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The Quandary of Multiple States as an Internal and External Limit to Marxist Thought: From Poulantzas to Karatani

Baraneh Emadian

At the time of the disintegration of “actually existing socialism” in the 1990s, it appeared that the inexorable flux of globalization was going to consume the nation-state. However, recent years have witnessed the increasing role of the states in both the Global North and South. The relationship between the state and capital is a frequently traversed subject, but what needs further illumination is the persistence of “many states” and its relation to capitalism as both a national and global formation. While globalization of capital suggests a movement from multiplicity toward a dehistoricized abstraction, a global state has never been actualized. This implies that, unlike capital, the state cannot be dehistoricized or dedifferentiated; therefore, the only way to think about the state is to observe concrete, multiple states. In view of this difference and drawing on Nicos Poulantzas’s and Kōjin Karatani’s inquiries into the states system, this article examines the multi-state system as an internal and external limit to Marxist thought.

Key Words: Imperialism, Kōjin Karatani, Karl Marx, Nation-State, Nicos Poulantzas, Carl Schmitt

Instead of society having conquered a new content for itself, it seems that the state has only returned to its oldest form, to a shamelessly simple rule by the sword and the monk’s cowl.

—Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*

At the time of the disintegration of “actually existing socialism” in the 1990s, it appeared that the inexorable tide of globalization was going to diminish the nation-state (Dunn 1995). In such circumstances, reflection on the Marxist theory of the state seemed like flogging a dead horse (Hay 1999, 152). Nonetheless, recent years have witnessed the increasing role of the states in both the Global North and South. The counter-revolutionary force that suppressed the Arab uprisings could be gleaned in the collaboration of the Gulf Arab States with the Western states, disclosing the role of the states—even the parliamentary ones—in vanquishing the most recent emancipatory and democratic struggles in our time (Hanieh 2013, 164–8; Achcar 2016). Even the popular protests in the wake of the

2008 crisis in the global North had to confront the police as the agent of state repression and the pure force of the law in excess of any legal formality. More recent examples include the ruinous bombing of Syrian towns and rural areas by the Syrian, Russian, and American states; the Saudi and Russian states' attacks, respectively, on the Yemeni hospitals and the Syrian medical facilities in 2016; and a vital cholera treatment center in Yemen hit in the Saudi and UAE coalition war strikes in 2018, supported by the British intelligence. Evident in these examples is the fact that the states do not refrain even from bombing the wounded and the sick and the medical personnel who tend to them.¹

As plain but horrendous empirical facts, these examples indicate that theorization and strategic consideration of the category of the state should not be reduced to an epiphenomenon vis-à-vis the category of capital. This is critical as we wake up from the frenzy of globalization to the reality of the persistence of nation-states that present themselves either in the costume of neoliberal authoritarianism (e.g., austerity) or neo-mercantilist economic nationalism. In fact, as early as the *Grundrisse*, Marx (1973, 227) expressed his aim to dedicate a substantive part of his critique of political economy to “the concentration of the whole in the state.” It is well-known that he never found a chance to do so (Karatani 2014, 175, 267; Jessop 1982, 25–6). But what does the phrase “the whole in the state” signify? Does it imply that the state must be viewed as a totality, containing production as a moment? Or is it suggestive of the *relative* autonomy of the state (as ultimately demarcated by and confined within the limits of capital accumulation) and its totalizing function in capitalist societies? The state under capitalism adopts a form through a crystallization of the whole, in a sense assuming a monadic structure. This characterization of the state has critical implications for the category of globalization, for it reveals the hyperbolic nature of those conceptions of globalization that define capital as a worldwide force, capable of eclipsing the state form. If Marx were right and the whole does coagulate in the state, then the state could be held as the main force of synchronization, capable of what Kierkegaard (2009, 292) called “*samtidigt*,” to define the act of bringing together different times to produce a same time.

This essay reflects on a conception of the states system as an internal and external, or immanent and transcendent, limit to Marxist thought. The internal limit connotes a belatedness in Marx's work, a modality that did not allow for a conceptualization of the state (as thoroughly as he conceptualized capital). He intended to accomplish this later, at the end of his project of the critique of political economy. So, a consistent or singular general theory of the state cannot be extracted from his critique of political economy. The external limit, on the other hand, is manifested

1. Paradoxically, some member states of the Security Council are among the very states that have been attacking medical facilities in war zones. See the United Nations Security Council meeting coverage (2016). The location of the cholera treatment center in Yemen had been reported to the Saudi alliance more than 12 times (Trew 2018).

in the way the states system has its own logic and cannot be *deduced* from capital. In short, the state embodies an excess and its logic falls outside capital's immanent logic. That is why a thinker like Carl Schmitt, without focusing on capitalism—chiefly relying on the category of the feudal state—was able to have insight into the nature of inter-state relations.

