

THE LEGACY OF POLITICAL ECONOMY: THINKING WITH AND AGAINST CLAUS OFFE

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Recent statements by Pierre Trudeau have confirmed what many of us have long suspected: the age of liberalism and its sensitivity to problems of power is over.¹ Notwithstanding widespread official chatter about “de-controls” and “cutbacks” and the renewed call for “free markets”, we of the advanced capitalist world are witness to state activities *unparalleled* in their extent, sophistication, and intrusiveness in the market-place. Marx’s exceptional comments on the “huge state edifice” of the France of his day — “a country where every mouse is under police administration”² — become universally applicable to our times.

In light of these developments, the recent enthusiastic revival of interest in Marx’s discussion of political economy and the state is long overdue. Yet this renewal (e.g. the Miliband-Poulantzas confrontation³) is a thoroughly ambiguous, even precarious development. This is because the *promise* that its real insights would condemn to obscurity the by-now stale political “classics” of the Marxist tradition,⁴ tends to go hand in hand with attempts at a more general theory of politics characterized by a “retreat” to Marxian formulations.

Almost invariably, this textual regression is accompanied by lamentations about Marx’s well-known failure to complete his foreshadowed fourth volume (of a more extensive, six-part treatise⁵) on the state. Since Marx never effected this comprehensive, systematic theory of the capitalist state, it is said that the latter is now only possible on the basis of a reconstruction of various of his *pièces de circonstance*. For all their important disagreements, this is the shared point of departure of Poulantzas’ early claim that Marx and Engels understood Bonapartism as the paradigmatic type of capitalist state,⁶ Miliband’s derivation of the theory of the “relative autonomy” of the capitalist state from a well-known *Manifesto* passage,⁷ and Altvater’s “*Kapital-logik*” analysis of “the separation of Economy and Politics.”⁸ This “return” to Marx

JOHN KEANE

is a prime and troubling example within contemporary Marxism of what Merleau-Ponty has called "thought in retreat."⁹ Allegations about the need for an elaborated theory of the state via a return to Marx are symptomatic of a strong tendency within this Marxism: to pretend that it has already "found out" about the world in which it lives; that it has discovered this world's *modus operandi* by "returning" to, and defending vigorously, the *Marxist* "roots" of its concerns.

In my view, this dogmatic retreat is bound to undermine the elaboration of a critical, emancipation-inspired theory of the present. This is because Marx's most general theses on the modern state and economy are critical appropriations of the secret of the "laws of motion" of a *unique* ensemble of conditions in capitalist modernity — namely, nineteenth-century liberal capitalism and its strict, dualistic separation of the realms of civil society and state.¹⁰ With the expanded importance of state activities under the conditions of advanced capitalism, Marx's general insights on political economy, the state and crisis stand in need of radical reconstruction: they have lost their object and, hence, the medium of their practical verification. That the Marxian critique of political economy and the state has been outwitted by empirical developments which it had not anticipated is the initial premise of the work of Claus Offe: "As we can no longer regard the system of political authority as a mere reflex or subsidiary organization for securing social interests, we are forced to abandon the traditional approach, which sought to reconstruct the political system and its functions from the elements of political economy."¹¹ In defense of Offe (who merely broaches this point) this argument needs to be worked through thoroughly, and Marx's critique of liberal capitalism located within its proper context. Against the seductive power of dogmatic "retreatism" (to which, as we shall see, Offe sometimes succumbs), the following arguments are presented as a contribution to the sharpening of recent debates on political economy and the state. They are founded on the assumption that the de-mystification of our present necessitates the *clarification* of our past; that only thereby can this past become *ours*, no longer forgotten, negated abstractly, or embraced blindly.

On Liberal Capitalism

For Offe, what was unique about liberal capitalism was the extent to which "free" market relations became hegemonic. The bourgeoisie struggled to make reciprocal exchange relations between private and allegedly autonomous commodity owners *both* the "pacesetting" structural principle of this society *and* the major source of its legitimation. Social being, language and consciousness came to be defined and ordered through market relations.

THE LEGACY OF POLITICAL ECONOMY

In this sense (and here Offe's argument is prefigured nicely in the work of Neumann, Karl Polanyi and Wolin¹²) liberal capitalism was the culmination of a process of social evolution which had seen a gradual differentiation and "uncoupling" of the sphere of economic production and exchange from the formal constraints of kinship and politics. Market capitalism saw both the emergence of a sphere of *productive* relations, and a pattern of ideological thought and speech (possessive individualism, the achievement principle) rooted directly within those relations and seeking their reproduction.¹³ Later in this essay, the significance of the latter sphere of "symbolic interaction" will be explored in some depth. For now, it should not be forgotten that liberal-capitalism's relations of production were at the same time symbolic relations. Symbolic codes or "sign values" already existed *within* the logic of the production of exchange and use values, regulating the accumulation process by establishing for its participants a meaningful, allegedly undistorted universe of discourse.

Certainly, economic liberalism and political liberalism were no Siamese twins. It is untrue to say that market society and *laissez-faire* coincided before the nineteenth century. Locke, for example, had stressed the primacy of the state's "federative" (*i.e.* foreign policy) and the monarch's "prerogative" powers over law, while Machiavelli and Hobbes had understood that the very character of possessive market relations at first presupposed extensive hierarchical state regulation to ward off severe unemployment and economic and social disorder. The forcible creation of abstract individuals could only succeed under the aegis of an abstract, centralized state. This was precisely the outcome of the absolute monarchies (*e.g.* the Tudors and early Stuarts), which pillaged the church, suppressed foreign enemies, and dared to establish peaceful stability.¹⁴

Even so, by the early nineteenth century (England is perhaps prototypical¹⁵) the operations of government were more and more seen to be disturbers of the "harmonies économiques." The activities of this "nightwatchman state" (as Lasalle called it) were to be restricted to the general securing of otherwise self-reproducing market conditions: the harnessing of tax, banking and business law to the dynamic needs of the process of capital accumulation; the protection of bourgeois commerce via civil law, police, and the administration of justice. From within the ranks of early nineteenth-century utilitarianism came the strongest justification for the "weakest" state commensurate with the class domination of civil society. It was Bentham's conviction, for example, that the most general end of laws were but four in number: "to provide subsistence; to produce abundance; to favour equality; to maintain security."¹⁶ Proceeding from his time-bound assumptions that the great unwashed mass of labourers would never seek to elevate themselves above subsistence levels except through fear of starvation, and that, for the more

JOHN KEANE

well to do, the secure hope of gain was the necessary and sufficient stimulus to maximum achievement and productivity, Bentham deduced his one "supreme principle" of security of existing property relations through the state. The goal of equality of wealth was made to yield to that of security of both existing property and the returns on one's labour: "In consulting the grand principle of security what ought the legislator to decree respecting the mass of property already existing? . . . He ought to maintain the distribution as it is actually established . . ." ¹⁷ The market property and symbolic order was thereby summoned to shed its political skin; liberal capitalism's institutional framework and its mode of legitimation became immediately economic and only mediately political. Literally, social life was partitioned: a network of reified political institutions ("the publique Sword" as Hobbes called it) was set the task of mediating and defending the anarchy of the private realm, in which, freed from the old "pernicious regulations", individuals pursued their interests and exercised their natural rights of private judgement.

It was under these de-politicized conditions that labour and exchange processes took on that "two-fold nature" outlined by Marx: while producing use values, labouring activity also created exchange values. While allocating commodities via the medium of money, the exchange processes of the market served the self-expansion of capital and its unspoken dominion over those who laboured. ¹⁸ Class domination strove to become silent and anonymous. Money began to govern and talk. "In place of the slave driver's lash" noted Marx, "we have the overseer's book of penalties." ¹⁹

According to Offe, the bourgeois attempt at effecting this anonymous, legalized class domination was possible insofar as that state ensured the predominance of the pre-political interests of the bourgeois by taking on a *defensive* role (as outlined by Bentham); that is, the state guaranteed the self-reproduction of strictly delimited spheres of civil activity *beyond* its authority. Indeed, "the bourgeois state confirmed its class nature precisely through the material limits it imposed on its authority." ²⁰

While Offe does not elaborate this point, it is important to note that this is the context in which, in his famous 1859 formulation, Marx spoke *correctly* of the bourgeois-constitutional state as "superstructural". This state was indeed dependent upon the "real foundation" of this period, namely, those relations of production which constituted the economic structures of liberal, bourgeois society. ²¹ This formulation is repeated (albeit quite unsystematically) through a wide selection of Marx's texts. Poulantzas' early claim that Bonapartism is their central theme is but a careless and unfounded over-interpretation. For example, the 1859 formulation is already foreshadowed in the critique of Hegel, according to whose rather classical view of politics the modern state was "the reality of concrete liberty", the universal domain of enlightened conviviality within which individual citizens realised their judicial, moral and

THE LEGACY OF POLITICAL ECONOMY

political freedom.²² Through the civil corporations and the state bureaucracy the contradictory, particularistic elements of civil society were to be brought to reconciliation at the highest stage of objective Spirit: the former were seen to function as “filters” through which the *bellum omnium contra omnes* of civil society would be organized and directed toward the state; the bureaucracy, on the other hand, was to mediate rationally between these private groups.

According to Marx, it is precisely this “tempering” and universalistic mediation of private interest which could not be realised. Hegel’s conception of the modern state is purely abstract-formal. Hegel’s intention of overcoming the *actual* separation of civil society and state actually leads to the conceptual re-affirmation of the dualism. Hegel is accused of syncretism. Within the Hegelian schema, the *actual* antinomy of state and civil society — which Marx took to be a key characteristic of bourgeois modernity’s attempt at establishing non-political “reservations” of exchange²³ — was simultaneously revealed and concealed: “Bureaucracy denigrates the corporation as mere appearance, or rather wants to denigrate it, but it wants this appearance to exist and believe in its own existence. The corporation is the attempt of civil society to become the state; but bureaucracy is the state which in actuality has become civil society.”²⁴

Against Hegel, Marx further pursued this theme of the subjugation of the state to the logic and power of civil society in his stinging critique of Ruge. The modern bourgeois state was seen once again to be *restricted* to mere “formal” and “negative” activities precisely because its powers ceased where the depoliticized hustle and bustle of market activity commenced. This “slavery” of civil society was, for Marx, the “natural foundation” upon which this state rested and to which it had to react. This state was literally held together by civil life.²⁵ Thanks to the fact that the bourgeoisie was the leading source of revenues from taxation and loans, the liberal-bourgeois state became, (in the formulation of *The German Ideology*) “nothing more than the form of organization which the bourgeois by necessity adopts for both internal and external purposes as a mutual guarantee of their property and interests.”²⁶ This state became a mutual insurance pact of the bourgeoisie both against the proletariat and against *itself*, that is, against the persistent anarchy of individual capitalist interests.²⁷ As the most famous (and ill-interpreted) 1848 formulation had it, this state was “but a committee for managing the common affairs of the whole bourgeoisie.”²⁸

Of course, Marx understood the “ideal-typical” case of this development to be the American.²⁹ On other occasions, he pointed to aberrant cases (e.g. the Bonapartist state in France, Bismarck’s Germany, the Asiatic mode of production) wherein the relatively greater “independence” of the state to more actively organize the relations of production resulted from (a) unique

JOHN KEANE

territorial and climatic conditions, reinforced by the general absence of the private ownership and control of land; (b) the fact that feudal remnants continued to hinder the achievement of bourgeois hegemony; and (c) where no one particular class (or class fraction) had attained dominance over the others.³⁰ The latter case in particular reminds us that, for Marx, the success of the bourgeois struggle to de-politicize market relations was extremely tentative. Certainly, the emergence of civil society permitted an enormous, but unplanned, development of the productive forces, a development guided only by the acquisitive, instrumental-utilitarian actions of market participants. Therewith, liberal capitalism and its Manchesterite state became the *first* mode of production to institutionalize near self-sustaining capital accumulation. However, as is well-known, the bourgeois dream of opaque, non-political, universally-acceptable class domination resulted in its shattering opposite: proletarian struggle against the form and content of this society. Liberal capitalism (whose extreme fragility flowed from the fact that its political-economic structures and dominant patterns of thought and speech were linked isomorphically) was rocked to its very foundations by crisis tendencies which were *total* in their impact. Very few social formations have ever laboured under such permanent and thorough fear and excitement about the possibility of revolutionary change. Economic crises were *simultaneously* social crises. They revealed at even the mundane level of daily life the contradictory, irrational character of life under liberal capitalism: the “personal” was immediately and undeniably “political”. Such crises, “by their periodical return put on its trial, each time more threateningly, the existence of the entire bourgeois society.”³¹ This was facilitated by the fact that the characteristic market *ideology* (possessive individualism) pertained to *earthly* relationships of human subjectivity: at the same time, this ideology revealed and concealed the possibility of human subjects self-consciously making *their* social world. As ideology, possessive individualism could lay claim to being the first ideology, and liberal capitalism the first social formation within which *universal* emancipation from ideological domination was possible.

As Offe points out, this is the context within which Marx’s enquiry into the nineteenth century value-form was both credible and fruitful. The critique of capitalist domination at both the institutional and symbolic-ideological levels — “the anatomy of civil society” — could come in the form of a critique of political economy *only* under conditions where, as Marx stressed, “the whole of human servitude is involved in the relation of worker to production.”³² This is also why, within Marx’s schema, the category of need-satisfying, ontogenetic labour was central.³³ For Marx, the description of men and women as beings who struggle with and against nature and, thereby, themselves, was linked closely with the theory of modes of production successively transformed through class struggle. Moreover, through the

THE LEGACY OF POLITICAL ECONOMY

insight that the value of thing-like commodities was dependent upon the labour incorporated in them, through the theory of surplus value, and through the theorems of periodical crises, Marx demonstrated, contrary to bourgeois ideology, that the bourgeois accumulation process would come to a standstill over and over again. These "industrial earthquakes" were understood as the real bases of the hope for revolution. The stalled, boom-bust character of liberal capitalism was a kind of visual demonstration to the toiling masses, unless something gave, of the disparity between the developed productive forces and the class-fettered relations of material and symbolic production within which these forces were "embedded".³⁴

Late Capitalism: State Intervention as Crisis-Management

Of course, some things did give by the last quarter of the nineteenth century. Offe mentions the de-sublimation of the productive forces via the growing national and trans-national rationalization of wages, commodity prices, tasks, and profits.³⁵ Further (and most significantly, for our purposes) state intervention *against* the market around and after World War I has been crucial, insofar as it has come to signal the dissolution of the non-political, liberal phase of capitalism and its socially disintegrative tendencies. To be sure, the quantitative growth of state activity in this period has been impressive — for example, in Britain, Italy, the United States, France and West Germany state expenditures now approach or exceed 40% of the value of gross domestic product.³⁶ More importantly, however, this state growth constitutes a qualitative expansion compared with its former role. Whether ushered in through parliamentary appeals (as in the United States, Britain, Canada, Australia) or authoritarian fascism (as in Italy and Nazi Germany), this qualitative growth has become a universal and apparently irresistible trend within the capitalist world of the past five decades. Its qualitative moment is revealed by its critics, who talk of "creeping socialism". Such state intervention is not socialism, but creeping it has been. That realm of life in which Marxian categories had moved with a great deal of credibility, that realm which consisted in "private men in the exercise of several Trades and Callings" (Hobbes), begins to shrivel.

