The role of the state in the global political economy or the relationship between the inter-state system and globalisation has been the focus of scholarly debate for some time. Within mainstream International Relations (IR) and International Political Economy (IPE) theories, however, these discussions have run out of steam. On one hand, neorealists such as Waltz (Waltz 2000) and state-centric comparative political economists (Hirst and Thompson 1999; Weiss 1998) argue that globalisation implies mainly an increase in cross-border flows and, therefore, does not change fundamentally the inter-state system. In other words, states remain the only significant actors in international politics and we should, as a result, speak of internationalisation, not globalisation. On the other hand, so-called hyperglobalists make the point that globalisation has drastically changed the international system with non-state actors, especially transnational corporations (TNCs), increasingly taking over core functions, traditionally carried out by states (Strange 1996). In turn, states become mere conduits, adjusting national economies to the requirements of global capital, to whither away as increasingly powerless actors (Ohmae 1990, 1995). The so-called transformationalists are a liberal variant of IR theory, who acknowledge that globalisation signifies dramatic change (Held et al. 1999), but argue

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that states are being restructured as competition states within the global economy, rather than becoming obsolete (Cerny 2010).

Peter Burnham (1994, 1995) has convincingly criticised mainstream approaches for fetishising or reifying the state and the market as two separate entities. Both are regarded as ahistoric categories that are related to each other in an exterior manner. The main bone of contention between these understandings is then whether and to what extent the state has lost authority vis-à-vis non-state actors in the global economy. Are states still in charge, as neo-realists would have it? Or have states become obsolete as a result of the external pressures of the global economy, as the hyperglobalists would hold? Or have states become restructured through re-organising processes of global governance, between states and non-state actors in the global economy, as the transformationalists contend? Posing the question strictly in these terms, though, fails to comprehend the historical specificity of capitalism and the related consequences for the relationship between the inter-state system and global capitalism.

At the same time, the focus on the territoriality of the inter-state system in relation to the growth of capitalism has been a persistent theme within historical materialist discussions, but it has been plagued by marginalisation and lack of engagement from the mainstream. In contrast to the mainstream debate, the main focus from a historical materialist stance is on why the state and the market, the political and the economic, appear as two separate entities under capitalism in the first place (Holloway and Picciotto 1977; Wood 1995: 31-6). In other words, this separation is a historical phenomenon. Further, in outlining the interdependence of the inter-state system and capital accumulation, Christopher Chase-Dunn highlights three pertinent points for a historical materialist understanding of geopolitics and capitalism. First, the reproduction and expansion of the inter-state system in Europe required the institutional forms and dynamic processes of capitalist accumulation. Second, the persistence of the inter-state system is important for the continued viability of capitalism. Third, it is the dynamic of uneven development that undercuts the possibility for global state formation, thus reproducing the inter-state system (Chase-Dunn 1989: 141-2, 147). These comments are crucial pointers to grasping the historical relationship between the inter-state system and capitalism as well as contemporary debates on the geopolitics of global capitalism that will come to the fore in what follows.
The purpose of the article, then, is to engage critically with a range of historical materialist approaches in order to arrive at a conceptualisation of the internal relationship between the inter-state system and globalisation. The next main section will discuss the question of state-centrism within historical materialist accounts of capitalist geopolitics and investigate in what way more recent changes can be conceptualised in relation to the uneven and combined logics of geopolitics and the inter-state system. The subsequent section then proceeds with a critical engagement with the transnational state debate as a prelude to proposing an alternative approach based on an appreciation of the internal relation of the inter-state system and global capitalism (Ollman 1976: 47; see also Bieler and Morton 2008: 116-17). This is where we draw explicitly from the work of Nicos Poulantzas in order to theorise the interaction between global capitalism and the multiple political authorities of the inter-state system. Receiving renewed attention in recent years (see e.g. Bieler and Morton 2003; Bruff 2010; Hirsch and Kannankulam 2011; Panitch 1994), our argument is that Poulantzas offers fresh insight on the internalisation, or induced reproduction, of transnational capitalist class interests within different forms of state linked to the extension of global capitalism.

A Historical Materialist Convergence towards State-Centrism

Alex Callinicos and the Sword of Leviathan in Shaping Capitalism

Commencing with his analysis of bourgeois revolutions and the emergence of capitalism as a mode of production, Alex Callinicos has proffered an alternative approach to understanding state power and capital accumulation. In his focus on the classical bourgeois revolutions in England and France, as well as those ‘revolutions from above’, as in Germany, or passive revolutions, in Italy and Japan, where the central features of capitalism are brought about by the state, Callinicos is attentive to what he highlights as two distinct but related registers. This is the interplay of both socio-economic and political transformation embedded in the ‘transitional forms’ of pathways to capitalism (Callinicos 1989: 135-6). These two distinct but related registers then come to the fore in his more recent theorising about how capitalism is
present geopolitically in rivalries between states, or what he terms as the role of ‘the sword of Leviathan’ in shaping capitalism (Callinicos 2003a; Callinicos 2009). He states ‘the present system embraces geopolitics as well as economics, and that the competitive processes that threaten such destructive consequences involve not merely the economic struggle for markets, but military and diplomatic rivalries among states’ (Callinicos 2003a: 50). Here the ‘logic of capital’, based on exploitation and competitive accumulation, ‘embraces the geopolitical rivalries among states’, so that military power is embedded in the same logic. Any analysis of geopolitics and the states-system has, thus, to source itself within the contradictions of capitalism. ‘Capitalist competition takes the form not merely of economic rivalries between firms but also of geopolitical conflicts among states’ (Callinicos 2003: 64, 66). Hence, Callinicos analyses the forms in which geopolitical and economic competition have become interwoven in modern capitalism without collapsing these analytically distinct dimensions into one another. ‘I see economic and geopolitical competition as two forms—each with their own distinct and changing structure—of the more general logic of capitalist competition, forms that may mutually reinforce each other, but can also come into conflict’ (Callinicos 2003b: 146n.19). Overall, then, Callinicos considers ‘two logics of power, capitalistic and territorial, or two forms of competition, economic and geopolitical’ with the states-system treated as a dimension of the capitalist mode of production, within a non-deterministic framework (Callinicos 2009: 74, 83).

