Poulantzas on economic and political crises and crises of the state

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Outline

• Originality, legacy, actuality
• Strategic shocks, theoretical innovation – towards SRA
• Class relations, class powers
• Poulantzas on crises
• The primacy of the political
• Exceptional regimes
• Crises of crisis-management
• Authoritarian statism
• Conclusions
Originality, Legacy, Actuality

• Poulantzas’s studies can be seen as ‘modern classics’
• Originality: a revolutionary materialist who developed a relational approach to the state as a social relation and a theory of democratic transition to democratic socialism
• Legacy: changing and closely tied to crises of Marxism and capitalism – note recent signs of revival of interest in work of Poulantzas (and Gramsci) in context of the continuing crisis of (neo-liberal and/or finance-dominated) capitalism
• Actuality through critical re-appropriation: ‘the theory of the capitalist State cannot be isolated from the history of its constitution and reproduction’ (SPS: 25).
Intellectual Development

- A Sartrean existentialist approach to law, fact, value
- Discovers Gramsci, class, and hegemony
- An Althusserian turn to an ‘autonomous science of politics’ – the political region and the normal state
- Recovering the primacy of class struggle, discovering exceptional states, and addressing periodization
- Focus on class powers, social classes, and class alliances
- The crisis of Marxism, engaging with Foucault
- Intensification of crisis, rise of authoritarian statism
- A democratic transition to democratic socialism
Political Surprises, Political Strategy

• Changing intellectual influences, changing theories, changing political conclusions
• The role of Greek and French politics and other events:
  – April 1967: military coup d’état (and fascism?)
  – May 1968 (plus Prague Spring, ‘hot autumn’)
  – May 1974: collapse of the Greek dictatorship
  – 1977-1978: decomposition of Union de la Gauche
A Break with Althusserian Structuralism

From structural topography

- Economic region is dominant as well as determining
- A corresponding juridico-political order
- A more remote ideological superstructure

To relational materialism

- Social relations of production have three intertwined moments: economic, political, ideological
- [Economic] classes have effects, often indirect, within and across the juridico-political and ideological spheres
- Mediated by institutional materialities with differential, class-selective [and other] biases
Poulantzas on Power

- Economic, political, and ideological class powers are all present inside relations of production, exploitation, and surplus-value extraction rather than being distributed across three distinct ‘levels’ of a social formation
- Social classes should be defined in terms of complex class powers exercised in labour process and circuit of capital and their articulation with other forms of production
- Social classes are also present in other social fields in very complex, highly mediated ways; but social class relations to not exhaust the modalities of power – there are many other power resources and capacities, powerful social forces, etc.
Power in Relations of Production

- Capitalist 'social relations of production, exploitation, and extraction of surplus-value' have distinctive political and ideological moments as well as economic moment
  - **Economic moment**: differential distribution of the economic class powers of ownership and possession
  - **Political moment**: grounded in relations of authority in labour process (e.g. factory despotism, bureaucratization)
  - **Ideological moment**: manual-mental division in labour process and role in assujettissement (subjectivation) and lived experience in the economic region
Forms of Class Domination

• Economic class domination
  – Struggle for dominance in the wage relation and in structuring and regularizing modes of growth (including wage relation): economic moment of differential accumulation

• Political class domination
  – Struggle over state formation, state policies, and at a distance from state (including form and content of representation, institutional architecture, form and content of intervention): juridico-political moment of differential accumulation

• Ideological class domination
  – Struggle over means of mental production, specific ideological forms, specific imaginaries: ideational moment of accumulation
Poulantzas on Wider Class Analysis

• Dominant position in economic, political, and ideological spheres may not be occupied by same class (or fraction)
• Durable power bloc vs temporary class alliances
• Concepts for political class analysis include:
  – ruling class (class represented by governing party)
  – class in charge of the state (provides state personnel)
  – supporting classes (give support but win no major concessions)
  – bureaucrats (and their internal divisions)
  – social forces in the public sphere (‘intelligentsia’)
• Concepts for ideological class analysis
  – intellectuals, specialists in intellectual labour, etc
On the Nature of Crises

• Crises are moments of danger and opportunity: as such, they have objective and subjective aspects

• Objectively, they occur when a set of social relations (including their connection to the natural world) cannot be reproduced (cannot ‘go on’) in the old way

• Subjectively, they are moments of indeterminacy, where decisive action can repair these relations, lead to change via piecemeal adaptation, or produce radical innovation

• Where this does not occur, perhaps because the crisis is rooted in basic structural features of specific systems, the system will fail, perhaps replaced by a new kind
Crisis, What Crises?