While the idea of the possibility of a global state lacks significant adherents, the reality of the existence of multiple states is not in doubt. The heart of the matter is not so much the state as “the states,” a situation similar to the dilemma of “capital as such” as distinct from “capitals.” On the whole, Marx's project of the critique of political economy (particularly in the first volume of *Capital*) follows the logic of capital as such, regardless of different forms and degrees of development in various countries. The logic of the state, however, is not the same in different countries. That being said, for Marx (1974, 350) the common denominator among various modern states is that they are all based on a modern bourgeoisie. The limitation of this view—even after the transition from abstract to concrete, namely, from capital as such in the first volume of *Capital* to circulation of many capitals in the third volume—arises from its focus on the competition among many concrete capitals in the absence of a thorough reflection on their division among national parts of a world market. Yet, the organization of capitalism in the form of multiple nation-states or national markets must be considered. To reformulate, when shifting his attention to concrete capitals, Marx does not dwell on the relation among nation-states and national markets. The logic of the general and the particular misses the question of capital in terms of nation-states and the fact that the bourgeoisie is organized through a *multiplicity* of states and national markets. A nation-state is distinct from a traditional, self-enclosed community in the sense that it is intrinsically incomplete and open to other nation-states and markets. It is precisely this *openness* that entangles the nation-state with history.

The Marxian distinction between capital as such and many capitals is hardly translatable to the distinction between state as such and multiple existing states. More precisely, the notion of capital as such is homologous to global capital, since the latter becomes increasingly abstract and divested of territorial determinations; it moves from national multiplicity toward globalization, a kind of deterritorialization manifested in the free movement of international capital. Thus perceived, global capital could be regarded as a historical approximation of the pure concept of capital (i.e., capital as such). However, in the case of the state we can think of no such empirical counterpart to global capital, because the global state has never been actualized in history. Although this does not warrant the abandonment of the concept, it is critical to note that the state as such obfuscates the importance of multiple states, namely, the moment of multiplicity and the *antagonism* entailed in it. In this sense, state-theory has not properly dealt with the above-mentioned analogy and the quandary it involves. Even the problem of the seizure and overthrow of a state brings into play the role of other states. The fact that many revolutions in history have been followed by wars and invasions

brings home this point, underscoring the reaction from other states that usually follows the dismantling of the state in one country.² The instance that immediately comes to mind is that of the French Revolutionary wars. We may also recall the wars following the Russian Revolution and the Iranian Revolution (1979), or the crushing of the Hungarian Revolution (1956) by the Soviet forces. The case of Iran is quite illuminating. Saddam Hussein's Iraq took advantage of the toppling of the monarchic state in Iran and the subsequent revolutionary turmoil to invade the country in 1980 without any formal warning. This sudden invasion drastically influenced the post-revolutionary state-building process, significantly influencing Iran's adoption of a militaristic rather than a democratic path.

So, the question to be posed is: how can Marx's preoccupation with capital and capitals be supplemented with other theories that reflect on the persistence of the states system and its relation to capitalism as both a national and global formation? Following a critical overview of theories that deal with this issue, we pursue this inquiry from Nicos Poulantzas's reflection on the internationalization of capitalist relations to Kōjin Karatani's take on the question of multiple states, a perceptive approach to historical materialism based on the category of exchange.

The Plight of Multiple States and Multiple Capitals

Fred Halliday (1994, 91) once raised a critical, oft-quoted question: "Why, if there is a world economy in which class interests operate transnationally, there is a need for states at all?" Halliday believed that Marxists had failed to answer this question. In "The Necessity of Multiple Nation-States for Capital," Neil Davidson (2011) responds to questions of this kind. Davidson draws attention to the two most coherent theories within historical materialism that deal with the issue of the continued coexistence of many capitals and many states. One is the argument that revolves around the issue of historical contingency, chiefly associated with Robert Brenner, Ellen Meiksins Wood, Benno Teschke, and Michael Mann. This approach is based upon a *contingent* relation between capitals and states. According to Teschke and Lacher: "Capitalism did not develop out of itself the system of territorial states which fragments capitalist world society. Inversely: capitalism is structured by an international system because it was born in the world of a pre-existing system of territorial states" (Davidson 2016, 195).

The second argument for the persistence of multiple states is found in the work of Giovanni Arrighi, David Harvey, and Alex Callinicos (Davidson 2016, 199). This approach suggests that the relationship between the states system and capitalism entails two overlapping but autonomous or distinct logics. In Arrighi's early

2. As Alain Badiou (2009, 71) puts it: "It is not because there is reaction that there is revolution, it is because there is revolution that there is reaction."

account, the two autonomous logics involve two different forms of state power, namely, territorialist and capitalist, whose logics overlap (201). For Harvey, on the other hand, the distinction lies between the logics of territorial states and capitalist economies, for which “the motivations and interests of agents differ” (210). Callinicos and Ashman exemplify a critique that does not treat economic and geopolitical composition as “separate spheres” due to the interdependence of state managers and capitalists, which compels each to intrude on the other’s domain. Nonetheless, they also find this tendency as “a mere conjunctural coincidence of interests” (203). Defending the *contingent* relation between capitals and states or capitalism and territoriality, Lacher contends that the alternative to this standpoint would be to view everything under capitalism as an emanation from the capitalist relation, thus treating capitalism as an “expressive totality” (203). Davidson takes issue with both these approaches, because despite their differences (and although Davidson finds the second, “two logics” approach more satisfactory), they both deny a necessary or *intrinsic* connection between capitals and states (203).