Our argument is that there is a hypostatisation of the two logics of capitalism and geopolitics in this account of imperialism, which are conceived as always-already analytically separate elements that are then subsequently combined. The resultant assessment of the peculiarities of U.S. imperialism enforces this view of separation by highlighting: (1) the historical ability of the U.S. to establish hegemony over the Americas through military dominance; (2) the role played by the structure of American capitalism based on the vertical organisation of TNCs; (3) the fact that this was supported in the post-1945 period by running a large

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1 In tracing the historical geography of uneven development, David Harvey (2003: 30) has similarly mapped ‘two distinctive but intertwined logics of power’, namely a territorial logic of state power and a capitalist logic seeking spatio-temporal fixes for accumulation. For critical engagements see the symposium in *Historical Materialism* edited by Ashman (2006).
balance of payments surplus allowing the U.S. to export capital on a vast scale; and (4) that this was backed up by military supremacy evidenced by a permanent arms economy (Callinicos 2003b: 16-18). The steps in this argument follow the beat of two separate, syncopated, rather than synchronous, rhythms: military; economic; economic; military. When assessing contemporary inter-imperialist rivalries, the summary is that, ‘the major capitalist states are bound together in relations and institutions that involve a complex and constantly shifting balance between cooperation and competition’ (Callinicos 2003b: 126). A neo-realist would not express it differently. As Gonzalo Pozo-Martin (2006: 236, 238) has highlighted, after departing from mainstream neo-realist analyses, Marxism seems to be returning to a neo-realist ‘moment’ and its dubious virtues in separating out territorialist and capitalist logics. Ray Kiely (2012: 237) extends this point about neo-realism further by stating that Callinicos ‘replicates that particular’s theory’s weaknesses, as he replaces realism’s ahistorical logic of international anarchy with an over-generalised account of geopolitical competition’.

Open Marxism: Global Capital and the Persistence of State-Centrism

Elsewhere, Open Marxists explain the historical specificity of capitalism through an analysis of the underlying social relations of production. In a capitalist productive system based on wage labour and the private ownership of the means of production, the extraction of surplus value is not directly politically enforced, but the result of indirect economic pressures. ‘The worker is not directly subject physically to the capitalist, his [sic] subjection is mediated through the sale of his labour power as a commodity on the market’ (Holloway and Picciotto 1977: 79). The ‘economic’ and the ‘political’ therefore appear as distinct, particularised forms of domination in abstraction from capitalist relations of production. In short, the emphasis on an analysis of the social relations of production allows one to understand both the state and the market as two different forms or expression of capitalist relations and thus a particular historical form of class struggle. It also enables one to understand capitalism as a historical phenomenon and directs analysis towards an investigation of the internal relationship between the political and the economic. This includes, for example, an analysis of the role of the state and how, while appearing separate from the market, it ensures capitalism
through a guarantee of the institution of private property (Burnham 1995: 145). For Open Marxism, a crucial consequence of the separation of the economic and the political is the obscuring of the social class antagonism between capital and labour and the related class struggle. ‘Class struggle is . . . the daily resistance of the labouring class to the imposition of work—a permanent feature of human society above primitive levels’ (Burnham 1994: 225). Therefore, the historical process of class struggle in and against exploitation between capital and labour is key to the particular social form of the capitalist state. Class antagonism is thus regarded as a primary social relationship within which structures are instantiated and internally related to struggle (Bonefeld 1992: 113-14). Class struggle is by definition also seen as open-ended which promotes enquiry beyond the economic determinism of base/superstructure explanations (Burnham 1994: 225).

However, when relating this understanding of the internal relationship between the political and the economic, state and market, and the role of class struggle in shaping these particular social forms to recent developments in the global political economy, Open Marxists exhibit a similar state-centrism to those accounts discussed earlier. While the character of the accumulation of capital and, thus, class struggle is considered to be global in substance (Holloway 1994: 30), the conditions of exploitation are standardised at the national political level. The form of class struggle at the global level is, therefore, the interaction of states, which ‘are interlocked internationally into a hierarchy of price systems’ (Burnham 1995: 148). For example, Holloway (1994: 34) argues that ‘the competitive struggle between states is . . . to attract and/or retain a share of world capital (and hence a share of global surplus value)’. Similarly, according to Peter Burnham (1995: 149):

the dilemma facing national states is that, whilst participation in multilateral trade rounds and financial summits is necessary to enhance the accumulation of capital on the global level, such participation is also a potential source of disadvantage which can seriously undermine a particular national state’s economic strategy. The history of the modern international system is the history of the playing out of this tension.

Thus, this tension is presupposed to be a competitive struggle between states and state rivalry is, therefore, the expression of class struggle at the international level. As Burnham classically put it, ‘growing competition
among the bourgeoisie indicates that conflict and collaboration is the norm in the global system and is manifested in national terms as a struggle between states’ (Burnham 1998: 196). There is present here, again, a neo-realist moment within a Marxist perspective that valorises a focus on states competing with each other for military and economic resources.

