

Nations And Capitalism: A Socio-Historical Perspective¹

Jérôme Maucourant^{*}

Michael Rafferty^{**}

Bruno Tinel^{***}

Summary

This paper is about the role of the State in contemporary capitalism and its connection to the nation in analysing the dynamics of capital. At the turn of the twenty-first Century, the illusions engendered by the second globalisation have persuaded part of the radical left that the notion of Nation had to be given up both in terms of heuristics and of progressive agendas. From now on, it seemed, the concept of nation would be increasingly irrelevant and dangerous. Parallel to this shift, so called "new" technologies of information and communication as well as the knowledge-based economy have made the Marxian concept of capital outdated. In actual fact, this view overlooks the ambivalent reality of Nation, and the socially embedded nature of technology. The danger of this total critique of the nation is that it may help to contribute to the dissolution of People themselves of which Nations are merely – imperfect but existing – political organisations. Based on a periodization of the history of capitalism,

and informed by the contribution of "political Marxism", this paper shows that the current globalisation can be characterised as a transnationalisation. On the basis of this analysis, the paper also seeks to conceptualize and elaborate a new internationalism coherently.

Key words: Capitalism – Class - Nation - State – Sovereignty - periodisation – transnationalisation

JEL Classification:

1. Introduction

Some two and a half decades after the term globalisation became hegemonic, it is now time to reflect on some of the critical thinking behind the concept. To recapitulate, according to the concept of globalisation, current economic processes are so unprecedented and universalising that the diverse forms of analysis of political economy are, generally speaking, of diminishing utility in understanding the current political and economic circumstances, and those emerging from there. This 'new era' requiring a new theory argument was hardly convincing at the time and ignoring geopolitical processes was certainly only one of the faults (Panitch and Gindin, 2012). This paper endeavours to understand the reasons

¹ This paper is dedicated to our friend and colleague Guy Bois who published *The Transformation of the Year One Thousand: Village of Lournard from Antiquity to Feudalism*, Manchester University Press, 1992. This text is inspired from the article published in *Actuel Marx* in 2008 entitled "Le Capital et la question nationale". We would like to thank Alain Guéry, Alice Martin and Nicolas Pons-Vignon for their comments on the first version of this paper.

^{*} Laboratoire HISOMA (Histoire et Sources des Mondes Antiques) (2015-2017), jerome.maucourant@mom.fr.

^{**} RMIT University, michael.rafferty@rmit.edu.au.

^{***} University of Paris 1 Panthéon-Sorbonne and Centre d'Economie de la Sorbonne (CES), btinel@univ-paris1.fr.

behind these representations of the national economy that overlook the question of political and military hegemony. Quite apart from any denunciatory position, the hegemony of the United States is an undeniable fact, as was British hegemony before that. And yet, during the 1990s, neoliberal practices promoted American policies across the globe like never before, and the twenty-first century started with the invasion of Iraq.

This strategy of the ruling class in the United States and its allies opened up, once again, the field of options feasible in the 1930s and 1960s. The 2008 crisis of American Capital followed by the stagnation in Europe supports this hypothesis. Indeed, Donald Tusk, incumbent President of the European Council, recognised this in his notes regarding the battle of July 2015 - the attempt to overthrow the Greek government that refused to adopt the deflationary policy imposed on the continent by the creditor nations (primarily Germany).² More generally, in the wake of the Global Financial Crisis, many analysts predicted that the material and moral effects that were likely to occur in its aftermath would open spaces, especially in democratic national policies, for the broader voicing of popular dissent. The Arab Spring seemed to confirm that assumption (Kachee and Maucourant, 2016). But the Arab Spring has been thwarted, and with the rise of populist and even authoritarian leaders at the helm of major nations from the United States to Russia, from the

global north to the Philippines to Kenya in the south, it is surely time to reflect on the nature of the epoch we are living in.