To sum up, Davidson (2016) contends that the structure of capitalist states did not inherit or reproduce what had gone before, since the social contents were different. He resorts to Marx’s distinction between formal subsumption of labor under capital during the manufacturing period and the real subsumption of labor in the machinofacture period, claiming that in a similar way state managers took hold of the outer forms of the existing absolutist states, while transforming them internally into “apparatuses capable of building an autonomous center of capital accumulation” (196). In response to Lacher’s skepticism toward the Hegelian “expressive totality” (already criticized by thinkers as diverse as Althusser and Habermas), Davidson promotes a conception of totality including internally related parts, where each of the parts represents the totality, or what Davidson refers to as a “mediated totality” (203–4). He ultimately places special emphasis on Marx’s assertion in the 1859 “Preface” to *A Contribution to the Critique of Political Economy* that the basis of the system of states must be sought in the relationship between owners of conditions of production and immediate producers (205). According to Davidson’s formulation, capitalism is “a system of competitive accumulation based on wage labor and these two defining aspects also point to the reasons for the persistence of the states system” (219). Even though the states system cannot be deduced from the concept of capital, Davidson concludes that, to say the states system exerts its own set of determinations quite independently of capital is to abandon the notion of totality central to Marx’s method (205). Davidson therefore lays emphasis on “the systemic connection between capitalism and a rivalrous multi-state system through an analysis of capitalism’s defining characteristic—competitive accumulation” (Anievas 2010, 5).

There are a few weaknesses in Davidson’s essay. First, Davidson’s grasp of the notion of totality is ambiguous, while his account remains indifferent to the various critiques of capitalist social totality from Adorno to the more contemporary critiques of Postone (1994) and Bonefeld (2014) among others. It could be argued

that what we call the totality of capitalism is in a sense constructed in our minds. There is no totality, but a *process of totalization*, a process of becoming. The globalization of trade, growth of capitalism in different geographical regions, and creation of a world system, all entail this process of totalization. In Davidson's account, however, the *diversity* of the states is undermined and the process of becoming is more or less reduced to transition. In fact, Davidson's preferred concept of mediated totality does not directly correspond to or confirm his thesis of some *intrinsic* or constitutive relation between capitals and multiple states that he pits against the two aforementioned approaches. Although it is true that the state is mediated by economy or capitalism, the latter does not *constitute* the system of multiple states. We will get back to this point in our reflection on Karatani's theory. Moreover, although the state could be viewed as what we earlier designated as a monad that in its fullness represents the totality—or in functional terms, stands for a process of totalization—the same cannot be said of the market. When it comes to a single nation-state, market is by definition different from polity and rather than expressing the process of totalization, it discloses a division of society into antagonistic sectors (mediation hence ceases to exist at this point). In contradistinction to the state, the failure of market to represent the totality implies that the category of mediated totality fails to fully capture the situation.

Implicit in the thesis of a systemic and intrinsic connection between capitalism and a multistate system is a totalization or generalization of a historical into a structural tendency. Tracing the reality of the multistate system merely to the need for capitals to be “territorially aggregated for competitive purposes” obfuscates the equal tendency of capitalism for deterritorialization and the persistence of extra-economic forms of domination. In *Market and Violence*, Heide Gerstenberger (2016) aptly shows that the brute force of exploitation characteristic of historically earlier forms of production is not obliterated by the labor conditions that Marx thought characterized the historical progress inherent in capitalist social forms of production. Violence therefore tends to be politically and hence historically defined. The problem of what we referred to as a totalization or generalization of a historical into a structural tendency is that it could only be made within the logic of capital. It takes place retroactively from the perspective of market economy, as if from the trajectory of the end of history, where the structural distinction between economy and noneconomy has a meaning; yet, such analyses cannot be transmitted to noncapitalist contexts.

It is problematic to generalize the determining role of economy, considering that the structural separation and independence of economy is largely limited to capitalist societies. Economic determinism, or overemphasizing production—a tendency that goes back to Marx at certain moments of his work—is susceptible to Eurocentrism (basing itself on a *transition* from feudalism to capitalism) and, therefore, dehistoricization. For instance, if we rewind the historical tape to pre-/non-capitalist China or Iran, the difference between feudalism and their respective modes of production could not be sought in the relationship between owners of

the means of production and immediate producers, but rather in superstructural terms, that is, in legal relations, types of ownership of land, and different political systems of taxation. Since production was equivalent to nonmechanized agriculture, forms of organization of labor and the immediate process of production in these different geographical regions resembled one another. It was politics rather than economics (superstructure in Marxist parlance) that distinguished feudalism from other types of premodern agriculture.

More attention should be paid to historical cases in which the state is the source of political economy (in cases as diverse as those of Italy and Iran). Capitalism in general, or the process of formal subsumption, could be politically redefined in terms of Gramsci's notion of "passive revolution" whereby the state becomes the agent of market formation (Harootunian 2015, 63, 121). This will become clearer in our discussion of Karatani's approach, though he does not directly refer to the Gramscian term. After invoking formal and real subsumption (which somehow assume a stagist quality in his exposition), Davidson does not locate them in a historical context. Presumably, that is why he does not mention *hybrid* subsumption in this context.³ Although the moment of real subsumption may be dominant in developed capitalist countries (e.g., finance capital), it is by no means the case in developing or underdeveloped ones, where a fusion of real and formal subsumption is more prevalent. The encounter between different temporalities brings about what Harootunian (2015, 206) refers to as a "heterogeneous mix rather than the destruction of one made by another."