This state-centrism is then also reflected in empirical analyses by Open Marxists.² Hence it is argued in principle that ‘class struggle had to be brought back in to allow for a proper critical reassessment of the form of the state, its social constitution, role and purpose’ (Bonefeld 2008: 64). In empirical analysis, however, class struggle does not feature but is replaced by state-centrism. Notably Burnham has focused on the political economy of post-World War II reconstruction to argue that Britain did not simply submit to U.S. hegemony. Rather, in relation to the Korean war, ‘the British decision to rearm was not an example of the UK bowing to American pressure, but was a decision taken by the government to show the United States that Britain had attained independent economic status in Western Europe and would not be treated as ‘just another necessitous European nation’ (Burnham 1990: 12). While interesting as such, this is not a class analysis, but reverts back to the state-centrism so characteristic of mainstream IR. More recently, various contributors have also been assessing forms of depoliticisation within British economic policy-making, meaning a focus on the role of state managers in removing core aspects of economic policy from the discretionary control of the state.³ But the central thread defining such analysis of processes of depoliticisation is the displacement of a concern with class relations by a preoccupation with state managers’ perceptions and preferences: the focus is exclusively on the state management of governing strategies.

In addition, Werner Bonefeld has argued that the emergence of the international states-system and capitalism are both part of the same process. For example, he states that ‘both, the establishment of the national state and the world market, were products of the same social struggles that revolutionised feudal social relations’ (Bonefeld 2008: 67).

² Significant additional lines of criticism and points of engagement are raised in Bieler and Morton (2003), Bruff (2009), Bieler, Bruff and Morton (2010), and Tsolakis (2010).

³ See Burnham (2003); Kettell (2004); and Rogers (2009) or Rogers (2013).
In other words, both states and markets are considered as logical complementary parts of capitalism, one requiring the other. As Ian Bruff (2009: 340) remarks, this assumption rests on two highly questionable assumptions: ‘that capitalist social relations and the world system of national states emerged contemporaneously and in a complementary manner’. But, to put it differently, not all state forms have been historically constituted as a moment of the capital relation. As Benno Teschke has made clear, the international state system of absolutist states existed before the emergence and spread of capitalism. ‘Plural state formation, creating the distinction between the domestic and the international, and capitalism, creating the distinction between the political and the economic, were not geographically and temporarily co-constitutive. Multiple state formation came first’ (Teschke 2003: 74; see also Lacher 2006).

This means that there is a failure in Open Marxist work to develop a theory of ‘the international’, or how the prior existence of territorial states and the presence of a system-of-states shaped the subsequent geopolitical unfolding of capitalism. In sum, the age of absolutism, marked by distinct property relations and patterns of state formation, preceded the emergence of capitalism and bequeathed state forms that can clearly be distinguished from modern sovereignty (Morton 2005). The question then remains, though, how to conceptualise the emergence and expansion of capitalism in its relations to the geopolitical without simply relating each condition as spheres externally related to each other.

Also, importantly, what the preceding historical materialist analyses by Callinicos and the Open Marxists all overlook are the processes shaping the transnationalisation of production and finance since the early 1970s. ‘Under globalisation’, William Robinson (2004a: 37) argues, ‘a new class fractionation, or axis, is occurring between national and transnational fractions of classes’. In other words, class struggle does not only take place between capital and labour at the national level, but also

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4 From a different angle, see Theda Skocpol’s (1979: 19 emphasis added) earlier, perhaps prescient, insight that ‘the international states system as a transnational structure of military competition was not originally created by capitalism. Throughout modern world history, it represents an analytically autonomous level of transnational reality—interdependent in its structure and dynamics with world capitalism, but not reducible to it’.
between national and transnational class fractions. Core industries have spread their production networks across a range of developed and developing countries. The surplus-value extracted is not automatically allocated within the territory of one particular state. While capital as such has become more centralised, production processes themselves are increasingly fragmented and the processing of individual products are often organised across borders within several countries along so-called global commodity chains (Robinson 2008: 25-8). In other words, the new landscape of capitalist accumulation does not reflect any longer a situation in which concentrated economic complexes are located within one specific country or even region (Callinicos 2009: 91). Alex Callinicos’ (2009: 203) conclusion, that ‘the idea, then, that capital has broken free of its geographical moorings remains a myth,’ is an inadequate and rather outdated reflection on global capitalist development. Burnham’s (1998: 197) assertion that ‘the proletariat conducts its daily struggle in local-cum-national settings’ but not beyond is no longer valid in a growing context of transnational solidarity. The specific characteristics of global capital and labour have changed and it is not enough to assess these simply as ‘the recomposition of labour/capital relations expressed as the restructuring of relations of conflict and collaboration between national states’ (Bonefeld, Brown and Burnham 1995: 31). The most serious historical materialist challenge to understanding global capitalism has therefore come in the form of a periodisation that asserts a focus on the emergence of a transnational state form. The next section will look in more detail at transnational state theorising, its periodisation of capitalism, and how it accounts for the geopolitical structure of capitalist space and its fragmentation into a polity of states.