Against the late nineteenth century backdrop of economic cartelization, labour and tariff disputes, there were a number of crucial developments in the political realm. Harbingers of the "civilisation" of the state and the "politicization" of civil society, these included the gradual affiliation of political parties with particular economic interest groups, the emergence of "party machines" bent on engineering popular consent, and the massive economic mobilization of World War I. This state intervention coincided with

JOHN KEANE

(a) the erosion of the "unwieldy" parliamentary forum, as the locus of bargaining moved to unofficial party or coalition caucuses, and to newly-established government ministries (e.g. the Weimar Republic's Interparty Committee and Ministry of Labour; the Italian Fascist Grand Council and Ministry of Corporations) which dealt directly with sectors of labour and capital; (b) the beginnings of attempts at "accrediting" organized labour, by seeking its integration within a state-supervised bargaining system (by the mid-1930's, for example, the Matignon agreements and the Wagner Act had imposed such requirements on French and American entrepreneurs similar to the already existing Stinnes-Legien and Palozzo Vidoni agreements in Germany and Italy); and (c) the dramatic growth of new state functions, such as attempts at allocating raw materials and planning and regulating the movements of labour and commodity prices.

Rescuing liberal capitalism from crises became possible only through its recasting in a "corporatist" direction, dissolving the old dualism of the state and its cybernetic market. More and more, the state came to negotiate with fractions of capital and organized labour (or, sanctioned pseudo-unions, as in Italy), thereby building them into its structures.³⁷ These developments were recognized early in the pioneering work of Hilferding on "organized capitalism", in the writings of Korsch, Horkheimer and Marcuse, and were announced prophetically in the words of perhaps the most insightful figure in this circle, Frederick Pollock: "What is coming to an end is not capitalism, but its liberal phase."³⁸

Offe pursues this theme: the state in late capitalism has become interwoven with the accumulation process such that the latter becomes a function of bureaucratic state activity and organized political conflict. No longer are they as super-structure to base. Rather, capitalist relations of production have been re-politicized. The (potential) antagonism between socialized production and particular ends has re-assumed a directly political form. The realisation of *private* capital accumulation (or, to invoke Offe's favourite expression, "the universalization of the commodity form") is now possible only on the basis of an all-encompassing *political* mediation:

In an era of comprehensive state intervention, one can no longer reasonably speak of 'spheres free of state interference' that constitute the 'material base' of the 'political superstructure'; an all-pervasive state regulation of social and economic processes is certainly a better description of today's order.³⁹

Elsewhere, Offe develops this argument via the analytical distinction between

THE LEGACY OF POLITICAL ECONOMY

“allocative” and “productive” state policies.⁴⁰ Whereas in the era of liberal capitalism state activities were generally restricted to *allocative* functions, in late capitalism not only are these continued but the state now actually *produces* conditions which are essential for the reproduction of private capital but which this capital is incapable of creating. These include key infrastructural components such as health, housing, education, transportation and communication services, energy, manpower training, and scientific research and development.

Unlike the less precise concept of “state intervention”, this important distinction is based not only on the extent of state activity required to reproduce the accumulation process, but also on an empirical description of the nature of these requirements and the means by which the state fulfills them. Allocative policies include those state attempts to maintain conditions for profitable capitalist accumulation through the allocation of resources of “state property” (forces of “law and order”, taxes, tariffs, crown land and sea, etc.) which already are under its jurisdiction. Usually, such resources are distributed according to power struggles within and without the state itself. “Allocation is a mode of activity of the capitalist state that creates and maintains the conditions of accumulation in a purely authoritative way. Resources and powers that intrinsically *belong* to the state and are at the disposal of the state are allocated.”⁴¹ For example, certain industries are “bailed out”, and others receive protective tariffs; monetary policy is determined according to certain state rules; tracts of land are given over to railways; the police, courts and military are despatched according to certain legal guidelines; and so on.

Perhaps the clearest example of such allocative policies is the various (Keynesian) techniques of “indicative planning” developed during the post-war reconstruction effort in France.⁴² While steady inflation, labour unrest and international trade competition have slowed recent rates of growth, this indicative planning played a major role in rejuvenating the French accumulation process in the 1940’s and 1950’s. Premised upon the Keynesian thesis that firms’ decisions to invest (and, therefore, business fluctuations) depend directly upon the degree of certainty about the future, the Commissariat du Plan has consistently sought to remove the element of unpredictability in domestic demand and investment. The plan plots targets for each basic industrial sector, estimates the patterns of demand to be expected by individual producers, and specifies the likelihood of supplies readily being available to those producers. It has helped overcome “bottlenecks” and sluggish rates of investment in strategic sectors of the economy, and, more recently, has been instrumental in promoting “national champions” in the domains of domestic and international trade. Offe’s point is that these allocative techniques, *forms* of which were also common in the

JOHN KEANE

nineteenth century, are now orthodoxy in all late capitalist countries.

On the other hand, the novelty of productive policies is that they seek the provision of "inputs" of accumulation (*e.g.* reconstructing labour skills via programmes of vocational training) in *anticipation* of disturbances within the domain of "privately" controlled accumulation. Thus, productive policies strive to bolster sagging supplies of both variable and constant capital, where such capital is either not provided, or provided in inadequate supply by private market decisions.⁴³ Productive state policies are, therefore, crisis-avoidance strategies, through which the state responds to actual or perceived blockages within the accumulation process. Their rationale, which has real market-shearing effects, is "to restore accumulation or to avoid or eliminate perceived threats to accumulation."⁴⁴

This is the real significance and uniqueness of "public policy" formation in the period of late capitalism. Through such policies, the state *selfconsciously* shoulders the task of overcoming the socially disintegrative consequences of liberal capitalism's anarchic pursuit of profit. By no means are these policies "unproductive".⁴⁵ A crucial case in point (merely mentioned by Offe) is government strategy which seeks to up-grade the "immaterial infrastructure" via the formal provision of schooling and re-schooling and, thereby, the output of those whom Habermas has called "reflective workers".⁴⁶ Such reflective, or second-order, labour power (*e.g.*, that of industrial chemists, engineers, teachers) can be seen as labour applied to itself; its purpose (exemplified in the oligopoly sector) is to enhance the productivity of direct, first-order labour. This planned production of reflective workers is unique to late capitalism, and points to the obsolescence of Marx's assumption (in the famous falling rate of profit thesis still defended by Poulantzas and others) that the rate of surplus value tends to constancy.

This market-replacing, productive state activity is only one example of the state's more general involvement in the planned provision of scientific and technological support for the accumulation process. The "scientization" of the capitalist accumulation process dates from the last quarter of the nineteenth century. During Marx's time science and technological development were not yet industrialized. Now, however, science is a leading productive force, financed directly through state-funded research and development projects for the military sector. The consequences of this "statization" and "industrialization" of science and technology have been staggering. Not only does it help to remove the destructive uncertainty from the patterns of technical innovation in the oligopoly sector, it also renders direct labour more productive, and cheapens the fixed components of capital, thereby tending to raise the rate of surplus value. This has had directly political consequences, especially since there emerges a systemic ability to pay higher wages to organized labour within the oligopoly sector. Offe is correct: such forms of

THE LEGACY OF POLITICAL ECONOMY

state crisis-avoidance strategy cannot be dismissed as unproductive.

Toward a Critique of the Critique of Political Economy

With this argument, Offe's real project is broached. Inasmuch as traditional market forces have been displaced and re-politicized, and the state civilised or drawn directly into production, distribution and consumption, Offe is adamant that a critical theory of late capitalism can no longer retreat to, and hide under, the aegis of the critique of political economy in its classical Marxian formulation. Attempts to retreat to classical Marxism risk becoming ideological, insofar as they conceptually exorcize the significance of the partial overcoming of the law of value within what remains of "the economy". More than that, they obfuscate the whole *problematique* of the organization of political power and authority and its renewed importance in the reproduction of domination in the twentieth century.⁴⁷ Historical materialism has no choice but to engage in self-criticism; the Marxist critique of political economy must be applied to itself.

Offe buttresses this iconoclastic argument by pointing to three immediate consequences of the alteration of both moments of the former state-civil society dualism: the withering of class struggle, the emergence of marginalization, and the expansion of technocratic politics. According to Offe, the patterns which marked militant class struggle until the mid-1930's, have since been disfigured. In part this can be attributed to new forms of wage determination within the arena of the rationalized, technologically innovative, "price making" national and trans-national corporations. In this sector, union-filtered demands for a greater share of surplus can be granted and "passed on" in the form of higher product prices to an extent *consonant with the degree of individual firms' market power*. That is, the general level of administered prices in money terms is primarily adjusted by the *negotiated* level of money wage rates, and not by "market forces": "The market relationship has become virtual rather than real to the owner of labour power."⁴⁸ The price of labour is negotiated politically; the system of "political wages" (as Hilferding had first observed⁴⁹) tends directly to promote class negotiation and planned compromise. Structures of wage determination become the nets into which organized labour is drawn. Resultant problems of the "inflation barrier" notwithstanding (Offe has nothing to say on this), class conflict tends to be externalized, transfigured into company-union negotiations.⁵⁰

This development is reinforced by the fact that levels of disposable income have come to be less directly dependent upon the market, and more a function of a whole gamut of state policies (social service payments, the less than

JOHN KEANE

adequate provision of health and housing, administration of minimum wage rates and incomes policies, etc.).⁵¹ In particular, Offe argues that the state apparatus discriminates selectively in favour of (and is, in turn, therefore dependent upon) those groups — principally, organized labour and oligopoly capital — whose mutual compliance is crucial for the smooth reproduction of the system. Upon these groups (and especially fractions of capital) are conferred what Offe calls “structurally determined privileges”.⁵² With this argument Offe transcends the “class-power” versus “state power” problem expressed so well by Poulantzas.⁵³ For Offe, the late capitalist state is caught between its role as a passive instrument of “class” forces and its other role as an autonomous subject, rationally organizing and re-organizing a multiplicity of competing interest groups.⁵⁴ These roles have been articulated respectively by those whom Offe calls “influence and constraint” theorists, and by the pluralists, social democrats, and others holding an “integration” model. Because the success of the state’s allocative and productive policies and its general budgetary obligations are ultimately dependent on revenues generated within the economy, the state *must* at the same time both *react* to the imperative of the private accumulation process (a “capitalist state”) and *intervene* selectively therein (a “state in capitalist society”).⁵⁵

One important consequence of this general politicization of the accumulation process is the (at least temporary) dissolution of the objective grounds for the thesis of “the two great hostile camps” still employed by some sections of the politically ineffective left. Within late capitalist countries, there is a tendency for vertically-opposed “collectivities” (*i.e.* classes) to be replaced by a “horizontal” system of disparities between vital areas.”⁵⁶ This is Offe’s persuasive argument against those who would unthinkingly utilize the analytic categories of “Labour”, “Capital”, and “class struggle”; these formulations simply and faithfully assume what has not emerged factually.⁵⁷ He argues that the bestowal of “structurally determined privileges” upon organized labour signals the dissolution or “bifurcation” of the proletariat *qua* proletariat. Many of those blue collar production and maintenance workers, and the so-called middle class of male, white collar, administrative and technical workers within the unionized oligopoly and state sectors become a labour elite with relatively privileged access to late capitalism’s ever-expanding productive forces. Of course, this is one aspect of the basis of popular support for reformist “social-democratic” labour parties such as the British Labour Party, the French P.C.F., and the Federal Republic of Germany’s S.P.D. In Marxian terms: the rate of exploitation (*i.e.*, the rate of surplus value, or the ratio between surplus value and wages) becomes extremely uneven. As many empirical studies of late capitalism’s highly skewed distribution of wealth and income suggest, there occurs a temporary re-distribution of income and other benefits to the detriment of those outside

THE LEGACY OF POLITICAL ECONOMY

the “structurally privileged” zones.

It should be noted that Offe is *not* here proposing a variation on the thème of mass society or *embourgeoisement*. For those within the “peripheries”, within strategically less vital areas (e.g., the inmates of institutions, those on welfare and pensions, aboriginal and immigrant peoples, economically depressed rural and national regions, slums, the areas of public transportation, health, and housing) are relatively neglected in this scenario. According to Offe, the further the system of political economy and commodification is centralized, the more whole groups are “expelled” from this system: “. . . the pauperism of the early capitalist proletariat has given way to the modern pauperism of depressed areas.”⁵⁸ At any point in time the degree of this “marginalization” is directly contingent upon the extent to which the state’s resources are required for more “urgent” projects: some adjusted balance between the need to guarantee and promote private investment without price inflation; “full” employment; the avoidance of major military conflicts; the reproduction of international trade; and the repression of domestic unrest. According to Offe, the electoral, legislative, executive, administrative and judicial branches of the late capitalist state can be seen therefore as “filters” or “sorting processes” with a marked degree of “selectivity”. Independently of the professed intentions and promises of particular political parties, civil servants and politicians, the very “location” of the institutional structures of the state *vis-à-vis* the accumulation process, pre-determine these institutions’ definition of what is taken to be a political need. The state systematically enforces “non-decisions”.⁵⁹ This also means, however, that the potential conflicts which remain inherent in the private mode of capital utilization are at the same time the least likely to erupt. Offe’s point is that these potential conflicts tend to “recede” behind the politically-determined conflicts within the depressed zones, strife which no longer directly assumes the form of “class struggle”.