- Crises as ‘accidental’ products of natural or ‘external’ forces rather than antagonistic internal relations (e.g., invasion, tsunami, crop failure, SARS) (but note their social aspects too)
- Crises as form-determined: inherent crisis potentials and tendencies of specific social forms with matching forms of crisis-management (e.g., capital relation)
- Crises ‘in’ are normal and may be resolved through established crisis-management routines and/or through innovations that restore previous patterns
- Crises ‘of’ are less common and involve a crisis of crisis-management, indicating inability to “go on in the old way” and demanding more radical innovation
Poulantzas’s Crisis Theory - I

- Generic elements of crisis are constantly reproduced in capitalist social formations but a crisis involves a specific condensation of these elements in a distinct conjuncture.
- This does not mean that capitalism is in a permanent, ‘general crisis’, let alone one whose outcome is fully open.
- A crisis only emerges from a specific condensation of these crisis elements in a definite conjuncture.
- Economic crises are not purely dysfunctional, they are normal and even necessary for capitalist reproduction.
- An economic crisis does not automatically get expressed in political or state crises.
Poulantzas’s Crisis Theory - II

• No permanent political crisis or permanent crisis of state
• Essence of political crisis lies mainly in features of field of class struggle, not in functioning of particular institutions
• A political crisis is not reducible to an institutional crisis: it comprises a radical displacement of balance of forces
• Political crisis = crisis of hegemony in power bloc because no class or fraction can impose its leadership (whether through its own organizations or democratic institutions)
• Linked to crisis of hegemony over society, seen in political scene and inside state system, and in dominant forces’ efforts to by-pass parties to influence the state directly
Poulantzas’s Crisis Theory - III

- Political crises are inevitably linked to crisis of dominant ideology, not only in ideological state apparatuses but also in economic and repressive state apparatuses
- Hegemonic or organic crises (crises that affect all social spheres and ramify throughout society) are reflected and refracted in ideological crises, whose specific political expression is a legitimation crisis of state power
- In world market context, internal crisis factors and balance of forces are more important than external crisis factors for political crisis dynamics [primacy of political]
- Outcome of crisis always depends on class strategies
Crises of Crisis-Response

• Economic crises are not decisive: crises are means through which expanded reproduction of capital can be secured
• So focus on political class struggle and reproduction of political class domination (decisive in resolving crises)
• Hence importance of crises in power bloc, hegemony of power bloc over people, representational crises, crises of institutional integration of state, representational crises, legitimacy crises, ideological crises, and so on
• No technocratic guarantees of crisis-management: tied to balance of forces, which can involve catastrophic equilibrium of forces that can lead to exceptional regimes
<table>
<thead>
<tr>
<th><strong>Normal States</strong></th>
<th><strong>Exceptional Regimes</strong></th>
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<tr>
<td>Liberal democracy with universal suffrage</td>
<td>Suspend elections (except for plebiscites, referenda)</td>
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<tr>
<td>Power transferred in stable way in line with rule of law</td>
<td>No legal regulation of power transfer (‘might is right’)</td>
</tr>
<tr>
<td>Pluralistic ISAs, relatively independent of state</td>
<td>ISAs integrated into state to legitimate power</td>
</tr>
<tr>
<td>Separation of powers</td>
<td>Concentration of powers</td>
</tr>
<tr>
<td>Power circulates organically, facilitating flexible reorganization of power</td>
<td>Congeals balances of forces at time that exceptional regime is introduced</td>
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The Semiosis of Crises

- Interpretations multiply as actors seek to:
  - make sense of the ‘crisis’ as it unfolds in space-time
  - attribute (rightly or wrongly) ideological, institutional, technical, and personal (or organizational) blame
  - Interpretations can range from denial (‘business as usual’) through claims of a major break (‘turning point’) to a more radical rupture (‘revolutionary moment’)
  - especially important is whether this is a crisis ‘in’ or ‘of’ the relevant system(s),
  - chart alternative futures to prevent or guide them, and
  - recommend specific lines of action for particular forces over different time frames and spatial horizons
Distinguish between conventional signs and natural signs, i.e., symptoms (St Augustine 389 AD)

In case of symptoms, there is an objective relationship between invisible entity and visible sign – but this is not a one-to-one relationship, hence underdetermined

Crises become visible through their symptoms but these need construing to establish underlying causes as basis for decisive (and effective) interventions

‘Symptomatology’ is based on trial-and-error observation and construal that draws on past experience but may also require forgetting as basis for ‘correct’ intervention
Crisis Construals: True or Correct?