**Confronting the Transnational State**

Drawing on the work of Antonio Gramsci, among others, a different set of historical materialist approaches has emerged over the last four decades (see Bieler and Morton 2004; Morton 2007a). Highlighting
changes in the production structure since the early 1970s, Robert Cox (1981: 147) concluded early on that ‘it becomes increasingly pertinent to think in terms of a global class structure alongside or superimposed upon national class structures.’ Social class forces are identified as key collective actors through an investigation of the production process. ‘If we want to gain an understanding of the class structure of a particular society at a particular moment in history, we would do well to start with an analysis of the economy and the social production relations that prevail’ (Robinson 2004: 38). Importantly, as a result of transnational restructuring ‘transnational capital has become the dominant, or hegemonic, fraction of capital on a world scale’ (Robinson 2004: 21). Hence, through this focus on social class forces as the main agents engendered by the relations of production, it is possible to incorporate recent changes in the global political economy within a historical understanding of capitalism.

Nevertheless, William Robinson has established a unique position within historical materialist debates on the transnationalisation of production and the concomitant rise of transnational capital as a new leading class fraction. This is through his positing of the emergence of a transnational state (TNS), regarded as a guarantor of capital accumulation at the global level, in transcending the pitfalls of neo-realist analysis of global capitalism (see Robinson 2003, 2004, 2007, 2008). Globalisation represents a qualitatively new epoch in the world-history of capitalism ‘characterised by the rise of transnational capital and by the supersession of the nation-state as the organising principle of the capitalist system’ (Robinson 2003: 6). The singular feature of this ‘global capitalism’ thesis, then, is the bold argument that ‘in the emerging global capitalist configuration, transnational or global space is coming to supplant national space’, with the attendant view that the nation-state as an axis of world development is becoming superseded by transnational structures leading to the emergence of a transnational state (Robinson 2001a: 532; Robinson 2003: 19-20; Robinson 2008: 6-7; Robinson 2011: 742). Thus, the nation-state is no longer regarded to be a ‘container’ for the processes of capital accumulation, class formation, or development (Robinson 2004: 38).

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6 This focus is different from a theory of world state formation given that arguments on the subject enforce a ‘two logics’ approach—with the ‘logic of anarchy’ bracketed from the ‘logic of capital”—in proposing the inevitability of a global Weberian state (see Wendt 2003).
In its stead is the constitution of a transnational state defined as ‘a particular constellation of class forces and relations bound up with capitalist globalisation and the rise of a transnational capitalist class, embodied in a diverse set of political institutions’ (Robinson 2003: 43; Robinson 2004: 99). Or, as the argument goes, ‘a loose network comprised of inter- and supranational political and economic institutions together with national state apparatuses that have been penetrated and transformed by transnational forces’ is emerging without acquiring a centralised form (Robinson 2008: 34; original emphasis). In sum, it is argued that a key feature of the epoch of globalisation is not only the transformation of the state but its supersession as an organising principle of capitalism by a transnational state apparatus. With reference to capitalism and its relation to the multiple states-system, Robinson concludes that ‘if capitalism’s earlier development resulted in a geographical (spatial) location in the creation of the nation-state system, then its current globalising thrust is resulting in a general geographical dislocation’ (Robinson 2004: 98).

One of the central problems with the theory of global capitalism and the transnational state thesis is the view that states act as mere transmission belts for the diffusing aspects of global capitalism. National states are rather uncritically endorsed as transmission belts, or ‘filtering devices’, of proactive instruments in advancing the agenda of global capitalism (Robinson 2003: 45-6; Robinson: 2004, 109). Stated directly, ‘national states remain important, but they become transmission belts and local executers of the transnational elite project’ (Robinson 2003: 62). States do not disappear in this process of adjustment. ‘Rather, power as the ability to issue commands and have them obeyed, or more precisely, the ability to shape social structures, shifts from social groups and classes with interests in national accumulation to those whose interests lie in the new global circuits of accumulation’ (Robinson 2004: 109). This process is regarded as one enforced by the disciplinary power of global capitalism (Robinson 2004: 50). In other words, states may retain their institutional form, but they lose their traditional function of securing the conditions for successful capital accumulation. They ‘are no longer the point of “condensation” of sets of social relations within a country. They are no longer nodal points for organising those relations with regard to another set of relations between the country and an international system
of nation-states.

As path-breaking as such scholarship may be on the paradigm of democratic transition and the promotion of polyarchy, the problem here is that such broad claims neglect the differentiated outcome of specific class struggles within forms of state through which the restructuring of capital and socio-spatial relations are produced. The straight diffusion, or imposition, of transnational capital and polyarchic political structures needs to be considered much more critically in relation to struggles over the restoration and contestation of class power in specific forms of state (see Morton 2011/2013; Burrn 2012). At the centre of the argument of the state as transmission belt is also a disaggregation of politics and economics so that ‘class relations (and by implication, struggle) are viewed as external to the process of [global] restructuring, and labour and the state itself are depicted as powerless’ (Burnham 2000: 14). This leads to the identification of external linkages between the state and globalisation while the social production of globalisation within and by social classes in specific forms of state is omitted (Bieler et al., 2006: 177-8).

A further problem of the TNS thesis is that national restructuring during times of globalisation is generally conceptualised as a uniform process, integrating all states in the same way into the global political economy. As one of us has highlighted, ‘the transnational state thesis therefore offers a flattened ontology that removes state forms as a significant spatial scale in the articulation of capitalism, levels out the spatial and territorial logics of capital accumulation, and elides the class struggles