The existence of this privilege-granting selectivity is Offe’s way of pointing to the degree of repressive bias of the late capitalist state, and indicates also why this apparatus nowadays strives to become technocratic in its mode of operation. As Offe says, the conflict-ridden, discursive politics of the liberal capitalist past *must* today become the statist-administrative silencing and processing of its objects:

The welfare state is developing step-by-step, reluctantly and involuntarily. It is not kept in motion by the ‘pull’ of a conscious political will, but rather by the ‘push’ of emergent risks, dangers, or bottlenecks, and newly created insecurities or potential conflicts which demand

JOHN KEANE

immediate measures that avoid the socially destabilizing problem of the moment. The logic of the welfare state is not the realization of some intrinsically valuable human goal but rather the prevention of a potentially disastrous social problem. Therefore, welfare states everywhere demonstrate that the tendency of being transformed is less a matter of politics than a matter of technocratic calculus.⁶⁰

Offe here alludes to what can be called the unspoken, yet contradictory character of administered politics in our time: the more our lives are "politicized" through state actions, the more we are expected to "de-politicize" ourselves, to busy our muted selves within a culture which promotes public silence and private orientation towards career, leisure and consumption. That the possibility of truly participatory decision-making is attenuated under the conditions of late capitalism is not fortuitous. The attempted maintenance of mass loyalty through de-politicization is fated, because one whole range of the state's priorities — those concerning the *private* appropriation of *socialized* production — must be withdrawn from public discussion. Substantive democratization would "overload" this already-burdened apparatus with demands which, in turn, might bring to popular consciousness the antagonism between the logic of administratively socialized production and the continued private appropriation and use of surplus value.⁶¹

To be sure, a form of "public life" is retained. This retention has its systemic rationale, because the qualitative and quantitative increase of state activity must be legitimated. "Publicity", therefore, is not simply a sham, for it comes to have symbolic use for those who bureaucratically plan and administer. Conscious political activity begins to fall under the spell of abstract rationalization. As Offe argues (here following Habermas), the state and public opinion makers take on the task of ideology planning, of creating webs of thought and speech which promote an undifferentiated "follow the leader" deference among the state's clients.⁶² Networks of "public meetings", enquiries and select investigative committees, the sensationalizing of political personalities, party conflict, and the generation of spectacles frequent an apparently open "public life". The critical content of public life, however, tends to be removed; there is an "erosion of the genuinely public realm."⁶³ Therewith, liberal democracy's rosy hopes for "public life" succumb to late bourgeois cynicism; at least since Weber and Schumpeter, this is expressed in the movement to re-define and formalize the concept of "democracy" in accord with alleged administrative imperatives. "Democracy" comes to signify a technical means of maintaining system "equilibrium". The self-

THE LEGACY OF POLITICAL ECONOMY

transformative, developmental dimensions of earlier models of liberal democracy tend to be forgotten or dismissed as “unrealistic”.⁶⁴

The Return of Crisis?

Here we can recapitulate Offe’s argument. Commensurate with its role as a *capitalist* state, the central imperative of the state’s allocative and productive policies is the stabilization and universalization of the commodity form. Thereby, this state apparatus is constrained to satisfy two necessary conditions of the accumulation process — namely, that labour power is employable and does indeed find employment “on the market” and, further, that individual units of capital find it profitable to employ this labour. As we have seen, the realisation of this crisis-avoidance strategy requires that, for the sake of manoeuvrability in the execution of its structurally-determined functions, the state must create requisite volumes of mass loyalty. Unlike its liberal capitalist counterpart (which could be legitimated by non-interference with the workings of the invisible hand of private markets), the hand of the late capitalist state must somehow be hidden behind the backs of its constituents, by proclaiming its “neutrality” — as promoter of lawful order, justice, democracy, progress and prosperity for all. Unlike the *silent* domination of the old market, “the official power embodied in political institutions finds itself forced to declare and justify itself as power.”⁶⁵ This, for Offe, is *the* structural problem of the late capitalist state, namely, “that the State *must at the same time practise its class character and keep it concealed.*” Elsewhere: “the state can only *function* as a capitalist state by appealing to symbols and sources of support that *conceal* its nature as a capitalist state; the *existence* of a capitalist state presupposes the systematic *denial* of its nature as a *capitalist* state.”⁶⁶

This structural problem becomes the focus of Offe’s rendition of the analytic, politically-charged categories of appearance and reality, contradiction, crisis and intervention. These can be outlined and elaborated. It is Offe’s conviction that appearances within late capitalism are necessarily in tension with this society’s “institutionalized set of rules”, class domination in political form. This dialectic of appearance and reality has the force of a contradiction — it is not simply a dilemma — in that the state’s allocative and productive attempts at universalizing the commodity form tend to undermine its own self-proclaimed appearances and, therefore, those very conditions of depoliticization on which its activities depend so desperately for their continued reproduction. The essential logic of late capitalist accumulation in political form is simultaneously the logic of its possible transcendence. The reality of this logic is that of unrealistic goals: “*all* advanced capitalist societies . . . *create*

JOHN KEANE

endemic systemic problems and large-scale unmet needs.”⁶⁷ These *political crisis-tendencies* become the objectively given situation of confusion within which those engaged in, or on the margins of, political discussion and activity may come to realize that the pattern of their actual social relations is contradictory and irrational. This is Offe’s remarkable attempt at recovering that *immanent critique* of the present which has so bedevilled and eluded twentieth century Marxism and critical theory from the time of Lukács’ unsatisfactory designation of the proletariat as the identical subject-object. The theses on political crisis can be seen as an effort at articulating those potential conflict zones within which inheres the dialectical tension between the abstract, quantitative, instrumental rationality of the past and present and the possible future bursting forth of a qualitatively new rationality. Note that this formulation is by no means synonymous with a “catastrophe theory of history”, with a crude theory of automatic, blind, lawful collapse. For, political crisis situations are the objective contexts in which *subjective intervention* (“speaking out”, *contestation*) becomes possible, and is most likely to be successful. The objects of system difficulties may become subjects, more or less self-conscious of that paralysis and, thus, active in its resolution. Finally, this is the point of Offe’s critique of late capitalism: it seeks an enriched explanation of that which may already be glimpsed or known confusedly among wider segments of the population.

Offe infuses these categorical forms with empirical content by pointing to several difficulties which have begun to haunt the late capitalist countries. First, Offe appropriates the earlier Baran and Sweezy thesis to argue that the state’s attempts at administering the accumulation process tend to become more and more costly.⁶⁸ In other words, the self-expansion of capital (especially within the more highly profitable oligopoly sector) becomes more and more contingent upon giant investment projects, huge capital outlays, and growing “social overhead costs”. Within late capitalism, there is a *permanent* under-utilization of capital and lack of investment outlets. To the extent that the state seeks to overcome private capital’s liquidity preference by socializing capital and social overhead costs, the likelihood of fiscal problems therefore grows. As Offe demonstrates in a recent study of the West German construction industry, state attempts to increase the level of revenues or co-operation from corporate sources run the risk of capital disemploying itself. The real source of the fiscal problems lies in the asymmetry between the growing socialization of capital and social overhead costs by the state, and the continuing private appropriation of profits.⁶⁹ Thus, in late capitalism state expenditures (whose “cost-benefit” accounting is notoriously difficult) tend to outrun state revenues, to the point where the state must seek to “cut back”, to rationalize its *own* expenditure patterns. The significance of these fiscal problems is that at least several of the measures aimed at their amelioration

THE LEGACY OF POLITICAL ECONOMY

(e.g., managed recession, the introduction of “wage and price controls”, “getting the nation off the government payroll”, etc.) only serve to undermine the basis of mass loyalty and de-politicization upon which the state depends.

In addition, even if state attempts at “economizing” and maintaining the employment of oligopolistic capital are successful, Offe stresses that this can only be achieved at the risk of generating “surplus labour power”.⁷⁰ Within the oligopoly (and state?) sector there is a constant tendency for the organic composition of capital to increase, that is, for capital-labour ratios to rise continually. The unemployment of labour power becomes the obverse of the state’s attempts at universalizing the commodity form. The stratum of unemployed labour is produced not by economic recession but by “prosperous times”, and is in no way a “reserve army of the unemployed” for other sectors of the political economy. More and more, this surplus labour — which *may* threaten fiscal austerity programmes or (as during the student movement) conditions of de-politicization — is housed within the urban and rural ghettos, on reserves, within military institutions, and in educational and training programmes which effectively extend the period of adolescence and unemployment.

Thirdly, Offe points to the impossibility of the state becoming an “ideal collective capitalist” (Engels) because of structural limits upon its attempts at centralized, bureaucratic, middle-range planning for the reproduction of capital. This can be seen as a confrontation with the Weberian argument that the decisive reason for the advance of impersonal bureaucratic forms of organization is their technical superiority compared with other means of social goal attainment. Indeed, under the conditions of late capitalism, centralized-bureaucratic attempts to “finely tune” and coordinate the execution of allocative and productive policies are highly ineffective. This is because of discrepancies between required state functions (the achievement of *specific* concrete results) and this state’s internal modes of operation according to the logic of *general* administrative rules. Thus, patterns of *private* ownership and control within the oligopoly and competitive sectors, the continuing competition between capitalist enterprises, and the competition of capital with other groups (environmentalists, unruly labour unions, etc.) tend to hinder or privatize the state’s general planning activities. Environmental turbulence becomes internalized within the state apparatus, with possible illegitimizing consequences. This is further aggravated by the fact that the length of the production cycles of the state’s productive activities is unusually great.

Overall, these factors mark the state’s activities with a vacillating, active-reactive character, described by Offe in terms of “the political delimita of technocracy” theorem. On many occasions, the late capitalist state clumsily muddles a mid-course through proposed (and objectively required)

JOHN KEANE

intervention and forced renunciation of such plans. This “muddling through” is a consequence of what Offe describes as the systemic imperative of “administrative recommodification”. One set of priorities (the need to reproduce the private appropriation of socialized production) must be accommodated *within* the theory and practice of policy planning and public administration. Here Marx’s critique of Hegel is resurrected. According to Offe, the structurally privileged access (and possible opposition) of organized labour and oligopoly capital to the state’s decision making processes unwittingly subordinates that administration to particular, “private” interests. State planners’ irrational reliance upon the formation and cooperation of these organized blocs seems fated. Thus, the state is not simply (as in liberal capitalism) an unconscious executive organ. After all, it *does* make *deliberate* attempts to avoid economic crises, to absorb social expenses, and so on, but by virtue of the fact that it is actually victimized by a system of accumulation which it seeks to regulate, this state now suffers from a kind of “second order”, more diffuse, unconsciousness.⁷¹

These specific difficulties (underemployment of labour, budgetary inflation, muddling through) are seen by Offe as symptomatic of a more deep-seated contradiction within the late capitalist political economy. This is the celebrated “theory of decommodification”. Easily the most novel and least compelling of Offe’s theses, it should be seen as a supplement to the earlier-mentioned theory of the protest potential of “marginalization”. The thesis concerns the welfare state’s attempt to reproduce the commodity form (*i.e.*, the exchange of labour and capital) through non-commodified means, and can be expressed provocatively: How can the “public” sector produce and distribute use-values (transportation, postal systems, education, health, the provision of security against unemployment) for a sphere dominated by exchange values without calling into question the idea and practice of the latter? How can concrete, differentiated, incommensurable labour — labour directed towards the production of use-values — continue to be legitimated and motivated with reference to the old ideology of possessive individualism and the realm of abstract, homogenized labour, labour oriented towards the production of value for exchange? In what ways can the maintenance of the commodity form accommodate the expansion of state policies which are exempt from this form? As Offe explains:

The contradiction within state-organized production of goods and services is one of form and content. By their origin and functional content, such organizations are designed to create options of exchange for both labour and capital. By their formal and administrative mode of

THE LEGACY OF POLITICAL ECONOMY

operation they are exempt from commodity relationships: use-values are produced and distributed without being controlled and dominated by exchange values.⁷²

Note that objections may be raised against two key assumptions in this argument. First, Offe's resurrection of the classical Marxian contrast of exchange and use-values is certainly surprising in view of his earlier argument that the overcoming of liberal capitalism's market-steered, crisis-ridden accumulation process provides an "internal critique" of those categories. Secondly, the assumption that the state's allocative and productive activities are correlated directly with social needs begs questions about the veracity of these "use-values". Are not the form and content of at least some state-provided "utilities" distorted *a priori* by their object (capital accumulation)?