• Construals can be assessed in terms of **scientific validity**:
  – note distinction between theoretical and policy paradigms
  – note risk that scientific codes and programmes are applied in shadow of codes and programmes of other systems
  – note risk that scientific inquiries are distorted by scientists’ own ideological assumptions

• Construals can be assessed in terms of **correctness**, i.e., capacity to transform conjunctural potentials into reality through guiding action (construal → construction)
  – correctness depends on limits set by objective nature of crisis conjuncture and power of strategic perspectives
“Correct Construals”

- Initial variation of construals does not imply free choice among many interpretations that may be equally correct.
- ‘Arbitrary, rationalistic, and willed’ construals versus ‘organic’ or ‘correct’ construals, i.e., adequate to crisis conjuncture, readily communicated to relevant audience.
- What is ‘correct’ logically (construal) and chronologically (being first in terms of resonance and/or imposition of reading) matters more in selection than what is ‘true’.
- A ‘correct’ reading creates ‘truth-effects’ and may then be retained through its capacity to shape reality.
- This is a recursive process: re-construal occurs often.
Crisis of Crisis-Management

• Policy failures can occur because of:
  – Arbitrariness of crisis interpretations
  – Inadequacy of instruments and institutions
  – Crisis in or of the broader policy context

• Economic crisis and political crisis
  – Crisis-management often involves state as addressee in last instances of calls for intervention
  – But state may lack state capacities to intervene, whether in material and/or semiotic terms

• Some dimensions of state crisis:
  – representational -- rationality
  – legitimacy crisis -- institutional
Economic and Political Crisis - I

- Financial and economic crises have more radical effects when there is a crisis in the state and politics and this provokes challenges to state as well as economic forms.
- The North Atlantic Financial crisis was not at first linked to a crisis in the state (i.e., governance + government): instead, “market failure” led to “state rescue”.
- Roll-out of free markets is connected to strong state at home and new forms of transnational governance inaccessible to popular forces.
- Both aspects limit scope for social movements to define the crisis and shape responses.
Economic and Political Crisis - II

- State facilitated superficial return to financial “business as usual” (elements of “extend and pretend”) but there was uncertain, limited, halting recovery in “real economy”
- State rescue has transformed crisis in private finance into crisis of public finance and sovereign debt: this is being solved through austerity politics (there are alternatives)
- Austerity is generating political/state crises at rural and urban, regional, national, EU, and international scales
- There are obvious signs of “crisis in crisis management”, ad hoc muddling through, and incoherent responses; and this is provoking popular discontent and mobilization
Crisis of Crisis-Management - II

- From weakened state capacities ...
  - Dissolution of expertise and crisis-management units → dependence on financial expertise from private sector
  - Deregulation and liberalization → loss of steering ability
  - Quantitative easing and problem of exit strategy
  - Accumulated deficits and low interest rate policy

- To exceptional state triggered by economic crisis
  - loss of temporal sovereignty
  - loss of territorial sovereignty
  - concentration of economic policy-making power
  - problems of political paralysis
Mediatization

• Lived experience of crisis is necessarily partial, limited to particular social segments of time-space
• Sense of overall dynamics of crisis is heavily mediatized, i.e., depends on specific forms of visualization and media representations
• Different actors have different access to representations and narratives of crisis: mass media often present very different crisis accounts from specialized, insider media
• Crisis responses and learning reflect articulation of personal narratives, organizational narratives, media representations, and meta-narratives ....
Politicization

• Politicization enters through disorientation produced by crisis and, hence, space opened up to contest previously sedimented meanings

• This is a question of discursive contestation and can occur in many different fields on many different scales

• Insofar as immediate crisis-management and future crisis-avoidance and/or crisis-management involve the government or meta-governance co-ordinated by state, second-order politicization also becomes important

• This is where political as well as policy learning matter
Policy Matters

• When crisis-management is reduced to issues of the best policies, defined through “governing parties”, then opportunities for more radical solutions are marginalized.

• Limiting crisis-management to search for correct policies implies that crisis is due to incorrect policy rather than being rooted in deeper structural causes, linked to patterns of economic, political, and social domination.

• This may be reinforced by “urgency” of crisis: contrast crisis of Fordism with crisis of finance-led accumulation. Policies will be develop differently with time factors.
Forums also Matter

• Powerful narratives without powerful bases from which to implement them are less effective than more “arbitrary, rationalistic and willed” accounts pursued by the powerful

• Even if insufficient access to leading global forums, there is scope for counter-hegemonic narratives and, notably, sub-hegemonic narratives, i.e., accounts that are widely accepted in regional forums and subaltern organizations

• This also requires concern with the architecture of global, regional, and national organizations and with opportunities to jump scales in order to pursue solutions at the most effective scale (or scales) of action and intervention
And don’t forget power!

- Power is the ability *not* to have to learn from one’s mistakes (Deutsch 1963: 37).
- Elites may try to impose costs of their mistakes onto others.
- Entrenched blocs, durable alliances, and/or temporary coalitions of the powerful may seek to allocate costs of crisis management/adjustment and also shape learning processes.
As long as policy investigations are conducted around the question of how to ‘keep UK financial services competitive’, they will produce the wrong answers.