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7 This position is self-contradicted in Robinson’s later analysis of the global crisis in stating that the U.S. state acts as an instrument of global capitalism and ‘as a major axis or nodal point for globalised accumulation’ (Robinson 2012: 182). Here the inter-state system comes back as the guarantor not just of transnational capital but also the transnational state itself, which confounds the very thesis of the transnational state as supposed guarantor of capital accumulation.
extant in specific locations’ (Morton 2007a: 148). The point is not to take
the dominance of one spatial scale over another as a given but to
appreciate the manner in which capitalism operates through nodal rather
than dominant points. This means appreciating states as political nodes in
the global flow of capital, while eschewing claims that the global system
can be reduced to a struggle between states (Bieler et al., 2006: 162,
191). The TNS thesis, however, assumes the unitary effect of capitalism,
involving worldwide progression towards and diffusion of the presence
of a transnational state. Stated most clearly, by Robinson, the ‘particular
spatial form of the uneven development of capitalism is being overcome
by the globalisation of capital and markets and the gradual equalisation
of accumulation conditions this involves’ (Robinson 2004: 99; Robinson
2007: 82; emphasis added). Behind this view of the gradual equalisation
of accumulation conditions lies the core weakness at the heart of the
transnational state thesis. It is one that fails to keep in tension the
contradictory tendencies of both differentiation entrained within state
territoriality and simultaneous equalisation through the conditions of
production induced by global capital. As Neil Smith (1984/2008: 122;
original emphasis) elaborates:

Space is neither leveled out of existence nor infinitely
differentiated. Rather, the pattern is one of uneven development,
not in a general sense but as the specific product of the
contradictory dynamic guiding the production of space. Uneven
development is the concrete manifestation of the production of
space under capitalism.

This is somewhat evocative of Lenin’s (1916/1964: 259) comment that,
‘however strong the process of levelling the world, of levelling the
economic and living conditions in different countries . . . considerable
differences still remain’. Whether it is the absolute space of state
territoriality, or the partitioning of private property, ‘capital does not
succeed in eliminating absolute space altogether’ (Smith 1984/2008:
122). What this means is that the spatial form of the state has a basis
rooted both within a given territoriality that is differentiated by the
condition of uneven development while subjected to the levelling of such
differences through the universalising tendency of capital and the
equalisation of production.

To be fair, Robinson does not argue that uneven development is no
longer unimportant. For example, he outlines how in developing
countries, ‘glittering malls replete with the latest the global economy has to offer, fast-food chains, beckoning recreational centres and well guarded residential neighbourhoods that would be the envy of any first world centre stick out as lagoons of wealth and privilege surrounded by oceans of poverty and mass misery, often divided only, and literally, by the very best security systems that social control and technology can buy’ (Robinson 2001b: 558). In fact, Robinson argues uneven development occurs within and across states in increasingly transnationalised capitalist social relations of production. The problem, however, is that he delinks uneven development from the interstate system, or a geographical understanding that can convincingly grapple with the sub-national articulation of state space (see Hesketh, forthcoming). In Robinson’s (2001b: 558) words:

There is no theoretical reason to posit any necessary affinity between continued uneven development and the nation-state as the particular territorial expression of uneven development. The concepts of centre and periphery (uneven and combined accumulation), of development and underdevelopment, may be reconceived in terms of global social groups and not nations in which core-periphery designates social position rather than geographic location.

However, what needs to be recalled from our previous section is that capitalism was born into an anterior international system of state territoriality. The overriding problem in Robinson’s global capitalism thesis is that there is the absence of an adequate historical theory of capitalism and its unfolding through conditions of uneven and combined development that prevents a realisation of how global capital is (re)produced through the spatial scale of state power and how multi-scalar relations are inherent to capitalism. For example, he explicitly argues that ‘the nation-state, or inter-state system . . . is an historical outcome, the particular form in which capitalism came into being based on a complex relation between production, classes, political power and territoriality’ (Robinson 2007: 82). Akin to Open Marxists, as discussed in the previous section, this position is culpable in treating the relation between state and capital as ‘immanent’ by assuming the parallel development of capital and the territorial state. The result is a non-history of capitalism that misses the point that capitalism was born into a prior system of territorial states, or that there are non-capitalist origins to the territorial state-system (Wood 1997: 552; Wood 2007: 155-7). Nowhere
is this more evident than in the global capitalism account of the onset of capitalist development, which shares the position of world-systems analysis on the emergence of a world market and its expansion over the last 500 years, often dismissed for its submission to a transhistorical (or pan-capitalism) description of the commercialisation of trade (Robinson 2011: 725; Wallerstein 1974: 36; Wallerstein 1979: 15, 159; Brenner 1977: 39). As a consequence, what is overlooked is the point that state power often plays a major role in offsetting crisis conditions in the accumulation of capital by providing a temporary ‘spatial fix’ for surplus value extraction (Harvey 1985/2001: 324-31). As Ellen Wood (2002b: 180; 2007: 156) surveys, “‘global’ capital . . . will continue to profit from uneven development, the differentiation of social conditions among national economies”. In sum, the transnational state thesis is unsuccessful in avoiding a non-history of capitalism and a unilinear trope about the state’s demise, again peculiarly reminiscent of mainstream IR preoccupations about state capacity (see Brenner 1997: 274-5; Evans 1997: 62-98; McMichael 2001: 203-5).