Having situated the broad historical and conceptual context of the paper, the paper now seeks to develop an analysis of the role of the State in contemporary capitalism and its connection to the nation in the contemporary dynamics of capital. It is based on three assumptions. Firstly, in an institutionalist fashion, we want to challenge teleology as a form of analysis: this is a common thread which runs through the work of such different thinkers as T. Veblen or K. Polanyi.³ Next, it is important to point out the weight of utopias in the representation of historical transformations. Furthermore, the paper develops the argument that it is necessary to challenge the naturalization of social processes.

It is therefore through a political economy *in* history that we wish to bring to light the periodization of capitalism. In some respects, the viewpoint developed here is partly in line with what is sometimes referred to as "Political Marxism", in the sense that we believe that there is no such thing as a "mode of production" in opposition to social factors.⁴ This Marxist debate of the 1970s, which exposes a sort of "politism" contrasted against some "economism", should be reformulated today. This implies, as suggested by Dufour and Rioux (2008: 126), the definitive abandoning of the concepts of "superstructure" and "infrastructure".

² Spiegel (2015): "For me, the atmosphere is a little similar to the time after 1968 in Europe [...] I can feel, maybe not a revolutionary mood, but something like widespread impatience. When impatience becomes not an individual but a social experience of feeling, this is the introduction for revolutions".

³ F. G. Dufour (2008: 453) draws particular attention to the fact that "contemporary historical materialism" has been extracted from the old teleological ideas which accompany the approaches founded on the supposed determinism of "individual choices" (in the case of analytical Marxism) or "productive forces" (in the case of orthodox Marxism). This inflexion of Marxism is in accordance with the theories at the root of institutionalism, which were not so well supported.

⁴ The early works of Dockès (1979) encourage us to recognise the importance of class struggles, beyond economic determinations, in order to explain the socio-economic dynamics. Dufour and Rioux (2008) explicitly claim, in this respect, the influence of the works of Polanyi in the creation of this new school of thought. Regarding Polanyi, see the numerous unpublished texts in English by this author in M. Cangiani, J. Maucourant (ed.) (2008). This notion of "political Marxism" has been initially introduced by Guy Bois against Brenner who was charged with focusing too much on class struggle rather than on more structural economic factors.

In this way, the political and economic dynamics which structure the transnationalisation of capital will be brought to light. Finally, the current meaning of national autonomies will be called into question. In so doing, we will ask the reader to bear in mind that, in order to prosper, capitalism needs at once the State and a discourse that elides the intervention on its part. The open question here is whether liberalism (and thus neoliberalism), in its desire to present the "market" as self-regulatory, be seen as a robust and ongoing discourse of the State in the service of capital? In this respect, it is not merely a political doctrine but becomes an ideology. Nevertheless, even in a Marxist analysis, the State cannot be reduced to a mere instrument promoting the interest of the dominant class, as it is through the State that peoples, politically organised in nations, have already countered Capital. The State is also ambivalent as it serves as both the instrument and one of the battlefields for class struggles.

Certainly, societies with a State, including the very earliest ones, should be analyzed as class societies, completely separate from societies without a State and without classes which are identified by anthropologists (Clastres, 1974). Indeed, despite the incessant fights between factions, the dominance of one class that exploits the vast majority of the people is a time-old phenomenon (Elias, 1939, Duby, 1973)⁵. Nevertheless one should bear in mind a prominent fact: the Industrial Revolution gave rise to politics in the sense of Finley (1983). In fact, the "bourgeois democracy" later on incorporated the dominated classes into the political community, especially with the rise of social democracy. The form of this incorporation may have evolved over time, notably because of the very fact of various

forms of class struggles. But as we can now see, over the last 30 years capitalist classes have been able to use the State to develop their own forms of resistance.