There is no appetite to grapple with the UK’s ‘strategic nightmare [of having] a strong comparative advantage in the world’s most irresponsible industry
The North Atlantic Financial Crisis

• This crisis (more commonly, and misleadingly, called the ‘global financial crisis’) has a specific aetiology:
  – NAFC must be situated in world market
  – Related to variegated capitalism
  – Variegated capitalism is more than national VoC
  – Finance is more than money, credit, or capital relations
  – Hierarchy of money and currency pyramid
  – Financialization is more than growth of financial activities relative to other sectors or financialization of everyday life

• Need to study new forms of money and their dynamics, especially derivatives as forms of interest bearing capital
Putting the NAFC in its place - I

- Whether via endogenous causes, specific vulnerabilities, or contagion, a crisis made in the USA has spread globally
- It is nonetheless concentrated in some economies, where it is taking a distinctive form (to be explored below)
  - liberal market economies with neo-liberal regime shifts (e.g., US, UK),
  - other varieties of capitalism that had de-regulated finance (e.g., Iceland, Ireland, Cyprus),
  - post-socialist states that embraced neo-liberalism and also de-regulated finance excessively (e.g., Baltic republics)
- It has spread via contagion through world market – but via distinct, not generic, economic and political mechanisms
Putting the NAFC in its place - II

- Five sets of crises are crucial contextually (in order of importance)
  - Global environmental crisis (plus energy, food, water)
  - Crisis of US hegemony within post-1975 global order
  - Crisis of neo-liberalism as economic and state project
  - Crisis of finance-dominated growth regimes
  - Crisis in particular strategic sectors (e.g., automobiles)
- These are superimposed on more local (regional, national, sub-national regional, local crises) and other types of crisis (fiscal, rationality, crisis in crisis-management, legitimacy, organic, etc.)
- A key question for crisis theories and crisis responses is their adequacy to ‘objective’ nature of the GFC in its wider context
<table>
<thead>
<tr>
<th>Main period</th>
<th>Summary Description</th>
<th>Some Illustrative Features</th>
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<tbody>
<tr>
<td>1985-Jan 2007</td>
<td>“Goldilocks Economy”</td>
<td>‘Great Moderation’, ‘No return to Tory Boom and Bust’, ‘This time is different’. Cassandras vs economic and political hubris</td>
</tr>
<tr>
<td>Feb 2007-Aug 2008</td>
<td>Financial Crisis Emerges</td>
<td>Sub-prime crisis emerges, worsens in US and UK. Credit crunch, banking crisis, liquidity crisis emerge and then spread unevenly in world market through bad loans and de-leveraging</td>
</tr>
<tr>
<td>Dec 2008-Mar 2009</td>
<td>‘Financial normalization’ as states and IFIs rescue (shadow) banks</td>
<td>State bailouts, quantitative easing, IFI coordination. Return to ‘financial business as usual’ for banks that are TBTF. Crisis becomes everyday “fact of life”</td>
</tr>
<tr>
<td>Apr 2009-Feb 2010</td>
<td>Crisis in Real Economy</td>
<td>Crisis spreads via contagion to real economy in integrated “world market” – albeit with visibly uneven effects. Rise of G2 and G20. Growing attacks on state sector and welfare</td>
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Towards Post-Democracy?
The Decline of Liberal Democracy

- Liberal democracy stronger in periods when *national* was the primary scale of economic and political organization
- Keynesian welfare national state:
  - National economy managed by national state on behalf of national citizens to create conditions for growing welfare state
  - Class compromise between industrial capital and working class
- Internationalization undermines conditions for KWNS and its democratic shell
- Neo-liberalism undermines these conditions further because it promotes financialization, political capitalisms
- Together these trends undermine *temporal* as well as *territorial* sovereignty of national states
Authoritarian Statism - I

‘Intensified state control over every sphere of socio-economic life combined with radical decline of institutions of political democracy and with draconian and multiform curtailment of so-called ‘formal’ liberties’ (Staats-theorie: 203-4).
Authoritarian Statism - II

- Transfer of power from legislature to executive and concentration of power within the latter
- Accelerated fusion between three branches of state legislature, executive, judiciary – decline in rule of law
- Functional decline of political parties as leading channels for political dialogue with administration and as major forces in organizing hegemony
- Rise of parallel power networks cross-cutting formal organization of state, with major share in its activities
Conclusions

“EVERY MORNING I WAKE UP ON THE WRONG SIDE OF CAPITALISM.”
Conclusions

• Crisis-tendencies do not have purely technological or economic causes but are always-already overdetermined by political and ideological relations

• Hence importance of conjunctural analysis, including offensive and defensive stages and steps in class struggle.

• Examine political challenges (mediated through state as material condensation of changing balance of social forces) and their implications for crisis-management.

• Following Poulantzas, we could study different forms of normal state (e.g., authoritarian statism) and exceptional regimes and how they aid (or not) crisis-management.