To elude this pitfall, it is important to reiterate that historically there was no necessary link between capitalism and a state-system of multiple political entities at the onset of capitalist social property relations. As Joachim Hirsch and John Kannankulam (2011: 21) assert along this line, ‘capitalism did not cause the territorially fragmented system of states to come into being, but it does not follow that this system is not necessary for the reproduction of capitalism’. Affirming the continuity of the inter-state system does not imply that changes and transformations in the geopolitical system of multiple states are not possible. New states have emerged during the history of capitalism, others have disappeared. ‘As a result of the contradictions and conflicts that are inherent in the capitalist mode of societalisation, the concrete configuration of the state system changes constantly’ (Hirsch and Kannankulam 2011: 23). One need only think of the break-up of former Yugoslavia, or the Soviet Union, or the formation of the Republics of North Sudan and South Sudan in recent history. ‘But the forces tending to prolong the historic connection between capitalism and the nation-state are very powerful, indeed rooted in the very nature of capitalism’ (Wood 2002a: 29). Hence, the task is not to analyse whether the inter-state system has been replaced by a transnational state, but to conceptualise the internal relationship between a continuing states-system and a changing global capitalism in relation to the more recent transnationalisation of production processes.
The Internal Relation between the Inter-State System and Global Capitalism

As alluded to previously, an alternative historical materialist way of conceptualising the dynamics of capitalism and geopolitics can be constructed through a focus on the philosophy of *internal relations*. As one of us has argued, ‘geopolitical relations linked to the states system are interiorised within the conditions of modernity as part of the composition of capital. Put differently, in the modern epoch the geopolitical states-system is internally related to capitalist relations of production’ (Morton 2007b: 606). In other words, the challenge is to conceptualise the state as a condensation of class forces in a way that emphasises its internal relations with market conditions, with the wider interstate system, and with global capitalist relations of production.

Such an understanding can be developed by starting with Antonio Gramsci’s notion of the integral state. Gramsci viewed the state not simply as an institution limited to the ‘government of the functionaries’ or the ‘top political leaders and personalities with direct governmental responsibilities’. The tendency to concentrate solely on such features—common in much mainstream debate—was pejoratively referred to as ‘statolatry’: it entailed viewing the state as a perpetual entity limited to actions within political society (Gramsci 1971: 178, 268). Instead, Gramsci holds that the state presents itself in two different ways through the ‘identity-distinction’ of political society and civil society and not their separation (see Gramsci 2007: 317 and Morton 2013: 136-43). Beyond the political society of public figures and top leaders, this is an approach that views the state as ‘the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules’ (Gramsci 1971: 244; emphasis added). This additional aspect of the state is referred to as civil society. The realms of political and civil society within modern states were inseparable so that, taken together, they combine to produce a notion of the integral state (Gramsci 1971: 12 cf; Gramsci 1994: 67; Thomas 2009: 137-41). Hence, the state is understood as the form of a particular condensation of class forces as well as the terrain within which and through which these social class forces struggle to achieve hegemony. It is then through the social relations of production that the internal relations between the political and the economic, state and market, manifest themselves.
At the same time, Gramsci was a fastidious student of ‘the international’, the world circumstances of hegemony, and argued that whilst the ‘national’ sphere remained the starting point to eliminate class exploitation and private property, capitalism was a world historical phenomenon within conditions of uneven development (Gramsci 1977: 69-72). A focus on the ‘national’ dimension as a point of arrival in understanding processes of capitalist expansion therefore affords analysis of the concrete development of the social relations of production and the relationship between politics and economics which is inscribed in the struggle over hegemony within a state, whilst remaining aware that ‘the perspective is international and cannot be otherwise’ because ‘particular histories always exist within the frame of world history’ (Gramsci 1971: 240; Gramsci 1985: 181; Morton 2007c: 614-19; Ives and Short 2013).

The next question is, then, how to combine this emphasis on state theory with a focus on ‘the international’ and emerging transnational class forces without lapsing into a state-centric account, or a transnational state conceptualisation, which are both plagued in their own different ways by a two-logics emphasis on exterior relations between the political and the economic. It is here that we now draw on the work of Nicos Poulantzas in more detail.

Poulantzas’ understanding of the state shadows Gramsci’s definition of the integral state. He calls political society the repressive apparatuses of the state and civil society the ideological apparatuses of the state (Poulantzas 1969: 77). In the early 1970s, Poulantzas investigated the dynamics of what he identified as a new phase of imperialism since the end of World War Two. His focus was less on the changing relations between countries in core capitalist spaces and countries in peripheral capitalist spaces and more on the relations between states in the former (but see Poulantzas 1976). Particularly his focus was on the way a new imperialist world context was emerging through a rearrangement of the global balance of forces between the United States and an ever more integrated European Union (EU). In his analysis, he rejected explanations of Kautskyite ‘ultra-imperialism’ for underestimating the continuing inter-imperialist contradictions resulting from uneven development. Equally, he dismissed assessments of the EU as an emerging European supranational state contesting the dominance of U.S. capital (Poulantzas 1974/2008: 221-2). Instead, he identified new rearrangements in the dominance of U.S. capital—reflected in an increase in FDI, non-portfolio investment, predominantly to locations in Europe, the increasing
centralisation and concentration of capital as well as the closely related centralisation of U.S. money capital—that ensured the induced reproduction of foreign (international or, in today’s parlance, transnational) capital within the various European state forms (Poulantzas 1974/2008: 228-30). ‘It is this induced reproduction of American monopoly capitalism within the other metropoles and its effects on their modes and forms of production (pre-capitalist, competitive capitalist) that characterises the current phase and that equally implies the extended reproduction within them of the political and ideological conditions of the development of American imperialism’ (Poulantzas 1974/2008: 227).