Furthermore, over the longer sweep of capitalist history, in various countries, and over certain periods State intervention has been partly successful, under pressure from the dominated classes, to restrain the power of the Capital. Talking curtly of a "class State", or, by analogy, suggesting that the State would have disappeared amid global capitalism therefore seems an equally erroneous assumption. In the context of the current period, this error would above all deprive the dominated classes of one of its most powerful tools. For that reason it is important to reconsider the question of sovereignty, though in a different way than Hardt and Negri did. It is also possible that our approach differs from the one adopted by Dufour and Rioux in their theory of "social-property regimes", given that the notion of *sovereignty*, to which we refer here, differs from the notion of *domination*.

The next section of this paper attempts to outline the important historical stages in the periodisation of capitalism and the State's role in the dynamics of capital. Then, section three focuses on the contemporary period, and section four offers some concluding remarks.

2. Periods of capitalist development: the visible hand of the State breaks the chains of the market

It is hard to make thorough critical reasoning about the advent of the liberal capitalism of the 19th century without considering the role of representation in the construction of a society. Naturally, this means more than just that ideological thinking is initially linked to the materiality of political and economic logic. The substance of this imaginary, which has become

⁵ On Elias (1939), see Tinel (2015).

an ideology still perceptible nowadays, can be described in the following way.

Westerners commonly represent themselves as Modern Men who created a society where economy, politics, culture and morality are autonomous within the distinct areas or institutions of social life. The market becomes an instrument of the differentiation of the social spheres because the "free market" would not be compatible with the structural interference in the other spheres. The "free market" refers to the emergence of the Sovereign Individual that erased the political and social bonds that marked the institution of social 'community'. Market freedom is thereby a reflection of the autonomy of the Individual. The social question was, by this logic, therefore resolved by the spontaneous emergence of new markets: it was enough to break the old constraints that prevented the Free Individual's arrival to the Market. In this way, Modern Men made the legal, political and cultural worlds subordinate to the representation of the Market, that is to say a self-regulating system of markets. However, as historians have made clear, it was through violence and coercion that the State set up these free markets, and the visible hand of the powerful State slowly hidden in favour of the Market's allegedly "invisible hand". Furthermore, beyond the roles nationalisms can play in the rise of national capitalism, if the hegemonic State is British, the ruling classes will be willingly anglophile; if the hegemonic American State seems to be under threat, as was the case in 2001, these classes will identify themselves as American. Nowadays, it is no accident that the ruling classes of the Eurozone are mostly Germanophile in attitude (Koller 2017).

2.1. The "new economy" of the 19th century

The emergence of capitalism implied that work was transformed 'fictitiously' into merchandise, or what Marx described as the

commodity form. The "imaginary institution of society" (Castoriadis, 1998) invalidates the liberal image of the separation of State and markets: it is the visible hand of the State, or its justice system, which is called on to accord the "rights" of the rich and powerful to "freely" exploit nature and society for their own profit. Such interventions were presented as "modernisation". The 19th century world is therefore the scene for a singular experiment in history, and its contemporaries were well aware of that. Bagehot and Cairnes make specific reference to the triumph of the practices resulting from the liberal theory on the old state of affairs (Stanfield, 1986: 104-105). Nassau Senior went into raptures declaring "*We are governed by philosophers and political economists*" (*ibid*). This assumption exposes the hidden trait of liberalism: even at the time it seemed much more dogmatic and interventionist than is now generally acknowledged.

It is only once capitalism is established that liberal interventionism becomes less pressing and limits itself to actions oriented towards its reproduction. This puts the so-called liberal non-interventionism into perspective: "*The economic liberal can, therefore, without any inconsistency call upon the State to use the force of law; he can even appeal to the violent forces of civil war to set up the preconditions of a self-regulating market*" (Polanyi: 156). Hence the liberal State does not create "natural freedom", which was so important to Smith, but established it through many forms of violence (coercion). Polanyi wrote clearly on this issue, addressed by many, from Marx to Weber, which in the case of labour can be seen in a contradictory duality. On the one hand, it describes the workers of the capitalist society as "*formally free*"; on the other, however, they are "*in fact constrained by the pangs of hunger*" (Weber, 1923: 298). But the contradiction is not merely latent, the