It is also productive to consider hierarchies of race and gender in this context, which, despite being reconfigured by capital *formally*, are not reducible to its logic. Farris (2015) draws attention to "gendered and racial oppression, alongside class exploitation, as preconditions and not only consequences of capital accumulation." To extend her account, we might add that once capital accumulation reaches a level of maturity (i.e., when the economic system becomes industrial) and commodity production dominates, capital begins generating its own preconditions. In Hegelian language, it posits its own presuppositions; hence it appears as a natural phenomenon in a *dehistoricized* history. In the meantime, formal subsumption, as "the general form of every capitalist process of production" (Marx 1977, 1019), entails the substances of various types of oppression as distinct from capital (Gerstenberger 2016). Nation-state is indeed the totalization of these unintegrated substances, these presuppositions of capital among other elements. At places where these dissonant noncapitalist forms persist, there is tension and resistance to capital's dehistoricization, and a potential for subversion emerges. One

3. For Marx, there are hybrid forms that are not formally subsumed to capital and are not conditioned by wage labor, though they do fall under the command of capital. Quoting Marx, Tomba (2016, 7; 2015, 81) points out: "Capitalism encounters pre-existing forms of production and it 'encounters them as antecedents, but not as antecedents established by itself, not as forms of its own life process.' Capital subsumes and re-configures them in a new framework"). For a rethinking of the category of hybridity beyond its classical connotation in Marx, see Levin (2013).

reason for the survival and proliferation of states is precisely this persistence of formal subsumption in our time and the fact that we have not reached pure capitalism or total subsumption as an expression of pure immanence, where there is no outside to capital. Present-day, worldwide examples of late fascism, wall making, and tendencies for deglobalization are only a few signs of this coexistence of formal subsumption alongside real subsumption.

On the whole, Davidson's critique of the two main approaches to the relation between capitalism and the states system is the most provocative to grapple with the quandary of multiple states. Yet, the main problem of his analysis can be encapsulated in his transformation of a historical reality (the existence of multiple states) into a structural one, which chiefly arises from the way he limits himself to the *existing* states system. A theory of a multistates system cannot be confined to the present configuration of states or the present state of affairs. Rather, it needs to be cognizant of the remnants of the feudal or precapitalist forms of the state and the multilinearity of the possible paths that capitalism could have taken, of a more nuanced scenery than the reduction of the multistates system into a mere instrument of capital for conducting geopolitical competition.

Poulantzas on the Internationalization of Capital and the Nation-State

The question of the relation between multiple states and capital inevitably gets implicated in the theory of imperialism. The Marxist theory of imperialism, as Davidson (2016, 243–4) notes, initially involved both the relationships of domination by the metropolitan powers over the colonial and semicolonial world and those of rivalry between the metropolitan powers themselves. Poulantzas was deeply preoccupied with the problem of the conflict between capitalist states, which is most symptomatic of the classical theory of imperialism. This is most vividly depicted in his article “Internationalisation of Capitalist Relations and The Nation-State,” published in French in 1973. According to Poulantzas (2008, 242), from its very beginning, the imperialist stage discloses a tendency toward the international interpenetration of capitals. But while Marxist research at the time had been chiefly concerned with the relations between center and periphery, Poulantzas was more cognizant of the effects of imperialist domination within the zone of the imperialist metropolises (221).

Poulantzas (2008, 221) therefore problematizes the Marxist view that regards the only structural cleavage in the imperialist chain as the one between the center and periphery, while grasping this cleavage in a uniform manner throughout the history of imperialism. Such approaches focus on national bourgeoisie and national states with purely external relations, and “with a tendency towards internationalisation only affecting *at its limit* relations of exchange alone” (222); they also attribute a pivotal role to the US as the dominant force over the imperialist

metropolises. Poulantzas contends that the periodization of imperialism is not to be reduced to that of the pure capitalist mode of production; the essential tendency of imperialism is *the export of capital* rather than the simple export of commodities, accentuated with the propensity for a decline in the rate of profit (223). The capitalist mode of production (CMP) suppresses the other modes and forms of production and appropriates their elements, including labor power and means of labor. “This dominance of the CMP has complex effects of *dissolution/conservation* (since it is a matter of class struggle) on the other modes and the forms of production which it dominates” (223). These complex effects assume differential forms on an international scale, thus marking the phases of the imperialist stage. Since its beginning, the imperialist chain is characterized by an essential—though not constitutive—bifurcation between the imperialist metropolises and the dominated and dependent social formations. Poulantzas stresses that this cleavage, which is grounded on the structure of the imperialist chain, is fundamentally different from the colonial relation at the beginning of capitalism and the subsequent capitalist/commercial type of relation, “principally through the constitution of the world market and of the export of commodities” (224).

In his periodization of the imperialist stage into phases, Poulantzas (2008, 224) is careful to avoid a linear, stadial scheme and refers to the phases he discerns in the essential traits of “the *extended reproduction* of CMP” as the historical effects of class struggle. First, he pinpoints “the phase of transition” from the competitive capitalist stage to the imperialist stage (from the end of the 19th century to the 1920s). In this phase, the imperialist metropolises and their relations with the dominated formations are marked by an unstable equilibrium between the dominance of the economic and the dominance of the political/the state (225). The phase of consolidation of the imperialist stage occurs in the 1930s and is characterized by the dominance of monopoly capital and the political (over the economic) in the metropolises, the prevalence of the export of capital over the export of commodities, and the conservation of precapitalist relations in the periphery. Finally, what he calls the current phase of imperialism (after 1945 and accentuated by different stages of class struggle) is associated with the domination of monopoly capital in the imperialist metropolises, exerted over both the precapitalist forms and competitive capitalism, while the effects of dissolution in this case outweigh those of conservation (226). Nevertheless, as Poulantzas emphasizes, this does not imply that the capitalist mode of production in its monopoly form becomes the only game in town. Rather, in these metropolises elements such as traditional petit bourgeoisie, peasant proprietorship of land parcels, and medium capital continue to exist, though they are reconfigured and directly subsumed under the reproduction of monopoly capitalism.

