital' is to the present day totally devoid of its proper state formation. This is what sharply contradicts the intrinsic determination of the system itself as inexorably global and unrestrainable. Thus the missing 'state of the capital system' as such demonstrates capital's inability to carry the objective logic of the system's unrestrainability to its ultimate conclusion. It is this circumstance that must put the sanguine expectations of 'globalization' under the shadow of grievous failure, without removing,

19 Wood 1999b, 8.

however, the problem itself – namely the necessity of a truly global integration of humanity's reproductive interchanges.²⁰

Thus, the notion of an irresistible and irreversible process of economic globalisation in an age in which capital has become all-powerful and reduces states to mere transmission belts is incomplete and one-sided. Capital, even in the form of the transnational corporation, retains its links to particular states and territories.²¹ States, on the other hand, continue to provide political support in the world-economic competition between capitals. If states so far seem content to fulfil the requirements of the capitals they seek to localise within their boundaries, it is nevertheless the task of critical IR/IPE theory to point to the potentials for conflict and geo-political and geo-economic competition between these states. Such competition may not centre around the national economy; the strong regional structures of the 'global' world economy may provide an alternative focal point for the competition and spatialisation strategies of states if the contradictions of capitalism once again threaten the economic and social survival of capital, and thus of the state(s) built on this foundation.

It may be the end of the nation-state form of capitalist territoriality that we are witnessing today. The containerisation of social relations and economic processes that nation-states attempted (with incomplete success) does indeed seem to be a thing of the past, as the capacity of states to regulate their 'national economies' deteriorates. However, the inherited territoriality of capitalist political space, of which the nation-state was one particular expression, appears altogether more resilient and unlikely to be completely subsumed under the capital relation. In this sense, it may be too early yet to embrace, as so many liberals and Marxists enthusiastically if sometimes unconsciously do, the economic determinism and evolutionism of the *Communist Manifesto*. There is more that is wrong with this historical document than its being a little precipitous (by about 150 years).

20 Mészáros 1998, 35.

21 Cf. Pauly and Reich 1997.

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