Notwithstanding these doubts, Offe's conclusions are clear. Decommodification within the late capitalist "public" sector establishes a "socialized" form of organization which at the same time promotes and, because of its class character, thwarts the possibility of a set of social relations freed from the curse of the rationalized commodity form.⁷³ This alien "liberated base" of decommodified activity is in no way a residue of pre-capitalist social existence. It signals a new and vital "need" which this social formation has created, upon which it depends, but which it cannot satisfy. Offe emphasizes that this is the reason why all state-provided "services" (which are seen to be aimed at realising commodity exchange *and* human needs) have a thoroughly ambiguous, character:

'Prosperity for all' is the slogan of an economic policy which causes the distribution of wealth to become more and more unequal; 'Education as a Civil Right' is proclaimed when bottlenecks are noticed in the labour market; capital's concern about the investment of the defence industry lying fallow corresponds to the appeal to the population's fear of Communist aggression; the development of means of destruction is rationalized as a means of developing the forces of production; the nurturing of concern for countries of the Third World provides the legitimation background for a far-sighted tapping of capital — and selling — markets.⁷⁴

JOHN KEANE

Of equally pressing importance for Offe is the fact that the spread of decommodification signals the undermining of the institutional bases of certain key components of bourgeois thought and speech. The "moral fiber of a capitalist commodity society" is shattered; a "legitimation vacuum" emerges.⁷⁵ The focus of this argument is exclusively on the fate of the ideology of possessive individualism or "the achievement principle". From the seventeenth century this world-view legitimated the spread of non-political, instrumental exchange relations throughout Europe.⁷⁶ The triumph of possessive individualism by the nineteenth century marked a revolution in the understanding of ontology: the individual's essence was seen to be that of an insatiable desirer and consumer of utilities. Accordingly, the freedom of this individual could only be realised through an ensemble of competitive market relations, in which individuals were to wield their labour power and property instrumentally, that is, without regard for the substantive goals of other competitors. Privately mediated exchange with outer nature was seen to be the only way to accumulate social wealth and happiness. "The achieving society is based on the general rule that the social status of an individual is supposed to depend upon his status in the sphere of work and production, while in turn his status within the hierarchical organizations of the production sphere is meant to depend on his individual performance."⁷⁷

According to Offe, the basis of these notions has been liquidated by four key developments since the heyday of liberal capitalism. Each of these processes is associated with the renewed importance of state activity. First, the foundations of the notion of free, market-allocated labour as the means of individual achievement are cast aside inasmuch as (a) both political and economic power are increasingly monopolized by large, bureaucratic *organizations* which begin to effect an end of "the individual";⁷⁸ and (b) a planned, union-mediated, increasingly automated labour process relatively immune from the competitive threat of a reserve army has emerged.⁷⁹ Secondly, the state's provision of transfer payments and subsidies (for those who are "under-capitalized", too young, old, or psychosomatically disabled) tends to snap the once-alleged bonds between the achievement principle of market activity and remuneration for that activity. In many zones, "work" and "pay" are less closely interrelated as individuals find themselves temporarily or permanently outside the sphere of the labour market. The former dependence on the vicissitudes of the market is replaced by growing dependence on the logic of state activity.⁸⁰

Most importantly, perhaps, is that with the spread of zones of "concrete labour", the rationale of abstract labour is undermined. Having expanded its allocative and productive policies, the state makes itself the focus of political conflict over the ways in which social resources should be utilized. Social labour within these zones becomes a subject of criticism not only in terms of its

THE LEGACY OF POLITICAL ECONOMY

quantitative remuneration, but also according to its qualitatively determined *telos*. The illegitimizing effects of less than full employment afford no better example of what Offe means by the undermining of the basis of possessive individualism.⁸¹ Whereas in liberal capitalism unemployment was often perceived blindly as a periodic event in the economic cycle or seen to be the fault of the lazy or incompetent individual, in late capitalism administrative attempts at increasing unemployment (e.g., through "cutbacks" in the state sector) lead directly to the questioning of the motives of that administration. Unemployment tends to be revealed as intentional, as politically inspired. It becomes questionable. Another striking example of this sublation of the rationale of possessive individualism can be seen in the widespread involvement of federal, provincial and local governments in the planning and regulation of urban and regional growth. By their actions, these governments, reveal the irrationality of the private ownership and control of land, as various citizens' action groups have pointed out. These governments become accountable for consciously planned interventions in a domain that, according to the old bourgeois ideology, was supposed to be regulated by private calculation and criteria of profitability.

The Legacy of Political Economy: The Problem of Symbolic Interaction

The sublation of the symbolic and productive exchange value form through the spread of zones of production for social use is the primary reason why Offe prefers the expression *late capitalism*. To speak of *late capitalist* social formations not only indicates that, in their reproduction, resources of legitimation are now most crucial (economic and political resources having already been used up in warding off crises, so to speak), but also that such symbolic resources are in danger of being exhausted. Moreover, the exacerbation of the state's structural problem by such legitimation deficits becomes the objective context within which emancipation-inspired intervention by the forces of opposition to the commodification of late capitalist society may emerge. This, Offe claims, is the reason why state activities are becoming more and more authoritarian:⁸²

There is no identifiable dimension in which *new* mechanisms for the self-perpetuation of the capitalist system . . . could be found and applied. What remains is the variation and refinement of the triad of usual self-

JOHN KEANE

adaptive mechanisms (the economic, political, and cultural "subsystems" JCK) which at least to some degree have been applied in all developed capitalist systems and, on the other hand, namely in the case of their insufficiency, either the historically unproductive or the productive-revolutionary breakdown of the basic framework of capitalism.⁸³

This deduction seems extremely hasty. It is symptomatic of Offe's frail understanding of advanced capitalism's legitimation process, which includes the production and reproduction of the symbols of "everyday life" within the domains of sport, leisure, labour and consumption, sexuality and family life, religion, art, formal political activity, urban and country life. To speak of the symbolic interaction of this "everyday life" is to indicate those communicatively-produced traditions and institutions within which extant structures of the political economy are embedded, and upon which such political-economic structures may feed, thereby seeming right or legitimate. Through this production of sign values, historically circumscribed individuals struggle to endow their actions with meaning and motivation. It is true that such patterns of symbolic interaction are always actively and continually reproduced and negotiated by their authors; the reproduction of these patterns entails more than the merely passive internalization of values and meanings. However, under advanced capitalist conditions, it is also certain that the authors of this symbolic interaction neither wholly intend its confining consequences nor comprehend the logic of its production.

Offe's censoring of this dimension of symbolic interaction, of the human capacity for symbol-making, speech and inter-subjective action, is revealed by his quasi-objectivist theory of crisis. It is as if the late capitalist political economy's structural difficulties are translated automatically into widespread consciousness of that breakup, into a disintegration of the identity of this society's constituents. Widespread self-reflection upon social conditions of dependence and domination is thereby seen to be a mere feedback of the dialectic of concrete and abstract labour. With some justification, this automatism was assumed in the old base-superstructure model. Characteristic of the recently revived "political economy" critique of advanced capitalism⁸⁴, this automatism now succumbs to a double theoretical blackout. It both underestimates the integrating capacity of new forms of symbolic interaction and (*cf.* the homologies between the liberal capitalist systems of symbolic interaction and labour) their relative invulnerability to disruptions in the political economy. These blackouts cannot be overcome easily by a resort to syncretism ("Of course, political economy is concerned with 'cultural'

THE LEGACY OF POLITICAL ECONOMY

questions!"). For they are the consequences of Offe's imprisonment within the conceptual boundaries of the old political economy. In a word, they are a necessary outcome of his retreat to Marxian categories (concrete and abstract *labour*) which are no longer fully subversive of advanced capitalism's mode of symbolically-medicated class domination. Offe's posited contrast of abstract and concrete labour, of use value as the "beyond" of exchange value, remains marooned within the "here and now" of bourgeois modernity's fetishized view of humans as *primarily* objectifiers and transformers of outer nature under the sign of utility and consumption.⁸⁵

This is *not* to deny the ontological status of labour as that conceptually-mediated activity whereby both humans and nature are fashioned. Nor is it to deny the real significance of much of Offe's critical understanding of the political economy of advanced capitalism for a more general critical social theory of the present. Notwithstanding some immanent difficulties, Offe's re-appropriation of the categories of concrete and abstract labour has at least raised important questions about the unthinking equation of labour with instrumental activity by Habermas and others.⁸⁶ However, here the suggestion is more far reaching, namely, that under the conditions of advanced capitalism, a critical social theory with practical intentions is no longer possible within the suffocating, ideological form of political economy. The critique of advanced capitalism's mode of production (class-steered accumulation in political form) ceases to fully illuminate this society's principle of domination,⁸⁷ which now seems much less vulnerable than it was in liberal capitalism. Offe's announcement of the arrival of *late* capitalism through the theory of decommmodification is thoroughly premature. Only a critical consideration of this society's mode of symbolic interaction and its tendency to cast a mantle of natural fate over its constituents could substantiate the claim that, in the late twentieth century, the structural problem of the capitalist state, *i.e.*, the need to legitimate its class character, cannot be repressed satisfactorily.

Against the backdrop of Offe's theses, these claims can be illustrated very briefly with reference to some rather arbitrarily chosen components of contemporary everyday life. These include the rise of conspicuous mass consumption and the decline of the individual, religion, political culture and art.

1. The alleged erosion of possessive individualism is a highly complex and ambiguous development. On the one hand, the decommmodification process in no way directly challenges one key promise of his old ideology: that humanity is synonymous with the *infinite appropriation* of use values through the act of consumption. Indeed, the Marxian distinction between exchange and use-values pertained to a now bygone milieu within which there were difficulties of realisation or under-consumption. These categories sought the de-

JOHN KEANE

mystification of an age whose staggering productive potential (founded on abstract labour, "labour *sans phrase*") coincided with the denial of human needs, including the consumption of requisite use-values and the expanded development of subjects' "slumbering powers" through concrete labour. To the extent that the logic of "the high-intensity market setting" (William Leiss' apt phrase) colonizes everyday life in advanced capitalism, this formulation is outwitted. In the same way, Offe's reliance upon Bell's argument that this society generates a subversive, playful hedonism is quite unconvincing.⁸⁸ For, through symbolic advertising, supply nowadays creates effective demand to an extent unanticipated by Marx or by the theory of consumer sovereignty. This turn of events is catalyzed by others. These include the state's implication in productivity increases, the systemic ability to pay higher real wages to organized labour, the extension of credit, and the emergence of a "narcissistic" personality type (which, unlike the ascetic "ticket thinking" of the older authoritarian personality, emphasizes "fun", freedom from "hassles", "being cool", etc.) Overall, these developments and the publicity generated through monopolistic competition help shift problems of demand from the advanced capitalist centres to the increasingly marginalized, peripheral, underdeveloped world. The terroristic codes of institutional "publicity" strive to monopolize the realm of symbolic interaction, creating desirable standards of mental and bodily health, foodstuffs, love-making, child-raising, home decoration, dress, travel, sport, entertainment, and patterns of speech. A critical theory of this rationalization process, of the degree to which a permanent consumptive pull can monopolize the very soul of individuals, is required urgently.⁸⁹

In one other crucial respect, about which Offe is silent, state intervention is a highly ambiguous development. It is true, as he argues, that the erosion of possessive individualism through decommodified state activity holds out the promise of a society emancipated from the irrationality of the private ownership and control of the accumulation process. Yet it also promises the obedient forgetting of the image and substance of the bourgeois *individual* — whose realisation in a richer, more concrete form Marx had sought — within an increasingly rationalized, albeit decommodified, realm. By dwelling on the state's subversion of the logic of production for exchange, Offe turns a blind eye to the factory-like logic of state institutions, within which individuals' personal ambitions can only be realised through the renunciation of concern with those very structural conditions whose reconstruction is indispensable to true individuality. One of the political implications of Offe's thesis, the strategic primacy of maintaining and extending decommodified state activities, must therefore be treated with caution. As Castoriadis, Habermas and others have pointed out, the fundamental contradiction within an increasingly rationalized advanced capitalism is its burial of the individual, its

THE LEGACY OF POLITICAL ECONOMY

inability to allow people's social individuation through creative "participation" in the realms of labour and symbolic interaction.

2. A contemporary theory of crisis such as that suggested by Offe must also probe the fate of pre-modern, tradition-bound components of everyday life now under the heightening pressures of rationalization. This process of degeneration was examined by Marx ("all that is solid melts into air, all that is holy is profaned"), Weber (who, relying on Schiller, spoke of the "disenchantment" of the modern world), and recognized bitterly by Rousseau. Indeed, the industrialization of everyday life began with the formation of an industrial proletariat through the forcible elimination of peasant and artisan culture. Of course, this sacking of tradition was by no means instantaneous. Traditions, upon whose remains bourgeois society fed like a predator, were always a supplement to the ideology of possessive individualism. In the late twentieth century, these pre-modern remains have all but decomposed. The most immediate example of this is the blow that has been dealt to fatalistic forms of Christianity by the tangible "successes" of scientific-technical growth. As Weber indicated, this is ironic inasmuch as the modern natural sciences have religious roots. Calvinism's depiction of God as remote from the earthly world implied the susceptibility of that earth to investigation, calculation and transformation. Not only has this come to pass but, nowadays, the former puissance of religious conviction has been neutralized by a mass atheism made credible by the productive "wonders" of the scientized, capital-deepened accumulation process. A critical account of this disenchantment process would need to examine its unintended consequences, of which there seem to be at least two. First of all, among non-believers the utopian (*i.e.*, anti-capitalist rationalization) elements of Christianity stand in danger of being abandoned. This is one disturbing reason why advanced capitalism tends to develop "the mentality of the life insurance company" (Günter Grass): scientific-technical, moral relativist, fact and efficiency hungry, materialistic, de-intellectualized.

This "scientism" — the uncritical belief in that which is scientific — even enters academia. Within the social sciences the triumph of forms of objectivism is synonymous with the quest for rigour and predictable certainty, and tries to brand discussions of epistemology and the "great social issues" as old hat.⁹⁰ "Disenchantment" processes also have their dialectic within the remaining bodies of organized Christianity, to which the renewed intellectual interest in Christian doctrine attests. Within these besieged circles (*e.g.* the charismatic movement), there are attempts at reconstructing the meaning of stewardship and salvation. Sometimes, this reconstruction follows the path of socio-political activism. Political theology intent on realising its promises in this world only serves to work against against the de-politicization demanded by the state's allocative and productive activities.

JOHN KEANE

3. Also of crucial importance is the extent of the lingering strengths of advanced capitalism's "civic culture": that eclectic mixture of pre-modern deference and orientation to active political involvement which, by providing a reservoir of diffuse regime support, definitely reinforces the de-politicization of contemporary public life. Especially in the United States and Britain, as Almond and Verba's classic study revealed, beliefs such as "Yes, citizens must have rights", "they ought to watch out for their interests" are tempered by "deference, obedience and humbleness", "Don't get mixed up with politics."⁹¹ Until recently, this civic culture has been reinforced by widespread attachment to family and job (*i.e.*, to "the children", "my husband", "my career", etc.). Offe's hint that this civic culture is weakening needs to be examined more thoroughly. It is clear, for example, that certain zones of everyday life once considered to be regulated properly by family tradition have been subsumed within the commodity form. In the case of "household services", for example, the privatism of family life is now bombarded by a plethora of marketable services: identical servings of fried chicken and frozen foods; the provision of schooling; "care" for the young, aged and sick; dry cleaning and laundry; the steady hand of the "helping professions". While the form of family life remains, its content tends to be removed. This results not only in the family's growing dependence on various outside agencies, but also in some questioning of monogamous heterosexuality, a temporary rise in the level of inter-generational conflict, an ever-earlier attainment of puberty and sexual experience, and concern over "growing old". Whether this disintegration of the privatism of the civic culture is accelerated by "intrusive" state planning also must be probed. For it is clear that sexual discrimination, poor quality or dependency-inducing health care, and the quality and scope of education no longer can be seen as having natural origins, whose consequences must be suffered privately. Through their politicization, incumbent administrations may be held accountable. The current assault upon patriarchal family life and natural modes of child-raising, and feminist attempts at generating a new identity are important symptoms of this process. Not only do such movements promote a wider awareness of the contingency of the contents of traditions; even the form of the process of symbolic inter-action itself can come to be seen as contingent and alterable. Presumably, the latter entails widespread public discussion which, as Offe has indicated, is anathema to the silence upon which the class-political system of advanced capitalism thrives.