The capitalist mode of production comes to prevail over the dominated formations not only externally (by means of the reproduction of the *relation* of dependence), but by establishing direct domination over them. Hence, the reproduction of the mode of production of the metropolises occurs “in a specific

form in the very interior of the dominated and dependent formations” (Poulantzas 2008, 226). The nation-state also becomes pivotal in this current phase of internationalization. As Jessop (1985, 176–7) clarifies:

The current phase of imperialism neither suppresses nor by-passes the system of nation-states. It is associated neither with the peaceful integration of capitals “above” the level of the nation-state in a harmonious “super-imperialism” nor with the gradual supersession of individual nation-states through the emergence of a global American super-state. At the same time Poulantzas argues that “these states themselves take charge of the interest of the dominant imperialist capital in its development within the national social formation” (CC, p. 73). This does not mean that foreign capital necessarily participates directly in national power blocs as an autonomous social force. Instead its presence in the power bloc and the state is mediated through fractions of the interior bourgeoisie linked with one or another foreign capital and/or through the structural constraints associated with the penetration of foreign capitals into the domestic circuit of capital.

Despite the political weakness of the domestic bourgeoisie and its inability to offer a solid resistance to the hegemony of US capital, the state does not cease to be a “nation-state” due to the necessity of maintaining unity and cohesion of the social formation as a whole.

In this sense, the state is not a mere instrument of capital and/or the dominant classes and cannot be manipulated as they please. It embodies the class contradiction of the whole social formation “by sanctioning and legitimizing the interests of the dominant classes and fractions in the face of *the other classes* of the formation, at the same time as assuming world class contradictions” (Poulantzas 2008, 249). Therefore, what is at stake is not a simple mechanistic contradiction between the base, or internationalization of production, and a superstructure disconnected from it. More precisely, Poulantzas stresses that the superstructural changes depend on the forms that the class struggle adopts “in an imperialist chain marked by the uneven development of its links” (249). Meanwhile, adherence to nationalism is not confined to the peasant classes and petit bourgeoisie, but includes the social layers involved in the state that gain privileges from the nation-state system, as well as the working class, which experiences internationalization resulting from the development of worldwide relations of production (Poulantzas 1975, 78–9; Jessop 1985, 177). The international activities of the state are crisscrossed with national issues that are not merely of technical and passive character (Poulantzas 1975, 80–1).

When it comes to the constitutive inextricability of the nation from capitalism, Poulantzas (2008, 250) reminds us that Marxist-Leninism has never confused state and nation, having underscored the emergence of the “national state.” In its complex economic, territorial, linguistic, symbolico-ideological character, the nation continues to survive apropos of the national forms of the class struggle,

thus retaining the relation between “nation” and “state.” The state, on the other hand, plays the dominant role in the development of monopoly capital and regardless of the strength of the economic, the state *actively* intervenes in its growth and concentration (251). The heart of the matter is that these interventions of the state are not merely technical and neutral, dictated by necessities of “production,” but “the expressions of its political role as a whole in exploitation and class domination” and “articulated in the field of the class struggle of a social formation” (252). Poulantzas’s analysis rules out the possibility of an individual stage of “national liberation” based on forms of alliance with a national bourgeoisie against foreign imperialism and its agents (226), since in the phase of internationalization under discussion the rupture of the imperialist chain in one of its links seems quite difficult. What is feasible, in his view, is to “break the simple imperialist dependence only by making a direct attack on, among other things, the labour process itself and on the forms of social division of labour in the process of production” (227). For this reason, his solution for socialist liberation is a destruction of the state apparatuses (as embodied in the nation-state).

By the time of *Fascism and Dictatorship*, Poulantzas (1974) realized that the states (particularly in the U.S., Germany, and Japan) reacted rather violently to popular dissent. In fact, the rise of the far right in our current situation warrants the revival of Poulantzas’s analysis of fascism. His belief that the crisis of imperialism and the rise of class struggles in the late 1960s and early 1970s placed both fascism and revolution on the agenda all over again resonates with the current political juncture in which we once again face the return of revolts, their failure, and consequently, the reiteration of fascism. There are of course differences in the historical setting and possible limitations in his trajectory. Toscano (2017) draws attention to the peculiarities of “late fascism” in our time, including its quality of being “a fascism without movement,” one that is not so much about the threat of revolutionary politics as entertaining “the racial fantasy of national rebirth and the frantic circulation of a pseudoclass discourse.” Yet, despite all differences, this moment of Poulantzas’s (1974, 17–29, 78–82) thinking holds more or less that fascism entails a retreat by the working classes and an attack by the bourgeoisie, and that the return of fascism is associated with the rise of imperialism and its bedfellow, *the interventionist state*. It would be equally productive to consider his call for a kind of periodization of fascism that would distinguish the process of fascistization from established fascism (2008, 262), and for developing a more concrete account of the class functioning of fascism, to “abandon once and for all the conception of a unified and uniform fascist *discourse* or *language* addressed indistinctly to the *masses*” (2008, 265).