liberal imaginary often collides openly with reality and this is why it necessarily calls on the capacity of the very institution and action of the entity it criticises: the State. Initially, the introduction of liberal norms often required a heavy regulatory framework. Subsequently, in an unforeseen manner and *spontaneously*, a "counter-movement" of "social protectionism" emerged from the very depths of society, which makes capitalism more tolerable. It is this "*double movement*" that embodies the dialectic appropriate for a liberal society. This is why Polanyi (1944: 187) decided to write the phrase that shocked so many liberals: "*Laissez-faire was planned; planning was not*".⁶ Society's new methods of self-protection, taking the form of collective arrangements sanctioned by the State, ensure its viability for a given time and in a given space.

Capitalism may be doomed to expand for the foreseeable future, first extensively and then intensively. However, there are a number of counter-movements that have increasingly challenged the market system's *partial* capacity for self-regulation. And to reiterate one of the paper's major themes, this tension is reminiscent of earlier periods when self-regulation appeared to accord with natural laws, except when tested in a crisis. As regards the end of the 19th century, Polanyi astutely noted "*Who can doubt that factory laws, social insurance, municipal trading, health services, public utilities, tariffs, bounties and subsidies, cartels and trusts, embargoes on immigration, on capital movements, on imports—not to speak of less-open restrictions on the movements of men, goods, and payments—must have acted as so many hindrances to the functioning of the competitive system, protracting business depressions, aggravating unemployment, deepening financial slumps, diminishing trade, and damaging severely the self-*

regulating mechanism of the market?" (Polanyi, 1944: 190). In reality, capitalist markets are only "*regulatory*" at the expense of a "*hecatombs of human lives*" (Polanyi, 1934: 128). Fundamentally, the capacities for regulation result almost always from the initial intervention of social forces that have set up the framework within which market regulations will be enforced. It was thus that social determinations increasingly restricted economic flows: a phenomenon which culminated in the 1930s with the "Great Transformation" (*i.e.* the end of the first "market society"), encompassing methods ranging from New Deal to Nazism. The Great War postponed but did not eliminate the difficulties caused by this almost cyclical capitalist dualistic logic.

Capitalism did not really take shape until the 19th century. It was then that a systemic coherence was constructed, which meant that "*the livelihood of man*" (to use Polanyi's wording) depended strongly on the functioning of markets. Organising the exposure of the population's most primary needs to the hazards of the market is a decisive trait of the liberal West. In order to accomplish this, the West constructed a *policy*. The country that took up this "*sacred mission of civilisation*", founding a global network of trade routes, was clearly the British Empire. The expansion of the West already implied the sacrifice of entire peoples, as Polanyi noted with regard to the fall of the Ottoman Empire. Yet, as a rule, this did not trouble the Western conscience too much. This is how the British Empire created a space that claimed to be one of progress against retardation, and civilisation as against savagery. It is worth recalling Marx's observations on the primary accumulation of capital: this fight began in England from the 15th to the 18th century, where the social war of enclosures was waged to promote the coercive privatisation

⁶ Panitch and Gingjin (2012) develop this same idea on the planning of *laissez-faire* regarding the post second world war period.

of land, and the creation of a free market in labour power.

The British Empire thereby supported the first great wave of the creation of a liberal capitalism, between 1815 and 1914, integrating the flow of finances, goods and services, thanks to the gold standard system, which was in fact a Pound Sterling standard. As for the labour force, the era of imperialism (1880-1914) saw a freedom of migratory movement like never before, and which has certainly not been equalled since (Laurens, 1999, p. 143). However, behind the emergence of a cosmopolitan capitalism lay the highly political reality of the process: without British policy, the creation of this new world for the contemporaries at the end of the 19th century would not have been possible, a sentiment which was reaffirmed by the widespread Anglophilia of the ruling class (Lukacs 1968: 197). It was the war of 1914-1918 followed by the Great Depression of the 1930s that shattered this liberal cosmopolitan capitalism (Jones 1987).