4. Finally, there is the question of the critical, de-legitimizing potential of art. It is immediately evident that, held captive by its political economy, one Marxist tradition (from Kautsky and Plekhanov to contemporary forms of socialist realism) has dealt with this question through a spurious sociological reductionism. The problem of an emancipatory aesthetic has been collapsed into concern with the class origins and propaganda value of certain forms of

THE LEGACY OF POLITICAL ECONOMY

art. This has occluded the equally evident fact that much so-called "bourgeois" art has been characterized by issuing indictments against the world as it is, by its struggle to bring the bourgeois world to its senses. Bohemianism is the classic nineteenth century example of this autonomy of art transfigured into protest against the sacrifices of liberal capitalism. The second generation *bohème* (Rimbaud, Corbière) frequented beer-halls, separated themselves from the repression and conspicuous consumption of bourgeois life and, having been raised in the homes of the bourgeoisie, later became a circle of wandering, anarchic vagabonds and outlaws dedicated to the overthrow of their fathers' society. Similarly, "*L'art pour l'art*" warned that art itself could be imprisoned within the commodity form, consumed by the creeping rationalization of industrial capitalism. The extent of this protest-potential in the late twentieth century needs to be re-examined. This need is strengthened by the collapse of the gap between art and everyday life under the impact of mechanization and technical invention (the radio, microphone, cinema). While for some (e.g. Ortega y Gasset, T.S. Eliot) this heralded the destruction of all art by mass vulgarity, for others (Benjamin, for example) the resulting loss of the "aura" of art was to be the new basis for a truly revolutionary and collective production and reception of art. Against this, Adorno spoke of the dangers of the rationalization of cultural life via an emergent culture industry, which seizes the crumbling "aura" of high art only to reproduce it through manufactured stardom and programmed sensationalism. This disturbing development led Adorno to proselytize on behalf of negative art (e.g., the works of Samuel Beckett and Arnold Schoenberg). The rationalization of art was seen to result in a crisis of that which was considered to be "beautiful".⁹² This kind of debate is important, inasmuch as it spells out both the possibility, and unintended consequences, of autonomous art degenerating into manipulative, public propaganda. For it is clear that the administrative production of culture is nowadays a contradictory process. Manufactured symbols tend to become detached from the everyday life world of their consumers, thus resulting in an ensemble of signals which are difficult to interrogate. Within this field of signals, the passive consumers find it difficult to recognize themselves and to articulate and satisfy their needs. This is why the culture industry precipitates counter-cultures bent on re-establishing meaning and intelligibility within the realm of symbolic interaction.

Political Economy and Political Life

C.B. Macpherson has suggested recently that a theory of the advanced capitalist state must at some point re-focus those questions about essentially

JOHN KEANE

human purposes and capacities which were central to theories of the state in the grand tradition.⁹³ The above mentioned themes, and the more general call for a critical understanding of the logic of advanced capitalism's symbolic interaction, point in this direction. They lead directly to a reconsideration of the classical meaning of *political life*. This surprising turn in our argument against Offe is well illustrated in the Aristotelean formula of man as *zoon politikon*. For Aristotle, man has the capacity for convivial association within the polis. By contrast with the animal-like "naturalness" of the domain of necessity and toil (the "mere life" of money-making, slavery, craftsmanship and child-bearing), citizens can be reborn within and through the informed inter-subjectivity of *bios politikos*. Here the meanings of symbolic interaction and politics converge. Political life is the domain in which the human capacities for action and speech are interwoven closely, a realm of public activity in which speaking and acting individuals can be seen and heard and take one another seriously. Indeed, speaking is here understood as a form of praxis: man is a living being capable of speech. According to Aristotle, the realm of politics is therefore the domain of potential freedom. Through symbolic interaction, humans not only articulate their interdependency (language, after all, is no private, solitary affair). They also come to individuate themselves insofar as they learn to speak and act *for themselves*; political activity is a mode of self-disclosure through the appropriation of communicatively-produced "sense". It is via political activity, then, that humans' true individuality can flower within the shell of social responsibility. This is why to engage in articulate praxis means to *choose* deliberately between competing means *and* ends, "to take the lead". Politics, according to Aristotle, ushers in the possibility of practical wisdom and moral virtue: "moral virtue is a state of character concerned with choice, and choice is deliberate desire . . ." ⁹⁴ To seek moral virtue is therefore to admit of the possibility of human affairs unconstrained by blind necessity. This possibility is captured by Aristotle's description of humans as political animals: literally, we are caught between the animals and the gods.

We have seen above that the emergence and maturation of bourgeois modernity was synonymous with the collapse and destruction of the doctrine of politics which concerned a just and convivial life and the associated notion of man as *zoon politikon*, whose unique capacities are realised via self-conscious speech and action.⁹⁵ From the stand-point of the ancients, bourgeois thinkers from Machiavelli through the English utilitarians can be seen to have charted a self-contradictory course toward a *technical politics*, whose aim was the administration of men in accordance with the logic of Galilean science's attempted subjugation of nature. From its classical concern with the good and exemplary life of speech and action, politics became the limited technique of reproducing civil society by organizing and deploying

THE LEGACY OF POLITICAL ECONOMY

cunning, appearance, money and men. With good reason, Marx therefore spoke of "politics" as synonymous with authoritarian rule, enslavement, repression. "Political power, properly so-called", Marx and Engels remarked in the *Manifesto*, "is merely the organized power of one class for oppressing another."⁹⁶

It goes without saying that this dissolution of the theory and practice of the ancient meaning of politics was contested bitterly. With the post-Kantian concern with practical reason, the promise of political life, of a critical public dedicated to the search for rational universals, was once again posited against the bourgeois fetishism of labour and reification of politics. Labour versus politics, civil society versus the state: their attempted mediation was illustrated dramatically in Hegel's discussion of the master-slave dialectic. The self-formation of Spirit proceeds through symbolically-mediated labour and the struggle for mutual recognition. The one-sided, conscious recognition of the Lord by the Bondsman is overturned by the Bondsman's ascendancy over nature, a conscious ascendance acquired one-sidedly through labour.⁹⁷ It is this scenario which was inherited by the Young Hegelians and transformed radically by Marx.⁹⁸ Through an explanation of sensuous labour as the prime mover of history, Marx sought to draw out the possibilities inhering within the liberal capitalist contradiction between the forces of production (accumulated through social labour) and the relations of production (or, the ensemble of symbolic interaction which had largely taken on an economic form). Marx thereby demonstrated that the emergent, self-conscious struggle of proletarians to re-appropriate their congealed and living powers of labour foreshadowed a revolutionary dissolution of the anonymous, "de-politicized" relations of market life. The spectre of politics came to haunt the modern world. Class agitation, education, organization, self-conscious speech and action threatened the logic according to which bourgeois society was organized. Defined by their objective conditions of labour, even proletarians came to seek emancipation through self-knowledge, deliberation, speech and action.⁹⁹

Offe has demonstrated powerfully why this model of the "confluence" of labour and symbolic interaction, class and politics is now obsolete without escaping its legacy. Within the milieu of advanced capitalism, and an old political economy subject to the new difficulties to which Offe has pointed, critical theory must now move against both to "internalize" the problem of the production and reproduction of symbolic interaction. Certainly, the old Marxian formula — "a certain mode of production . . . is always combined with a certain mode of co-operation or social stage"¹⁰⁰ — continues to be an incisive point of departure. Yet political economy's reduction of this "certain mode of co-operation" to market relations of *production* can no longer be justified. The recapturing of the dialectic of labour and symbolic interaction at

JOHN KEANE

the categorical level can now only proceed on the basis of an enriched or deepened understanding of labour.¹⁰¹ From the goal of unfettered productive forces to that of unfettered labour *and* symbolic interaction: this is what now menaces political economy and the authoritarian state of advanced capitalism.

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THE LEGACY OF POLITICAL ECONOMY

Notes

For their comments on an earlier draft of this essay, I would like to thank Phillip Hansen, Patrick Patterson and David Wolfe.

1. For example, the now well-known comments on the state, economy and liberalism, as reported in *The Globe and Mail*, Toronto: January 8, 1976, p. 7.
2. *Capital*, I, Moscow: 1971, p. 264, note 3.
3. Sparked initially by the simultaneous publication of Ralph Miliband's *The State in Capitalist Society*, London: 1969, and Nicos Poulantzas' *Pouvoir Politique et Classes Sociales*, Paris: 1968, English edition 1973, this debate unfolded in the columns of *New Left Review*. See Poulantzas, "The Problem of the Capitalist State", *New Left Review*, 58, November-December, 1969 and "The Capitalist State: A Reply to Miliband and Laclau", *ibid.*, 95, January-February, 1976, and Miliband, "The Capitalist State — Reply to Nicos Poulantzas", *ibid.*, 59, January-February, 1970 and "Poulantzas and the Capitalist State", *ibid.*, 82, November-December, 1973. More generally, cf. Poulantzas, *Fascism and Dictatorship*, London: 1974, *Classes in Contemporary Capitalism*, London: 1975, *La Crise des Dictatures: Portugal, Grece, Espagne*, Paris: 1975, and Miliband, "On the Marxist Theory of the State", *Arena*, 39, 1975 and *Marxism and Politics*, Oxford: 1977.
4. For example, Lenin's *State and Revolution*; some limited and insufficiently coherent themes in Gramsci; Trotsky's theory of the degenerate workers' state; Sweezy's crude view of the state as a mere instrument of the ruling bourgeois class; etc.
5. For some discussion of Marx's plans see Martin Nicolaus' "Foreword" to Marx, *Grundrisse* Harmondsworth: 1973, p. 54. Note that as early as his arrival in Brussels in 1845, Marx had hoped to pursue the themes of his *Critique of Helgel's Philosophy of Right* and *On the Jewish Question* via a more detailed critique of the liberal state — see his "Points on the Modern State and Civil Society" in L. Easton and K.H. Guddat, eds., *Writings of the Young Marx on Philosophy and Society*, New York: 1967, pp. 399-400.
6. *Political Power and Social Classes*, *op. cit.*, especially part iv, Section I, and "The Problem of the Capitalist State", *op. cit.*, p. 74. No textual evidence is advanced for this interpretation, which is actually founded on Engels' comment to Marx (13 April, 1867) in Marx and Engels, *Selected Correspondence*, Moscow: 1965, p. 177.
7. Miliband, "Marx and the State", *The Socialist Register*, New York: 1965, pp. 278-9, *Marxism and Politics*, *op. cit.*, pp. 1-15, and "Poulantzas and the Capitalist State", *op. cit.*, where Marx and Engels' assertion that "the modern State is but a committee for managing the common affairs of the whole bourgeoisie" is taken to mean that "the notion of common affairs assumes the existence of particular ones; and the notion of the whole bourgeoisie implies the existence of separate elements which make up that whole. This being the case, there is an obvious need for an institution of the kind they refer to, namely the state; and the state cannot meet this need without enjoying a certain degree of autonomy. In other words, the notion of autonomy is embedded in the definition itself, is an intrinsic part of it."
8. E. Altvater, "Some Problems of State Interventionism", in John Holloway and Sol Picciotto, eds., *State and Capital: A Marxist Debate*, London: 1978.
9. Maurice Merleau-Ponty, *In Praise of Philosophy*, trans. John Wild and James Edie, Evanston: 1963, p. 41.

JOHN KEANE

10. Here we can elide several related, but separate, explanatory difficulties over which this retreatism stumbles. First, there is the problem of the state in pre-capitalist societies and, in particular, the emergence of a reified set of state institutions from kinship systems. Engels' view (in *The Origin of the Family, Private Property, and the State*) that the emergence of classes out of primitive communist social formations called for an integrating state apparatus is incorrect. Class societies only arose within the framework of a distinctive political system, that is, within the bounds of a collective identity no longer embodied within the figure of a common ancestor but, rather, in that of a common ruler. See Marshall Sahlins, "Political Power and the Economy in Primitive Society", in G.E. Dole and R.L. Carneiro, eds., *Essays in the Science of Culture*, New York: 1960; Lawrence Krader, *Formation of the State*, Englewood Cliffs: 1968 and E.R. Service, *Origins of the State and Civilization*, New York: 1975. Secondly, there remains the nagging problem of Stalinism, which must be understood as a process of state-building — utilizing terror and legitimated by the symbols of Soviet Marxism — so as to bring about a property transfer, that is, from private property to collectivized property, where the surrogate of the collective group to whom the property is transferred is the state. In attempting an explanation of this statist domination, historical materialism in its retreatist forms functions as an ideology in the strong sense of that term: it invokes fictive entities and pseudo-rational, abstract constructs ("degenerate workers' state", "crimes against socialist legality", "state capitalism", "Stalinist deviationism", etc.) which, intended or not, justify and hide a socio-historical practice whose true logic is otherwise.
11. "Political Authority and Class Structures — An Analysis of Late Capitalist Societies", *International Journal of Sociology*, vol. 2, 1 (1972), p. 79; cf. *ibid.*, p. 98 and "The Theory of the Capitalist State and the Problem of Policy Formation", in L. Lindberg et. al., *Stress and Contradiction in Modern Capitalism*, Lexington: 1975, p. 125. Lamentably, Offe's work is not known widely in the English-speaking world. The following interpretation of his writings is an attempt at overcoming the many inadequacies in the commentaries by S. Sardei-Biermann et. al., "Class Domination and the Political System: A Critical Interpretation of Recent Contributions by Claus Offe", *Kapitalstate*, 2, 1973 and David A. Gold et. al., "Recent Developments in Marxist Theories of the Capitalist State", *Monthly Review*, vol. 27, 5-6, October-November, 1975.
12. Cf. Franz Neumann, "Economics and Politics in the Twentieth Century" in *The Democratic and the Authoritarian State*, Herbert Marcuse, ed., Glencoe: 1957, pp. 257-269. In his *The Great Transformation*, Boston: 1957, Karl Polanyi has argued that nineteenth century civilisation rested on four institutions: the balance-of-power system of international relations, which facilitated a century of relative international order and stability; the "weak" liberal state; the international gold standard; and (determining these developments) the triumphant rise of the self-regulating market; cf. also his comment in George Dalton, ed., *Primitive, Archaic and Modern Economies: Essays of Karl Polanyi*, Boston: 1971, p. 65 — "Man's economy is, as a rule, submerged in his social relations. The change from this to a society which was, on the contrary, submerged in the economic system was an entirely novel development." According to Wolin's *Politics and Vision*, Boston: 1960, the liberal tradition was synonymous with the shrinking of the sphere of politics and the "glorification of society"; Carole Pateman has corrected some of the latter's ambiguities in "Sublimation and Reification: Locke, Wolin and the Liberal Democratic Conception of the Political", *Politics and Society*, 1975.
13. Here Offe's account of the ideology of the "achieving society" is extremely generous toward Marx: cf. *Industry and Inequality*, London: 1976, which is a translation of *Leistungsprinzip und industrielle Arbeit*, Frankfurt am Main: 1970. No doubt, the potency of other forms of symbolic interaction (patriarchy, religious tradition, nationalism) should not be underestimated.