It is well known that Poulantzas eventually moved toward Eurocommunism.⁴ This passage from an ultraleftist orientation to the left of Eurocommunism can

4. Eurocommunism was built on a political strategy of a democratic road to socialism in the advanced capitalist societies. The right orientation in Eurocommunism was similar to orthodox

be characterized as *a movement from the idea of overthrowing the state to its transformation*. At this stage, Poulantzas believed that the abolition of the state would merely replace one state with another. Even so, the reappearance of an equally repressive, bureaucratically ossified state out of the ashes of the former state is not merely the outcome of “this” or “that” way of combining or separating civil society and the state as Poulantzas held, but has much to do with what we have formerly discussed as the intervention of other states. Coupled with Poulantzas’s (1978, 27–8) distance from structuralism is a shift away from the concept of the relative autonomy of the state, which, according to his autocritique, had failed to grasp the relations between state, society, and economy. Poulantzas’s self-proclaimed neglect of the relations between state, society, and economy in his earlier work reveals that he had overlooked the fact that the relation between the three predates capitalism. To deal with this limitation, what is needed is a general materialist theory of history that would help us grasp the state (or rather its logic of self-reproduction through totalization of various societal elements such as language, religion, and race) apart from the capitalist mode of production and commodity exchange. This is where Karatani’s theory, grounded on a new and nonproductionist conception of historical materialism, can intervene.

Karatani: The State as an Entity that Exists in Relation to the Outside

Karatani’s theory delves into a definition of *the state as a form of exchange*. In a consideration of the state form, the mode of exchange comes to assume more importance than the mode of production (Karatani 2008; 2014, 5–11). It is precisely this consideration of the state as a form of exchange that makes possible a conception of the state and its autonomous functions apart from capitalism and commodity exchange.⁵ Defining the state as a mode of exchange based on plunder and redistribution not only discloses the relation between the state and the community, but also points to the relation of one state with other communities and states, which cannot but lead to the question of multiple states and theorization of war and international law. Karatani (2014, 27, 220, 224, 234) contends that the modern category of nation-state must be understood instead as “Capital-Nation-State,” whereby the

accounts of state monopoly capitalism. In the second half of the 1970s, Poulantzas was keen on a left Eurocommunism inclined toward both a strategy of left unity and the democratic road to socialism (e.g., a parliamentary majority combined with autonomous movements from below). According to Sotiris, with the benefit of hindsight we can say that “he was overly optimistic about such possibilities ... he did not discern how the socialist parties of that period (such as PS in France or PASOK in Greece), in the end, would end up implementing capitalist restructuring from the 1980s onwards” (Sotiris 2018; see also Jessop 1982, 14; Thomas 2011, 283).

5. Although in this brief exposition it may appear that Karatani refers to the state as a form of exchange in the abstract, he indeed analyzes different forms of state, from multiple city-states and chiefdoms to capitalist states.

capitalist economy and state are glued together by nation, forming Borromean rings in which the whole collapses if any of the three rings are removed. Grasping the structure of world history in different modes of exchange is necessary for understanding the Borromean knot of Capital-Nation-State as a conjointly complementary apparatus. In his scheme, trade is viewed as a development of the primitive form of exchange, and the formula for trade ($M-C-M'$), as the basic formula for capitalism as an economic system. Accordingly, capitalism, or production and exchange of commodities, is in fact a manipulation of difference. Like trade, capitalism produces and realizes surplus value through the difference between independent systems of value that are in equilibrium. The main origin of surplus value goes back to the implementation of a series of individually unequal exchanges (of commodities) across different value systems, generating surplus value through buying low and selling high.

Whereas merchant capital is produced *spatially* by the difference between two value systems (or two national markets), industrial capital maintains itself by the ongoing generation of different value systems *temporally*: “The improvement of the productivity of labor enables industrial capital to produce different systems *within a system*. Therefore, the look of equivalent exchange notwithstanding, it can achieve difference. Then immediately thereafter, the difference is dissolved and a new value system at the new level is required and produced” (Karatani 2003, 239–40).⁶ That is why in capitalism the accent is placed on the category of “nation” or national markets, conceived as independent value systems that are spatially different. Capitalism indeed manipulates a hybrid form of spatial-temporal differences. In temporal terms, the total surplus value is produced and divided according to different sections of capital with different levels of technology and productivity, namely, at different temporal levels of technological advancement. The category of nation entails the formation of a national market and system of value, because *equivalent* value is produced within a national market, but the same products have a different value in a different national market. As such, more technological and developed countries pump out value from less developed countries through manipulation of spatial-temporal difference.

Although it could be argued that the difference between two value systems ultimately boils down to the conditions of production in these two systems,⁷ Karatani’s focus on the mode of exchange and “different systems of value” is productive in

6. Karatani (2003, 241) goes on to note: “When wages get high domestically, companies transport their factories abroad for cheaper labor. Capital does not choose where and how it gets surplus value. Even in economies based upon industrial capital, the activities of merchant capital coexist omnipresently, including stock exchange and exchange rate. It is this omnipresence of the activities of merchant capital that constantly brings the fluctuating prices closer to the equilibrium. The majority of economists warn today that the speculation of global financial capital is detached from the “substantial” economy. What they overlook, however, is that the substantial economy as such is also driven by illusion” (see also Karatani 2014, 98, 184, 193).