This relates closely to Poulantzas’ understanding of the state. He emphasises that ‘the basis of the material framework of power and the state has to be sought in the relations of production and social division of labour’ (Poulantzas 1978: 14). Thus, the political field of the state is present in the constitution and reproduction of the social relations of production. ‘The position of the state vis-à-vis the economy is never anything but the modality of the state’s presence in the constitution and reproduction of the relations of production’ (Poulantzas 1978: 17). Further, class bias is inscribed within the very institutional ensemble of the state as a social relation of production which not only permits a radical critique of liberal ideology but also promotes interest in the class pertinency and practices of the state as a strategic site of struggle (Poulantzas 1973: 63-4). Social classes do not therefore exist in isolation from, or in some exterior relation to, the state. The state is present in the very constitution and reproduction of the social relations of production and is thus founded on the perpetuation of class contradictions. ‘The state is the condensation of a relationship of forces between classes and class fractions . . . within the state itself’ (Poulantzas 1978: 132; original emphasis). In short, by relating state institutions back to the social relations of production, Poulantzas is able to conceptualise the internal relation between state and market. As a result, the way American capitalism is then being reproduced within European state forms changes these state forms in the process. ‘The modifications of the role of the European national states in order to assume responsibility for the international reproduction of capital under the domination of American capital and the political and ideological conditions of this reproduction bring about decisive transformations of these state apparatuses’ (Poulantzas 1974/2008: 254-5).
This leads to enquiry about the institutional materiality of the state or the various class interests that support the economic, political and ideological dimensions of capitalist social relations.

The establishment of the state’s policy must be seen as the result of the class contradictions inscribed in the very structure of the state (the state as a relationship). The state is the condensation of a relationship of forces between classes and class fractions, such as these express themselves, in a necessarily specific form, within the state itself (Poulantzas 1978: 132).

The state, then, is not a simple class instrument or a subject, or ‘thing’, that directly represents the interests of dominant classes. Dominant classes consist of several class fractions that constitute the state, which thereby enjoys a relative autonomy with respect to classes and fractions of classes (Poulantzas 1975: 97; Poulantzas 1978: 127). Yet, lest the meaning of this phrase is misunderstood, it should be made clear that relative autonomy does not mean a distancing from capitalist social relations of production but solely that the state experiences relative autonomy vis-à-vis the classes and fractions of classes that support it (Poulantzas 1973: 256). Thus, the state has to mediate between the specific interests of different class fractions of capital, which may involve a decision against the interests of a particular fraction in view of securing capitalist reproduction in the medium- to long-term. Additionally, the state organises hegemony by imposing certain concessions and sacrifices on the dominant classes in order to reproduce long-term domination (Poulantzas 1978: 184; Gramsci 1971: 161, 245, 254-7). ‘The state concentrates not only the relationship of forces between fractions of the power bloc, but also the relationship between that bloc and the dominated classes’ (Poulantzas 1978: 140). Returning to the increasing internationalisation of U.S. capital the focus is then on how since the 1970s in Europe, ‘the states themselves assume responsibility for the interests of the dominant imperialist capital in its extended development actually within the “national” formation, that is, in its complex interiorisation in the interior bourgeoisie which it dominates’ (Poulantzas 1974/2008: 245).

In short, capital is not simply represented as an autonomous force beyond the power of the state but is embodied by classes or fractions of classes within the very constitution of the state. There are contradictory and heterogeneous relations internal to the state, which are induced by class
antagonisms between different fractions of (nationally- or transnationally-based) capital. Hence ‘foreign’ capital, represented by transnational corporations or ‘footloose’ investment, does not simply drain ‘state power’ (Poulantzas 1975: 170). Instead, stemming from the expansion of US hegemony and the internationalisation of American capital in the 1970s, Poulantzas argued that, through a process of internalisation, there was an ‘induced reproduction’ of capital within different states. This means that the internationalisation, or transnationalisation, of production and finance capital does not represent the expansion of different capitals outside the state but signifies a process of internalisation within which interests are translated between various fractions of classes within states (Poulantzas 1975: 73-6). ‘The international reproduction of capital under the domination of American capital is supported by the various national states, each state attempting in its own way to latch onto one or other aspect of this process’ (Poulantzas 1975: 73). The phenomenon now referred to as globalisation therefore represents the transnational organisation of production relations which are internalised within states to lead to a modified restructuring (but not retreat) of the state in everyday life. Poulantzas understood that ‘internationalisation was not a process influencing the state from the outside, but a development internal to it’ (Wissel 2011: 216).

In sum, the historical dimension of the formation of specific forms of state in their different ways needs to be taken into account when analysing the internal relations between the inter-state system and globalisation. Global restructuring and the emergence of transnational class fractions does lead to forms of state restructuring. New transnational class forces of capital do not, however, confront the state as an external actor, as a transnational state, but are closely involved in the class struggle over hegemonic projects within the state form. The exact way this is played out and the extent to which the interests of transnational capital become internalised within individual state forms needs to be empirically assessed and is likely to differ from state to state depending on the different configurations of social forces and institutional set-ups at the national level in line with different historical trajectories of national state formation (Bieler and Morton 2003: 485-9).

At the same time, ‘national states become more complex and contradictory as the growing heterogeneity of the bourgeoisie is internalised within and across them, crystallising in the form of (potentially destabilising) modified policies, institutional arrangements
and apparatuses’ (Bruff 2012: 185). Seen in this way, globalisation and
the related emergence of new transnational social forces of capital and
labour has not led to a retreat of the state, a strengthening of the state, or
the emergence of a transnational state. Instead, there has unfolded a
restructuring through an internalisation within different state forms of
new configurations of social forces expressed by class struggles between
different (national and transnational) fractions of capital and labour.
Importantly, a stress on the internalisation of class interests within the
state, through the transnational expansion of social relations, is different
from assuming that various forms of state have become ‘transmission
belts’ from the global to the national level. Class struggle still matters.