THE LEGACY OF POLITICAL ECONOMY

14. Immanuel Wallerstein argues that the sixteenth century witnessed the rise of a capitalist world economy founded on both an international division of labour *and* a bureaucratic state; cf. *The Modern World System*, New York: 1974. See also the work by B.E. Supple, *Commercial Crisis and Change in England 1600-1642*, Cambridge: 1959, especially chapter 10, for a discussion of state-initiated attempts to overcome the instability of the emerging market economy during this period.
15. The 1832 Reform Bill was especially crucial, inasmuch as it can be seen as the Magna Carta of the English middle class marketeers, the political reforms which crowned the first Industrial Revolution. It was symptomatic of that wave of international liberal revolutionism between 1829-34 which effected the French July Revolution of 1830, the Jacksonian era in America, uprisings in Belgium (1830), Poland (1830-1), and disturbances in Italy, Germany, Switzerland, Ireland, Spain and Portugal; cf. E.J. Hobsbawm, *The Age of Revolution 1789-1848*, New York and Toronto: 1962, especially chs. 3, 6.
16. "Principles of the Civil Code", part 1, ch. 2 in J. Bentham, *The Theory of Legislation*, C.K. Ogden, ed., London: 1931, p. 96.
17. *Ibid.*, part 1, ch. 11, p. 119. James Mill, after criticizing the contentions that the end of government is "the public good" (Locke) or "the greatest happiness of the greatest number", repeated an argument identical with that of Bentham: "... it is obvious that every man who has not all the objects of his desire has inducement to take them from any other man who is weaker than himself: and how is he to be prevented? One mode is sufficiently obvious, and it does not appear that there is any other: the union of a certain number of men to protect one another. The object, it is plain, can best be attained when a great number of men combine and delegate to a small number the power necessary for protecting them all. This is government"; *An Essay on Government*, I.V. Shields, ed., Indianapolis: 1955, pp. 49-50.
18. *Capital*, I, *op. cit.*, part 1, ch. 1, section 2; Karl Marx, *A Contribution to the Critique of Political Economy*, Moscow: 1970, ch. 1; and *Grundrisse*, Harmondsworth: 1973, pp. 881-2.
19. *MEW*, xxiii, p. 447 Quoted in Robert C. Tucker, "Marx as a Political Theorist", in Nicholas Lobkowitz ed., *Marx and the Western World*, Notre Dame: 1967, pp. 126.
20. "Political Authority", *op. cit.*, p. 80.
21. "Preface to a Contribution to the Critique of Political Economy" in Marx and Engels, *Selected Works*, I, Moscow: 1969, pp. 502-506. Note that this is almost exactly copied from the much earlier formulation of *The German Ideology* (Easton and Guddat, *op. cit.*, p. 469): "The term 'civil society' emerged in the eighteenth century when property relations had already evolved from the community of antiquity and medieval times. Civil society as such only develops with the bourgeois. The social organization, however, which evolves directly from production and commerce and in all ages forms the basis of the state and the rest of the idealistic superstructure has always been designated by the same name."
22. "Critique of Hegel's Philosophy of the State (1843)", Easton and Guddat, *op. cit.*, pp. 151-202.
23. *Ibid.*, p. 176: "The abstraction of the *state as such* belongs only to modern times because the abstraction of private life belongs only to these times. The abstraction of the *political state* is a modern product." With reference to the French and American Revolutions and against Bauer, Marx repeats this theme of the depoliticization of relations of exchange in civil society: "The old civil society (feudalism) had a *directly political* character, that is, the elements of civil life such as property, the family, the mode and manner of work, for example, were raised into elements of political life in the form of landlordism, estates, and

JOHN KEANE

- corporations . . . The throwing off of the political yoke was at the same time the throwing off of the bond that had fettered the egoistic spirit of civil society. Political emancipation was at the same time the emancipation of civil society from politics, from the *appearance* of a general content"; "On the Jewish Question", *ibid.*, pp. 238-9.
24. *Ibid.*, p. 185; cf. "On the Jewish Question", p. 225, where Marx notes that the bourgeois state "stands in the same opposition to civil society and goes beyond it in the same way as religion goes beyond the limitation of the profane world, that is, by *recognizing, re-establishing and necessarily allowing itself to be dominated by it*" (emphasis mine).
 25. "Critical Notes on 'The King of Prussia and Social Reform' (1844)", *ibid.*, p. 349; cf. Marx's polemical discussion of the French Revolution in *The Holy Family, or Critique of Critical Criticism*, Moscow: 1975, pp. 142-3.
 26. Easton and Guddat, *op. cit.*, p. 470.
 27. Note that, under this formulation, it is quite conceivable that those who actually staff the state institutions may not be the economically and culturally dominant class. Marx mentions this possibility with reference to the English Whigs ("the aristocratic representative of the bourgeois") in "The Elections in England — Tories and Whigs" in Marx and Engels, *Articles on Britain*, Moscow: 1971, p. 112.
 28. "Manifesto of the Communist Party", in Marx and Engels, *Selected Works*, I, *op. cit.*, pp. 110-111; cf. *Capital*, I, *op. cit.*, p. 703, where Marx notes that "the power of the State" is "the concentrated and organized force of society", and *Grundrisse*, *op. cit.* p. 72: "political conditions are only the official expression of civil society . . . Legislation, whether political or civil, never does more than proclaim, express in words, the will of economic relations."
 29. "The German Ideology", Easton and Guddat, *op. cit.*, p. 470: "The perfect example of the modern state is North America. The modern French, English, and American writers all express the opinion that the state exists only for the sake of private property; this fact has entered into the consciousness of the ordinary man." Compare the critical discussion of Carey, Bastiat and the United States in *Grundrisse*, *op. cit.*, pp. 884-9.
 30. *Grundrisse*, *op. cit.*, pp. 471-9; "The German Ideology" in Easton and Guddat, *op. cit.*, p. 470; "The 18th Brumaire of Louis Bonaparte" in Marx and Engels, *Selected Works*, I, *op. cit.*, pp. 394-487; "The Civil War in France", *ibid.*, p. 219. Marx's discussion of the English Factory Acts (in *Capital*, I, *op. cit.*, pp. 222-286) is another example of this exceptionalism.
 31. "Manifesto of the Communist Party", *op. cit.*, p. 113.
 32. "Economic and Philosophic Manuscripts (1844)", in Easton and Guddat, *op. cit.*, p. 299.
 33. Most recently on this point, see Jürgen Habermas, *Knowledge and Human Interests*, London: 1972 and *Zur Rekonstruktion des Historischen Materialismus*, Frankfurt am Main: 1976; Jean Baudrillard, *The Mirror of Production*, St. Louis: 1975; Hannah Arendt, *The Human Condition*, Chicago: 1974; Alfred Schmidt, *The Concept of Nature of Marx*, London: 1973; and Marshall Sahlins, *Culture and Practical Reason*, Chicago: 1976.
 34. This vulnerability of the "fragile" achievement principle to these booms and busts lends a certain plausibility to Marx's seemingly simplistic comments on the problem of the "raising" of proletarian consciousness. At times, Marx was extremely vague ("The dissolution of . . . old ideas keeps even pace with the dissolution of the old conditions of existence", etc.); most often, he stressed that practical action (both electoral and trade union) by workers in their revolutionary movement would itself re-shape and cleanse the traditional "muck" of their internalized thoughts and habits. As I shall argue below, these formulations (in which, as the

THE LEGACY OF POLITICAL ECONOMY

famous 1859 Preface expressed it, "consciousness must be explained . . . from the contradiction of material life, from the existing conflict between the social productive forces and the relations of production") become especially problematical under the conditions of advanced capitalism.

35. "Krisen des Krisenmanagement': Elemente einer politischen Krisentheorie", in M. Janicke, ed., *Herrschaft und Krise*, Opladen: 1973; "Structural Problems of the Capitalist State", *German Political Studies*, vol. 1, 1974, pp. 33-4.
36. Cf. the discussion of recent empirical data on these trends in Bob Rowthorn, "'Late Capitalism'", *New Left Review*, 98, July-August, 1976, especially pp. 71-3.
37. For discussions of rightist corporatism during this period see Ralph Bowen, *German Theories of the Corporative State: With Special Reference to the Period 1870-1919*, New York: 1947, and Matthew Elbow, *French Corporative Theory 1789-1948*, New York: 1953; for its left version, M. Beer, *A History of British Socialism*, London: 1953. I have relied especially on the superb overviews of this period provided by Charles S. Maier, *Recasting Bourgeois Europe*, Princeton: 1975, and Gabriel Kolko, *Main Currents in Modern American History*, New York: 1976.
38. "Bemerkungen zur Wirtschaftskrise", *Zeitschrift für Sozialforschung*, vol. 2, 1933, p. 350, quoted in G. Marramao, "Political Economy and Critical Theory", *Telos*, 24, Summer, 1975, p. 65. Especially important is F. Pollock, "State Capitalism: Its Possibilities and Limitations", *Studies in Philosophy and Social Science*, vol. ix, 1941. Compare also Max Horkheimer, "The Authoritarian State", *Telos*, 15, Spring, 1973; Karl Korsch, "Capitalism and Planning", *Council Correspondence*, 4, January, 1935; Herbert Marcuse, *Negations*, Harmondsworth: 1972, pp. 3-42, and T.W. Mason, "The Primacy of Politics — Politics and Economics in National Socialist Germany", in S.J. Woolf, ed., *The Nature of Fascism*, London: 1968.
39. "Political Authority", *op. cit.*, p. 78; cf. *ibid.*, p. 98, "The Theory of the Capitalist State", *op. cit.*, p. 125, and *Industry and Inequality*, *op. cit.*, pp. 14, 16-17.
40. "The Theory of the Capitalist State", *op. cit.*, pp. 127-134; cf. "Further Comments on Müller and Neuss, *Telos*, 25, Fall, 1975, pp. 101, 105. A rudimentary version of this distinction appears in his dissertation (*Industry and Inequality*, *op. cit.*, p. 17): ". . . the factual politicization of society (the growth in the influence of state power in the reproduction process) has reduced material incentives as a control mechanism to, at most, partial functions within a system of authoritarian total administration . . . Investment possibilities are created and regulated through political decisions, and it is these that produce the level of economic activity necessary to ensure continued social reproduction, a level of economic activity which could not be created by the incentives resulting merely from profit-oriented capital accumulation" (my emphasis).
41. *Ibid.*, p. 128.
42. I am here following David A. Wolfe, *The Economic Role of the State in Advanced Capitalist Society*, (manuscript, Department of Political Economy, University of Toronto, 1975).
43. "The Theory of the Capitalist State", *op. cit.*, p. 130. "Productive" policies correspond roughly to O'Connor's discussion of the state's "social investment" and "social consumption" expenditures (in Marxian terms, to social constant capital and social variable capital); cf. James O'Connor, *The Fiscal Crisis of the State*, New York: 1973. Note that Offe also relies on Altvater's contention that the growing "autonomization" of state activities is directed primarily at the creation of the general conditions for capitalist production; cf. E.

JOHN KEANE

Altwater, "Zu einigen Problemen des Staatsinterventionismus", *Probleme des Klassendampfs*, 3, May, 1972.

44. "The Theory of the Capitalist State", *op. cit.*, p. 132; cf. "Further Comments", *op. cit.*, pp. 104-5 and "Political Authority", *op. cit.*, pp. 78, 99ff. Offe here sidesteps the well-worn, but important tradition of interpretative controversies surrounding the actual character of liberal capitalism's crisis tendencies. On this tradition, cf. P.M. Sweezy, *The Theory of Capitalist Development*, New York: 1942, chs. 8-11; Russell Jacoby, "The Politics of the Crisis Theory: Toward the Critique of Automatic Marxism II", *Telos*, 23, Spring, 1975 and "Political Economy and Class Unconsciousness", *Theory and Society*, 5, 1978; Maramao, "Political Economy and Critical Theory", *op. cit.*; and Trent Schroyer, *The Critique of Domination*, Boston: 1975.
45. Cf. David Yaffe "The Marxian Theory of Crisis, Capital and the State", *Economy and Society*, Vol. 2, 1973, for whom state expenditure is a self-defeating strategy since it is "unproductive", thereby curtailing the quantity of surplus value available for private capital accumulation. According to Yaffe, state expenditure certainly "realizes" surplus value; but the products purchased by the state are acquired with already-produced surplus value. In support of Offe, compare Henri Lefebvre's theses on the recent emergence of "le mode de production étatique" in his treatise, *De l'Etat*, especially volumes 1, *L'Etat dans le monde moderne* and 3, *Le mode de production étatique*, Paris: 1976-77.
46. "Advanced Capitalism and the Welfare State", *Politics and Society*, Summer, 1972, p. 483 and "Introduction to Part II", in L. Linberg *et al.*, *op. cit.*, p. 253. More generally, cf. Jürgen Habermas, *Theory and Practice*, Boston: 1973, pp. 228-9 and Leslie Sklair, *Organized Knowledge*, Bungay: 1973, especially ch. I.
47. "Political Authority", *op. cit.*, p. 81. At the same time, note that Offe is impatient with various attempts at criticizing the present via such formalistic, "lazy" categories as "advanced industrial society", "the technological veil", "the affluent monster"; resting more on epigrams, such attempts obscure, rather than illuminate the *actual* processes of late capitalist social reproduction, as he stresses in his early critique of Marcuse; cf. "Technik und Eindimensionalität; eine Version der Technokratiethese?", in J. Habermas, ed., *Antworten auf Herbert Marcuse*, Frankfurt am Main: 1968.
48. "Political Authority", *op. cit.*, p. 94.
49. Rudolf Hilferding, *Protokoll des SPD — Parteitages in Kiel*, 1927, developed this argument to indicate the shift in "organized capitalism" from "market-determined" to politically conditioned wage structures dependent upon the strength of trade union organization. This also became a key element in the argument of M. Kalecki, *Selected Essays on the Dynamics of the Capitalist Economy, 1933-1970*, Cambridge: 1971. It should be noted, as a passing qualification to Offe's formulation, that by no means are the returns to labour spread evenly throughout the organized oligopoly sector: women, immigrants and other racial minorities tend to be little better off than their counterparts in the competitive sector (cf. O'Connor, *The Fiscal Crisis of the State*, *op. cit.*, p. 16).
50. Perhaps the best example of this externalization is the recent sharpening of wage disputes within the state sector, a consequence of public sector unions' attempts to peg their wage rates and working conditions to corresponding rates and conditions within the oligopoly sector. On the theory of the inflation barrier to raising corporate profits, see Joan Robinson and John Eatwell, *An Introduction to Modern Economics*, London: 1973, pp. 190-1.
51. "Political Authority", *op. cit.*, p. 94.
52. *Ibid.*, pp. 99-101.