7. For a critique of Karatani in this vein, see Lange (2015, 171–200).

our discussion of the significance of the role of the states system. For although bending the stick too far in the direction of the mode of exchange is not devoid of problems, Karatani rightly reminds us that overstressing the economic base in production tends to divert all attention from the importance and persistence of states, which are far from mere superstructural entities. Perhaps, due to his position as a “non-Western” theorist, Karatani is more sensitive to interstate relations, which involve the problem of imperialism as the pumping out of value from less developed countries (i.e., implicit in the category of unequal exchange is the problem of exploitation of workers in the periphery).⁸

Karatani’s materialist theory of history resists capital-centered trajectories of the state, countering the idea of theorizing the state as an entity that is formally subsumed to the interest of capitalism. Accordingly, the state form primarily emerged when reciprocity between communities was prohibited, but this shift could not be grasped if we merely focus on the interior of one single community (Karatani 2014, 69). The sovereign did not emerge from within the community through a process of self-alienation, but rather arrived originally as a conqueror from the outside. Conquest is not the unmediated source of the state; rather, the origin of the state rests on “a kind of exchange carried out between ruling and ruled communities” (71). Despite tracing the source of imperialism to the capitalist economy, for Karatani the main clue to understanding imperialism is to see “how the state acted as an active agent, not simply as part of the ideological superstructure” (268). Not only was the existence of the state crucial for capitalism in late-developing nations such as France, Germany, and Japan, but also in Britain with its economic policies grounded on classical liberalism. Drawing on Kozo Uno’s theory of the economic policies of the state, Karatani shows how it confirms the role of the state as an active agent *independent* of capital; how, for instance, at the stage of mercantilism the state was not hidden in the background behind merchants but was the leading force in trade (270). Once again, this inevitably entailed interstate relations, since other states had to react by adopting protectionist policies to prevent being colonized.

The expansion of a nation-state is inevitably coupled with imperialism. Tracing this back to Napoleon, Karatani (2014, 275) asserts that despite his predilection for the export of the French Revolution and formation of a European union capable of opposing British industrial capitalism, the real outcome of his conquest was the awakening of nationalism in Germany and elsewhere. Hence, Arendt’s (1976) contention that the imperialist expansion of one nation-state leads to the formation of other new nations-states. Imperialism created nation-states in this manner by the

8. Labour and its organization are inextricable from the notion of exchange. Both domination and exploitation must be considered. Regarding value-theory, Karatani (2003, 5–11, 193–251) is eager to separate Marx’s notion from the classical labor theory (particularly the left-Ricardian tendency) by stressing the idea of value-form as the differential relation between commodities, which is to a certain extent derived from the thought of Samuel Bailey.

20th century. Whereas Davidson (2016, 243) believes that the structure of capitalist states “did not inherit the feudal-absolutist states system,” Karatani (2014, 276) argues that nation-states were the inheritors of the absolutist centralized states, which were born precisely as a negation of the principle of empire, a negation that persists to this day. Inherent in the category of nation is an enigmatic dimension, for although the nation is formed by capital-state and at times even shields capital-state from collapse, it is not its passive product and is at the same time a form of protest against the conditions established by capital-state (212). Nationalism carries within itself a longing to return to the vanished community of a bygone period, but rather than traversing some past era of equal exchange (i.e., reciprocity of tribal communities) and taking it to a higher level, it lapses into its mere repetition, albeit on an imaginary level. This promise in nationalism (despite the fact that it is a failed promise) explains its popular appeal that could lead to fascism and national socialism (2012a, 41). As such, the nation, as the “imaginary” recovery of a community of reciprocity, is *rooted in a mode of exchange* different from those that constitute the state or capital. That is why the nation cannot be grasped merely in terms of economic or political interest. So assumed, “Imperialism means the domination of one nation by another nation-state in the absence of the governing principle of empire” (2014, 225). Whereas the rule of empire provokes tribal uprisings, the rule of imperialism (which is based on capitalist exchange) maintains nationalism and the proliferation of nation-states. In our times, we witness how interstate imperial rivalry inspires formation of nationalist reaction in surrounding environments, from Donald Trump’s antiglobalist position to Turkey’s geo-strategic strivings, and the global about-face around issues of migration and refugee status.

For Karatani (2014, 278), the situation that has emerged since 1990 under the rubric of globalization is better grasped as an imperialistic struggle for hegemony. What came to be called neoliberalism is tantamount to imperialism based on the export of capital, which, ceasing to gain self-valorization at home, spreads overseas in search of new markets.⁹ This is followed by the military intervention of imperialist powers abroad to protect their overseas capital. In order to analyze the capitalist economy in *Capital*, Karatani (2012b, 32) stresses, “Marx moves backward from national economy (classical economics) to mercantile capitalism; in other words, he tries to rethink capital from the perspective of merchant capital.” In the same vein, the bourgeois state must be conceptualized in light of the absolutist state; What Marx demonstrates in *The Eighteenth Brumaire* is that the bourgeois state is not as unrelated to its predecessor as it appears. Since “popular sovereignty originated from the absolute monarchies and cannot be understood apart from it” (2014, 170), instead of commencing from the nation-state, the problem of the

9. Notice that Poulantzas also stressed the export of capital—apart from commodity—as epitomizing the stage of imperialism. This aspect of the theory of imperialism remains unchanged since Lenin.