Conclusion: Thinking with and against Poulantzas

While there has been a lack of further development in the discussion of
the role of the state and the interstate system in relation to globalisation
within mainstream IR/IPE literature, recent debates within historical
materialism have shown significant vibrancy. Nonetheless, even within
historical materialist approaches, we have identified a continued
attachment to analysing the external relations between state and market,
the political and the economic, be it through a focus on two different
logics, or be it through the emphasis on a ‘(neo)realist moment’ in
analysis. Unsurprisingly, assessments of globalisation have collapsed into
state-centrism, insensitive to the transnationalisation of the social
relations of production since the early 1970s. Alternatively, transnational
state theorising has taken into account recent developments in the re-
organisation of capitalism. The focus here, though, does re-establish the
separate appearance of the political and the economic, albeit at a different
scalar level. The focus on states as transmission belts overlooks the
continuing importance of state forms and class struggle in the
organisation of global capitalism. It therefore flattens our understanding
of capitalist development and neglects the significance of processes of
uneven development.

Instead, this article offers a different historical materialist account based
on a philosophy of internal relations. Individual state forms are the
expressions of the materiality of the underlying social relations of
production as well as conditions of class struggle articulated within and
through them. Hence, attention needs to be cast toward examining how
changing social relations of production internally shape a particular state form. More precisely, by drawing on Gramsci and Poulantzas it was established that in order to understand the internal relationship between the interstate system and capitalist accumulation, contemporary analyses need to examine the extent to which the interests of transnational capital have become internalised in specific forms of state. Variegation in the internalisation of the interests of transnational capital in specific state forms should not, however, overlook the fact that these national developments are situated within a global political economy characterised by uneven development. Nor should it lead to a neglect of geopolitical rivalries between states, which are also part of the overall structure of class struggle. Finally, the fact that class struggle itself takes place not only within state forms but also within ‘the international’ needs to be reiterated.

The latter point could indicate a potential weakness in our conceptualisation of the changing global political economy. As Bob Jessop argues, Poulantzas focused on the national state as the continuing scale at which political class domination is organised, which made him overlook the possibility of the supranationalisation of state forms. ‘In focusing on the role of national states in contemporary imperialism, he failed to note how far the growing multi-scalar interpenetration of economic spaces . . . also implied a major re-scaling of state apparatuses and state power’ (Jessop 2011: 54). According to Hans-Jürgen Bieling (2011), for example, as a result of a continuing process of constitutionalisation within the EU, it is increasingly possible to think in terms of a European form of state, a European statehood. Hence, not only the manner in which the interests of transnational capital have become internalised within individual EU member states has to be analysed, but also the way these interests have become internalised within the institutional set-up of the EU form of state itself requires investigation. Moreover, as Jens Wissel (2011: 225) points out, ‘the U.S. is also penetrated by transnational relations of forces and even in the U.S. the national bourgeoisie has lost influence . . . thus the national basis of this concept of imperialism can no longer be maintained’.8 These points of criticism, however, do not undermine the value of our framework.

8 Note, however, how Leo Panitch and Sam Gindin (2012) in their seminal publication stick to the superiority and homogenous character of U.S. capital, when reflecting on the political economy of American empire.
Rather, they remind us that instead of drawing insights from Poulantzas (or Gramsci) and slavishly applying them to a context very different from their time, we constantly need to adjust these concepts in order to make them appropriate for the analysis of today’s developments.

This is no more so than in relation to the current global economic crisis. As recent work on Poulantzas attests, the latter ‘was grappling with systematic links between the three issues that define the current conjuncture: crisis, the state, and class. Moreover he concerned himself with the authoritarian ways in which capitalist crises are managed’ (Gallas et al., 2011: 9). This pertinently comes to the fore in his depiction of authoritarian statism based on intensified state control over every sphere of socio-economic life within an unfolding period of capitalist crisis. In State, Power, Socialism the emergence of authoritarian statism is paradoxically both a generative force responding to crisis conditions in capitalism and the means through which class hegemony is reproduced in order to tackle crisis conditions (Poulantzas 1978: 212). Hence growing involvement by the state in an attempt to unify certain fractions of capital and increase relative surplus-value; increased state intervention in once-marginal spaces to extend the accumulation of capital, including town-planning, transport, health, the environment, and communal services; and state support for transnational capital while heightening conditions of uneven development. Yet the prevalence of authoritarian statism leads, in the words of Poulantzas (1978: 213), to ‘the snowballing involvement of the state in economic contradictions [that] merely broadens the cracks in the power bloc’. One upshot is the contradiction of strengthening–weakening the state within crisis conditions (Poulantzas 1978: 205).

To sum up, under the contradictory regulatory processes of contemporary neoliberal restructuring, authoritarian statism has unevenly extended across places, territories and scales. As a result, contemporary statecraft is increasingly marked by the condition of authoritarian neoliberalism which is matched by ‘emancipatory anti-statism which is both at a distance from the state and potentially transformative of it through new forms of democratic struggle’ (Bruff, forthcoming). Whereas forms of authoritarianism were always more evident in state forms committed to developmental catch-up in peripheral spaces through conditions of passive revolution, the drama of neoliberal statecraft today is its authoritarian extension into the heartlands of capitalism. The imposition of austerity in Greece, Portugal, Spain, Italy and Ireland in the EU by the
Troika of the EU Commission, the European Central Bank, and the IMF and the related moves towards technocratic governance in Greece and Italy, for example, attest to this fact. At the same time, the increasing involvement of state forms in contradictory processes of capitalist accumulation opens up new cracks in the existing power blocs and, thus, results in new opportunities of resistance against contemporary capitalism. Intensified class struggle in Greece, or Turkey, may only be the beginning in this respect.

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