THE LEGACY OF POLITICAL ECONOMY

53. *Political Power and Social Classes*, *op. cit.*, pp. 99-119, and his critique of the P.C.F. "stamocap" thesis in *Classes in Contemporary Capitalism*, *op. cit.*, pp. 156-164.
54. Thus, Offe engages in *Ideologiekritik* by pointing in several places to two diametrically-opposed theories of the state which have emerged under late capitalist conditions. These theories can be said to be ideological insofar as they systematically *reveal* as well as *conceal* or *conceal* the actual dynamics of, and constraints upon, this "state apparatus"; cf. "Structural Problems of the Capitalist State", *op. cit.*, pp. 31ff., "Political Authority", *op. cit.*, pp. 73ff, and (with Volker Ronge) "Theses on the Theory of the State", *New German Critique*, 6, Fall, 1975, p. 139. The first view (the "influence and constraint" viewpoints of Domhoff, McConnell, and the "stamocap" thesis) includes those theories which conceive of the state as a mere instrument of a postulated ruling class. Briefly, Offe has the following criticisms: (a) These theories cannot prove the structurally-determined *class-character* of the state: "they . . . restrict themselves to investigating external determinants which make the *content* of the political processes class-bound" ("Structural Problems", *op. cit.*, p. 33). In this sense, they remain within the confines of a pluralist model — they do not demonstrate that the preponderant weight of certain interest groups is actually a *class* interest without "false-consciousness". Moreover (here Offe is close to Poulantzas and against Miliband), they cannot account for the fact that, on many occasions, state policies *cannot* be traced back to some presumed external ruling class influence, but must be explained through recourse to notions of influence emanating from *within* the state structures; (b) These theories also remain bogged within very simplistic and mechanistic concepts of power and authority. The problem to which Offe points is that "One can only have power over something which according to its own structure *allows power to be exercised on it*, and responds to it, which for its part, so to speak, authorizes, the exercise of power" (*ibid.*, p. 35). Hence, Offe points to a crucial theoretical problem, *viz.*, the need for a critical understanding of the ways in which the very internal structures of the late capitalist state guarantee the objective interests of the contemporary accumulation process. In summary, Offe praises these instrumental theories of the late capitalist state for *suggesting* the "bias of pluralism", that is, the preponderant influence of the wealthy and powerful; but these theories can in no way *explain* the necessity of this state of affairs. On the other hand, the kernel of truth revealed by the "integration" model is that it points to the recent qualitative expansion of state activity ("Political Authority", *op. cit.*, pp. 77-8). However, to the extent that such views postulate a sphere of unconstrained, neutral political institutions within which organized interests struggle to lick the public salt block, they lapse into mystification. Thereby, they fall victim to the strong *prima facie* arguments put forward by the influence and constraint theorists. Through a dialectical overcoming of these two apparently hostile theories, Offe comes to deal with the "class power or state power" dispute via another question: In what sense can it be argued demonstrably that the state's allocative and productive policies continue to be *for* capital, and have not shifted the organizational principle of our social formations from capitalist to, say, "post-industrial" or "welfare"? Expressed simply, in what respect does this state apparatus remain a *capitalist* state? Of course, this important formulation makes a mockery of Müller and Neussüss' claim that Offe, the social democrat, has posited the "absolute separation" of the late capitalist state from the domain of economic production, W. Müller and C. Neussüss, "The Illusion of State Socialism and the Contradiction Between Wage Labour and Capital", *Telos*, 25, [Fall, 1975], pp. 18-23).
55. Cf. "The Theory of the Capitalist State", *op. cit.*, p. 126, where Offe points out that the state's "power relationships, its very decision-making power *depends* (like every other social relationship in capitalist society) upon the presence and continuity of the accumulation process. In the absence of accumulation, everything, and especially the power of the state, tends to disintegrate." Thus, the state's orientation to the accumulation process is conditioned "structurally", and not by the facts of "personal ties", "conspiracies", or common "social origins" of actors within state and industrial circles, etc. Offe is here in accord with Poulantzas' stinging criticism of Miliband's failure to grasp the state as an objective system of regular connections whose "personnel" are in a real sense its "agents" or "bearers."

JOHN KEANE

56. "Political Authority", *op. cit.*, pp. 95-6, 101-2; cf. "The Abolition of Market Control and the Problem of Legitimacy II", *Kapitalstate*, 2, 1973, *passim*.
57. These formulations are uncomfortably common in recent Marxist debates on the international recession from a "political economy" perspective. See, for example, Ian Gough, "State Expenditure in Advanced Capitalism", *New Left Review*, 92, 1975, p. 66: "The basic struggle at both the economic and political level today is of course that between capital and labour." The "post-theoreticist" phase of Althusserianism also displays this faithful formalism, as in Poulantzas, *Classes in Contemporary Capitalism*, *op. cit.*, section 3 and "The Capitalist State", *op. cit.*, p. 69: "... the working class is neither integrated nor diluted in the 'system'. It continues to exist as a distinct class, which is precisely what social democracy demonstrates (pertinent effects), since it too is a working class phenomenon (as Lenin knew only too well), with its own special links with the working class. . . . So the working class continues to be a distinct class, which also (and chiefly) means we can reasonably hope that it will not eternally continue — where it still does — to be social-democratic and that socialism's prospects therefore remain intact in Europe." From a Canadian perspective, this formalism predominates in Harold Chorney *et. al.*, "The State and Political Economy", *this Journal*, Vol. I, No. 3, Fall, 1977, and Leo Panitch, ed., *The Canadian State: Political Economy and Political Power*, Toronto and Buffalo: 1977.
58. "Political Authority", *op. cit.*, p. 102.
59. To use the term of P. Bachrach and M. Baratz, *Power and Poverty*, New York: 1970; cf. Offe's introduction to their work, "Einleitung", P. Bachrach and M. Baratz, *Macht und Armut. Eine theoretisch-empirische Untersuchung*, Frankfurt am Main: 1977; and "Structural Problems", *op. cit.*, pp. 36 ff., where he elaborates three forms of selectivity operating at the structural, ideological, process, and repressive "levels." Note that Luhmann's system-theoretical argument (in his *Soziologische Aufklärung*, in the debate with Habermas, and elsewhere) that all socio-political organizations involve a selective "reduction of social complexity", *i.e.*, a necessary protection against a chaotic multiplicity of possible events, is seen by Offe to be incapable of assessing their degree of historically-specific repressiveness.
60. "Advanced Capitalism", *op. cit.*, p. 485; cf. "Political Authority", *op. cit.*, pp. 103-5, "Ein biedermeierlicher Weg zum Sozialismus?", *Der Spiegel*, 24, February 24, 1975, where Offe slams the West German S.P.D. for its habitual reliance on "silent confidence work" (*geräuschlose "Vertrauensarbeit"*) in its policy making, and *Industry and Inequality*, *op. cit.*, pp. 12-13: "The social imagery of the achieving society is dominated by the abstract notion of 'efficiency'. This implies not only the repression of those *practical* desires which cannot demonstrate any functional contribution to the overall system of achievement, but also discrimination against any attempt to challenge the criteria of achievement and efficiency through the framework of concepts of use value."
61. "The Theory of the Capitalist State", *op. cit.*, pp. 140, 143. Offe's enthusiastic assumption that "Participation and unfiltered conflict tends to interfere with the institutional constraints under which state agencies have to operate, and, as could be demonstrated in the cases of participation-based welfare policies, urban policies, and education policies, lead to a highly unstable situation" needs to be tempered with the more sobering possibility of "pseudo-participation", which has often provided useful technical information and levels of "client motivation" for planners. Thereby, the scope and feasibility of the planning process is facilitated: the squeaky wheel has received its grease.
62. "Political Authority", *op. cit.*, pp. 104-5. In his more recent writings, Offe tends to deny the state's capacity to manage the production of symbols, as in his critique of Edelman and Mayntz in "Introduction to Part II", *op. cit.*, pp. 257-9. I shall return to this point. More generally, see one of the finest works of Jürgen Habermas, *Strukturwandel der*

THE LEGACY OF POLITICAL ECONOMY

Öffentlichkeit. Untersuchungen zu einer Kategorie der bürgerlichen Gesellschaft, Neuwied and Berlin: 1962, where the attempted transfiguration of a conflict-ridden politics into administration is traced. Here Habermas shows how the *content* of an important heritage of liberal market society — the “bourgeois public sphere” (bürgerlicher Öffentlichkeit) — is downgraded by the political managers of advanced capitalism. Rooted originally in the distinction between public and private in ancient Greece, “public sphere”, in its most general sense, refers to that “space” which mediates the state apparatus and the private affairs of individuals; in brief, to a realm of social life in which something approaching public opinion can be formed. A form of this public sphere notion was resurrected by the European bourgeois in its assault upon the secretive dominion of feudal society; in monarchic form it can be traced to the Physiocrats’ notion of *opinion publique*, while in liberal form it is foreshadowed in a rudimentary way in Locke and, later, among Scottish moralists, and Bentham and James Mill. Of course, as Habermas stresses, these notions of a “public” must not be confused with the principle of universal democracy, understood as the equal, effective freedom of *all* to both use and develop their capacities. At first, and with only some exceptions (e.g., Winstanley, Rousseau, Jefferson), “the public” was taken to include only male property owners. Yet at least the *principle* of the public sphere presupposed the *possibility* of a reasoning, critical public in search of rational universals and the abolition of the technical rationality of market society. Intended as overseer of the state apparatus, this sphere and its “public” coincided with such claims as the right to representation, freedom of speech and assembly, and public opinion. In the transition from the political class domination of feudalism to the bourgeois class domination in de-politicized form (which Offe has analyzed), the emergence of this liberal public sphere not only signalled a new mechanism of legitimating state institutions, it *also* pointed, in principle at least, to *restrictions* on political power. “In the first modern constitutions the catalogues of fundamental rights were a perfect image of the liberal model of the public sphere: they guaranteed the society as a sphere of private autonomy and the restriction of public authority to a few functions. Between these two spheres, the constitutions further insured the existence of a realm of private individuals assembled into a public body who as citizens transmit the needs of bourgeois society to the state, in order, ideally, to transform political into “rational” authority within the medium of this public sphere. The general interest, which was the measure of such a rationality, was then guaranteed, according to the presuppositions of a society of free commodity exchange, when the activities of private individuals in the marketplace were freed from social compulsion and from political pressure in the public sphere.” Again, Habermas is emphatic that the dualistic split between *bourgeois* (the notion of individuals as but self-regarding managers of their capacities and property) and other-regarding, egalitarian *citoyen* is not overcome in all this. As he acknowledges with reference to John Stuart Mill and de Tocqueville, this bourgeois model of the public sphere veiled the class exploitation which made a mockery of its supposed authenticity. This readily became apparent with the emergence of the English Chartist movement and the French February revolution; the limited public sphere was now stretched beyond the provinces of the bourgeoisie so as to include proletarian elements for the first time. Therewith, the public sphere became a court of appeal which was much less socially exclusive and racked by violent conflict. There was a flowering of political journals, discussion circles, clubs, and the local political newspaper emerged as a vehicle for public communication. Habermas’ important argument is that, in the transition to advanced capitalism, this public sphere has been colonised from above. A host of organized, powerful interests including the giant corporations, organized labour, the cartelized political parties, incumbent governments and the organized mass media imposes itself upon it. This first begins around the 1830’s in Europe and North America and is, according to Habermas, the harbinger of the later public opinion dealing, “the transformation from a journalism of conviction to one of commerce” and, therewith, the possibility of “public relations work” (*Öffentlichkeitsarbeit*). The promise of the nineteenth century public sphere becomes submerged in the commodified domain of organized production and consumption: “When the laws of the market which govern the sphere of commodity exchange and social labour also penetrate the sphere reserved for private people as public, critical judgment