modern states must be tackled by revisiting the structure of the absolutist states. Despite the toppling of absolute monarchies by the bourgeois revolutions and the emergence of national sovereignty, the nature of sovereignty—in the sense Carl Schmitt, for one, understood it—did not alter significantly. The early bourgeois state was not merely a passive organ serving the interests of the bourgeoisie, but *actively* facilitated the development of industrial capitalism (172). Moreover, it was neither industrial society nor industrial capital that produced commodity labor power, but the modern state (212). The capitalist market economy did not arise autonomously without the major role played by the state in cultivating labor power with the capacity for sophisticated technology, as well as providing the educational system requisite for high productivity (197). Under this light, it seems that the state would not wither away simply as a result of the globalization of capital or acceleration of capitalist economy. Schmitt’s account of states of exception expresses how the will of the sovereign state—in contradistinction to the national will—renews itself at times of crises (not only in real war or geopolitical rivalry, but given the very externality of the other, the mere existence of an enemy or rival country).

Schmitt was mentioned earlier in this essay in the context of an external limit to the Marxist conception of the state. I suggest that our problematization of the organization of capitalism in terms of “many nation-states”—as distinct from Marx’s differentiation between “capital as such” and “many capitals”—is in a sense expressed in Schmitt’s theory of politics. The question of *multiplicity of states* (that every state exists only because there are other states that could challenge it) is crucial to Schmitt’s theory. The (in)famous friend/enemy divide, as a distinction unique to the political, mainly belongs to the level of the nation-state. The contingency of class struggle, on the other hand, corresponds to the possibility of civil war. We may venture to articulate civil war as a crisis or “state of exception” where class struggle is at its peak. To put it another way, class struggle and civil war express the truth moment of the state, where the sovereign figure steps into the battleground and “decides on the exception.” (Schmitt 1985, 5, 13).

Schmitt (2003, 141) touches upon a critical point once he stresses the role of *war between sovereign states*, since war brings out the reality of “states” in the plural that tends to remain invisible in a consideration of one state.¹⁰ This is similar to Karatani’s (2014, 168) contention that although the sovereign state arises internally through a process of centralization, it is an entity that exists in relation to the outside. The distinction between “the state” and “government” is accordingly translatable to the difference between the will of the sovereign or the very

10. For Schmitt, proper war is only inter-state war. Therefore, he associated the great achievement of early modern public law in its ability to transpose the general collective violence into a “war in form” (i.e., rationalized, humanized war), taking place among proper states that were bound to certain rules and conventions. For a perceptive criticism of aspects of Schmitt’s view, see Losurdo (2015, 151–55).

existence of nation-state, and the will of the people (supposedly represented by the government through elections) or their choice in the organization of their social existence. What becomes visible at times of war is precisely this difference. The rise of the nation-state comes to *mask* the will of the sovereign state, namely, the state *as a mode of exchange* based on plunder and redistribution. The sovereign, archaic face of the state tends to withdraw from view when a perception of the state is solely based on its interiority, concealed beneath the weight of competing internal matters (171). It is only in confrontation with another state that the autonomous will of the state unveils itself. The merit of a consideration of the state “from the outside” is not merely conceptual, but carries strategic implications vis-à-vis popular resistance and struggle, for a mere focus on the interior of the state (confined, for instance, to the interaction between civil society and political society) makes its overcoming or transformation appear as a less complex affair (171). That is why in Karatani’s general theory of history the state remains an independent agent that follows its own logic, and any attempt at emancipation requires conscious political struggle against the state.

In conclusion, this article stressed two complications in any effort at supplementing Marx’s theory of capital with a theorization of the state: an internal limit resulting from a belatedness in Marx’s work in attending to the theorization of the state as commensurate with his theorization of capital, and an external limit associated with the way the states system embodies an excess and its logic cannot be inferred from that of capital. This article has been mainly organized around the external limit, thus contending that there is no *intrinsic* relation between capitals and multiple states, for although it is true that the state is mediated by economy or capitalism, the latter does not *constitute* the system of multiple states. Through organization of various elements and synchronization of different temporalities, the state represents a “concentration of the whole” (Marx 1973), assuming a monadic structure. Furthermore, unlike capital, the state insinuates multiplicity and cannot be dehistoricized or dedifferentiated; thus, the only way to think about the state form is to observe multiple states. When it comes to the contemporary nexus of the state and capital in the developed world, we encounter a blurring of the borders between the two. As Walker (2016, 443) puts it:

Today, instead of the social-democratic and liberal emphasis on the relative autonomy of the state and capital, we seem to be entering a period when these two functions are increasingly difficult to distinguish. This is the essential fact reflected in Badiou’s formulation of “capitalo-parliamentarianism”: capital and the state exist today with such a level of integration that we might as well see these two social relations as directly conjoined rather than overlapping but separate processes, or even a “total” process.

The contemporary geopolitical scene faces us with complex relations between various state formations—globalist, nationalist, authoritarian—appearing to

align with productive capital and finance capital through myriad routes whose understanding requires a more nuanced and open-ended grasp of the relationship between states and capitals and a correspondingly more agile form of political theory. In this light, the above quotation captures the situation in Western nation-states, but what is encountered in most “developing” nation-states is a hybrid situation consisting of different levels of separation/unity between the state, capital, and nation. This, once again, shows that, rather than a teleological narrative of capital’s transcendence and the functional subservience of the state, we must pose the question of nation-state in terms of multiple states and their multiple synchronizations.

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