JOHN KEANE

- (*Raisonnement*) transforms itself tendentially into consumption, and the context of public communication breaks down into acts which are uniformly characterized by individualized reception" (p. 194). For further examinations of this production of legitimation see Miliband, *The State in Capitalist Society*, op. cit., chs. 7-8 and James Perry, *The New Politics: The Expanding Technology of Political Manipulation*, London: 1968; the latter is an important history of the emergence of the merchandizing of political candidates from the time of the first political management firm of Whitaker and Baxter in California during the 1930's through to the more recent campaigns of Reagan, Rockefeller, Romney and Schapp.
63. *Industry and Inequality*, op. cit., p. 11.
 64. Cf. C.B. Macpherson, *Democratic Theory: Essays in Retrieval*, London: 1973, p. 78: "There is no doubt about the violence done to the traditional theory by what we may call the Schumpeter/Dahl axis. The traditional theory of (John Stuart) Mill, carried over into the twentieth century by such writers as A.S. Lindsay and Ernest Barker, gave democracy a moral dimension: it saw democracy as developmental, as a matter of the improvement of mankind. The Schumpeter-Dahl axis, on the contrary, treats democracy as a mechanism, the essential function of which is to maintain an equilibrium."
 65. "Structural Problems", op. cit., p. 46. This is also Theodore Lowi's argument in *The End of Liberalism: Ideology, Policy, and the Crisis of Public Authority*, New York: 1969.
 66. *Ibid.*, p. 47; cf. "The Theory of the Capitalist State", op. cit., p. 127. Actually, this point requires some clarification, for the general form of this structural problem predates the period of late capitalism. It first emerges with the disintegration of the kinship basis of tribal societies and the emergence of class dominated societies (e.g., the early civilisations of Mesopotamia, Egypt, ancient China, India and the Americas, European feudalism, etc.) which assume a political form, the reproduction of which depends on the conversion of political power into political authority via the sacred canopy of legitimating traditions. This insight was captured by Weber's own definition of any state as "a relation of men dominating men, a relation supported by means of legitimate (that is, considered to be legitimate) violence."
 67. "Advanced Capitalism", op. cit., p. 480. Habermas' complaint (*Legitimation Crisis*, Boston: 1975, pp. 162-3. note i) that Offe's theory of the usually-latent class bias of the state means that this "bias" is inaccessible to "objectivating knowledge" and, therefore, stricken by blind, "actionistic" conclusions, misses the significance of the importance which Offe attaches to the theory of crisis. After all, crisis-tendencies are precisely those objective situations within which the usually-latent "intentions" of the state may become manifest, as Offe indicates ("Introduction of Part II, op. cit., p. 246): "A contradiction is the tendency inherent to a specific mode of production to destroy those very preconditions on which its survival depends. Contradictions become *manifest* in situations where . . . a collision occurs between the constituent preconditions and the results of a specific mode of production, or where the necessary becomes impossible and the impossible becomes necessary" (my emphasis). This is elaborated in "Krisen des Krisenmanagement" op. cit. It should also be recognized that "crisis" has nowadays become a manipulative word for household consumption — there are "crises in the West", "personal crises" "energy crisis", "parliamentary/constitutional crises", and so on. Its more classical meaning has become worn out. Offe's use of the term must be distinguished from these recent vulgarizations, for his use of "crisis" clearly owes much to its early medical and dramaturgical origins, upon which, indeed, Marx's theory of crisis had been constructed; cf. Habermas *Legitimation Crisis*, op. cit., pp. 1-2 and *Theory and Practice*, op. cit., pp. 212-235, and the useful survey of the concept by Randolph Starn, "Historians and 'Crisis'", *Past and Present*, Vol. 52, August, 1971.
 68. Paul Baran and Paul Sweezy, *Monopoly Capital*, Harmondsworth: 1969.

THE LEGACY OF POLITICAL ECONOMY

69. "Theses", *op. cit.*; cf. "The Theory of the Capitalist State", *op. cit.* p. 139, and "Ein biedermeierlicher Weg", *op. cit.* More generally, see O'Connor, *The Fiscal Crisis of the State*, *op. cit.*, and, within the Canadian context, Rick Deaton, "The Fiscal Crisis of the State in Canada", in D.I. Roussopoulos, ed., *The Political Economy of the State*, Montreal: 1973.
70. "Introduction to Part II", *op. cit.*, pp. 252-3, "Further Comments", *op. cit.*, pp. 107-8, *Industry and Inequality*, *op. cit.*, p. 19, and "Advanced Capitalism", *op. cit.*, pp. 487-8. These arguments again derive from O'Connor, *The Fiscal Crisis of the State*, *op. cit.*
71. *Strukturprobleme des Kapitalistischen Staates*, Frankfurt am Main: 1972: ch. 4; cf. "Theses". *op. cit.*, pp. 144-5, where Offe points to the reasons why the "taxing away" of corporate profits is often unpopular among sectors of capital, though these reasons could easily be extended to cover other conflicts, for example, over the operations of transnational corporations, decentralization strategies which continue to have a "regional" bias, etc. For the critique of Weber, cf. "Rationalitätskriterien und Funktionsprobleme politische-administrative Handelns", *Leviathan*, 3, 1974, and "The Theory of the Capitalist State", *op. cit.*, pp. 136-7, 142. In *Berufsbildungsreform*. Frankfurt am Main: 1975, Offe has tested this political dilemma of technocracy theorem with reference to unsuccessful S.P.D. Government attempts to rationalize the provision of vocational training. Poulantzas refers to these general planning difficulties in his comments on the state's "crisis of representativeness" in *Classes in Contemporary Capitalism*, *op. cit.*, pp. 168-174, as does Offe's collaborator, Volke Ronge, who speaks of the "politicization of administration" under advanced capitalist conditions, "The Politicization of Administration in Advanced Capitalist Societies", *Political Studies*, vol. 22, 1, March, 1974.
72. "Introduction to Part II", *op. cit.*, p. 255; cf. "Advanced Capitalism", *op. cit.*, pp. 481-2 and "Theses", *op. cit.*, p. 145: "... the state's attempts to maintain and universalize the commodity form do require organizations which cease to be subject to the commodity form in their own mode of operation." This thesis was first worked out in *Strukturprobleme*, *op. cit.*, pp. 27-63, abbreviated translations of which appeared in *Kapitalistate*, 1 and 2, (1973). The theme of abstract and concrete labour is central in a recent discussion by James O'Connor, "Productive and Unproductive Labor", *Politics and Society*, vol. 5, 3, 1975.
73. "Introduction to Part II", *op. cit.*, p. 256. This argument can be understood as analogous to Marx's comments on the unintended and ironic "socialization" of the productive process under early nineteenth century industrial capitalism. According to this "socialization" thesis, the organization and "levelling" of proletarians under capitalist modes of factory organization was seen to be an essential development in the formation of a truly universal, conscious human community defined by its conditions of labour.
74. "Structural Problems", *op. cit.*, p. 49; cf. "Introduction to Part II", *op. cit.*, p. 256.
75. "Theses", *op. cit.*, pp. 146-7 and *Industry and Inequality*, *op. cit.*, *passim*.
76. Cf. C.B. Macpherson, *The Political Theory of Possessive Individualism*, London: 1962 and *Democratic Theory*, *op. cit.*, especially pp. 25-31.
77. *Industry and Inequality*, *op. cit.*, p. 42. Against the powers of church and state, and echoing Hobbes' contention that "A Free-Man, is he, that in those things, which by his strength and wit he is able to do, is not hindered to do what he has a will to", *Leviathan*, part 2, ch. 21, C.B. Macpherson, ed., Harmondsworth: 1972, p. 262. Locke expressed the tenets of possessive individualism in this way: "every man is entitled to consider what suits his own convenience, and follow whatever course he judges best", in *A Letter on Toleration*, Oxford: 1968, J.W. Gough, ed., p. 89.

JOHN KEANE

78. *Industry and Inequality, op. cit.*, pp. 14-15; *cf. ibid.*, p. 134: "It can be taken as a basic social fact in all industrial societies that strata and classes, economic power and the irrationalities of the educational system are dominant elements of the social structure, affecting and regulating the constitution, let alone the exercise, of individual abilities."
79. *Ibid.*, pp. 135-7.
80. *Ibid.*, pp. 17-20 and "The Abolition of Market Control and the Problem of Legitimacy I", *Kapitalisate*, I, 1973, pp. 112-113. This is a highly unstable development, and not only because fiscal difficulties curb the state's ability to fulfill its self-professed intentions; elsewhere (" 'Krisen des Krisenmanagement' ", *op. cit.*, p. 20), Offe makes the additional suggestion that competition between political parties tends to raise the electorate's expectations ("If elected, we will . . ."), thereby increasing the chances of voter frustration about false promises.
81. Offe mentions this example in "Structural Problems", *op. cit.*, pp. 50-1; more generally, see *Industry and Inequality, op. cit.*, pp. 15-17, *Strukturprobleme, op. cit.* pp. 27-63, and O'Connor's discussion (*The Fiscal Crisis of the State, op. cit.*, ch. 9) of movements of state workers and clients.
82. "Advanced Capitalism", *op. cit.*, pp. 486-7 and "Structural Problems", *op. cit.*, p. 52.
83. *Strukturprobleme, op. cit.*, p. 24. The reference to the "triad of usual self-adaptive mechanisms" is sketched more fully in " 'Krisen des Krisenmanagement' ", *op. cit.*, pp. 197 ff.
84. Consider, for example, Ernest Mandel's rationalistic view of bourgeois ideology as like a blanket covering the sleeping working class giant during "quiet periods", *Late Capitalism*, London: 1975, p. 494; also the simplistic (base-superstructure) link between problems of "accumulation" and "legitimization" assumed by O'Connor *The Fiscal Crisis of the State, op. cit.*, p. 6 and taken up by Panitch, *The Canadian State, op. cit.*, ch. I.
85. This is the central theme of Jean Baudrillard, *Pour une critique de l'économie politique du Signe*, Paris: 1970.
86. *Cf.* my critique of Habermas in "On Turning Theory Against Itself", *Theory and Society*, Fall, 1977, pp. 561-572.
87. Pollock was one of the first to mention this point, but without further elaboration of its radical consequences for the old political economy crisis theory: "There is considerable evidence . . . that in this administered capitalism the depressions will be longer, the boom phases shorter and stronger, and the crises more destructive than in the times of 'free competition', but its 'automatic' collapse is not to be expected. There is no *purely economic irrepensible compulsion to replace it with another economic system*", "Die gegenwärtige Lage des Kapitalismus und die Aussichten einer planwirtschaft-lichen neuordnung", *Zeitschrift für Socialforschung*, vol. 1, 1932, p. 16, my emphasis, quoted in Marramao, "Political Economy and Critical Theory", *op. cit.*, p. 66.
88. "The Abolition of Market Control and the Problem of Legitimacy II", *op. cit.*, pp. 74-5. The reference is to Daniel Bell, "The Cultural Contradictions of Capitalism", *Public Interest*, Fall, 1970.
89. On these matters, *cf.* Macpherson, *Democratic Theory, op. cit.*, ch. 2; Henri Lefebvre, *Everyday Life in the Modern World*, New York: 1971 and *The Survival of Capitalism*,

THE LEGACY OF POLITICAL ECONOMY

London: 1976; Barthes' critical-semiological analysis, which seeks to liberate the "significant" from the "naturalness" of such "what-goes-without-saying" spectacles as wrestling matches, soap powders, new Citroëns and steak and chips. *Mythologies*, New York: 1972; William Leiss, *The Limits to Satisfaction*, Toronto and Buffalo: 1976; and Christopher Lasch, "The Narcissist Society", *The New York Review of Books*, September 30, 1976; and "The Narcissistic Personality of Our Time", *Partisan Review*, vol. xlv, 1, 1977.

90. Cf. Habermas, *Toward a Rational Society: Student Protest, Science and Politics*, London: 1971, ch. 6; also, Herbert Marcuse, *One Dimensional Man*, London: 1968, and Michael Oakeshott, *Rationalism in Politics*, London: 1962, pp. 1-36.
91. G. Almond and S. Verba, *The Civic Culture*, Princeton: 1963.
92. Cf. Walter Benjamin, "The Work of Art in the Age of Mechanical Reproduction", in *Illuminations*, London: 1973; Max Horkheimer and Theodor Adorno, "The Culture Industry: Enlightenment as Mass Deception", in *Dialectic of Enlightenment*, London: 1973; Theodor Adorno, *Prisms*, London: 1967; and "Culture Industry Reconsidered", *New German Critique*, 6, Fall, 1975. More generally, compare Arnold Hauser, *The Social History of Art*, New York: 1951, vol. 4.
93. C.B. Macpherson, "Who Needs a Theory of the State?", (paper prepared for the 1977 Annual Meeting of the American Political Science Association, Washington, D.C.: September 1-4, 1977).
94. *Ethica Nichomachea*, 1139a, 22-23, in Richard McKeon, ed., *The Basic Works of Aristotle*, New York: 1968.
95. In addition to those works cited above, cf. Habermas, *Theory and Practice*, *op. cit.*, ch. I; Neumann, *The Democratic and the Authoritarian State*, *op. cit.*, ch. I; John O'Neill, "Public and Private Space", in *Sociology as a Skin Trade*, New York: 1972; and, of course, Jean Jacques Rousseau, "A Discourse on the Moral Effects of the Arts and Sciences", in G.D.H. Cole, ed., *The Social Contract and Discourses*, New York: 1963.
96. *Selected Works*, I, *op. cit.*, p. 127.
97. G.W.F. Hegel, *The Phenomenology of Mind*, J.B. Baillie trans., New York: 1967, pp. 228-240; cf. also the earlier Jena critique of Fichte's solitary self-reflecting "I" via the argument that practical self-consciousness only unfolds on the basis of the struggle for mutual recognition, the exemplar for Hegel being the ethical relationship established between lovers on the prior basis of conflict.
98. Cf. Karl Löwith, *From Hegel to Nietzsche*, Garden City: 1967.
99. Thus, as early as 1843 in a communication with Arnold Ruge, Marx complains that Feuerbach's anthropological critique of transcendental thought "talks too much about nature and too little about politics. This latter is the only means by which present philosophy can become a reality" (cited in David McLellan, *The Young Hegelians and Karl Marx*, London: 1969, p. 113, my emphasis).
100. "The German Ideology", in Easton and Guddat, *op. cit.*, p. 421; cf. "Wage Labour and Capital", in Marx and Engels, *Selected Works*, I, *op. cit.*, p. 159.

JOHN KEANE

101. This is a growing concern. Consider Kosik's discussion of labour and praxis (*Dialectics of the Concrete*, Dordrecht and Boston: 1976); Arendt's theory of action (*The Human Condition*, *op. cit.*); Althusser's concern with "the reproduction of the relations of production" in *Lenin and Philosophy and Other Essays*, London: 1971, pp. 123-173; Habermas' "universal pragmatics" (*e.g.*, *Legitimation Crisis*, *op. cit.*, part 3); Baudrillard's concern (*op. cit.*) with the process of "signification"; Lefebvre's focus (*op. cit.*) on *la vie quotidienne*. Attempts at reconstructing the Marxian category of labour were also a feature of the earlier Frankfurt circle, as Martin Jay, (*The Dialectical Imagination*, Boston and Toronto: 1973) indicates. Finally, note that our concern with "symbolic interaction" coincides with the resurgent interest in action, language, and meaning in the post-Wittgenstein philosophical tradition (*e.g.*, Winch, Apel), in the philosophy of science (*e.g.*, Kuhn's theory of paradigms), in literary theory (Derrida, Barthes, Kristeva), and in several non-structural-functionalist movements in the social sciences (*e.g.*, phenomenology, symbolic interactionism, ethno-methodology). See the sketch of these latter developments in Anthony Giddens, *New Roles of Sociological Method*, London: 1976.