Before this collapse, firms were not yet the vectors of movement in the opening of national economies. This period can be characterised as raising an "*international configuration*": foreign investments were dependent on foreign exchanges and not the systematic outsourcing of production organised according to a global logic. The manner of this international division of labour was based upon the "*differences of sector productivity existing between each national territory*" (Michalet, 2002: 26-7, our translation). Even though there were international aspects to finance well before 1914, as noted by Hilferding (1910), the structuring of the production systems was still far from the movement we are familiar with today.

2.2. *The era of national capitalisms*

Retrospectively, the period between 1930 and 1980 could appear, from a neoliberal point of view, to be a digression in the rise of liberal capitalism which, overflowing from an international configuration, could have led to a transnational future. Nevertheless, the 1930s resituated the economic dynamic on a much more national foundation and created a long-lasting restraint on the financial sphere. This period, from 1930 to 1980, did not create an artificial State, which would have been the fruit of the arbitrariness of those in charge and the malignance of populism in all its forms. On the contrary, this period sanctioned the *Great Transformation*, in Polanyi's terms, that is to say the objective recognition of the impossible regulation of the economy and society by the Market. This major transformation resulted from the violence imposed on the social fabric up until 1914 and the subsequent reaction to the contradictions of the very organisation of societies that it produced.

The capitalism of the 1930s was much less liberal than that which preceded it. The various "corporatist transformations", whether democratic or not, appeared to be necessities for the governments at the time. Eventually, both those opposing and defending capitalism shared Hitler's conception: democracy was not compatible with private property.⁷ This same conviction prompted the American Supreme Court judges in their attempts to oppose the New Deal, long-awaited by the American nation in the 1930s. All interference in the system of free enterprise was, for these judges, so unbearable that they wanted to quash the political wishes expressed by the American nation in its support of Roosevelt.

⁷ In 1934, "Hitler's Düsseldorf speech, to which we have already referred, proclaims the utter incompatibility of principle of democratic equality in politics and of the principle of the property of the means of production in economic life to be the main cause of present crisis; for "Democracy in Politics and Communism in economics are based on analogous principles" (Polanyi, 1935: 391-392).

After the victory against Nazism and Japanese militarism, American hegemony could have secured and continued the British legacy and deepened a capitalism claiming to be universal, as if the *Great Transformation* had never happened. At this time, Polanyi was already commenting on the failure of the New Deal, adding that the great period of liberal ideology in the 19th century had profoundly shaped the American mentality. As a consequence, in his opinion, the interventions of the 1930s "have affected the position of liberal capitalism as little as similar departures towards interventionism and socialism has done in Europe up to 1914" (Polanyi, 1945: 87). Judged by the social democracy that it heralded, the New Deal was a failure. However, as will be shown, this failure was not accompanied by the establishment of a "universal capitalism". Political and economic factors prevented a full return to liberal capitalism, which would have simply changed the "visible hand", undergoing transformation from British to American hegemony.

Indeed, the fragility of the European economies would not have been compatible with the shock of a rapid liberalisation of international flows of capital, nor with the scale of the Soviet threat in the changing balance of power between labour and capital. In this respect, the consolidation of social rights and the continued rise in wages were crucial in the fight against Soviet influence, which was consolidated in what became known variously as Fordism and Keynesianism. This was characterised by the relatively self-reliant aspect of the growth, which allowed for the emergence of State control over national capitalisms. In certain parts of the Third World, the United States favoured debt-funded growth from some allies and accepted marked government intervention, with diverse

policies for the promotion and protection of national capitalisms. This occurred in such a way as to encourage prosperity to blossom in places where it was strategically useful. However, the collapse of the Soviet Empire can be seen as closing the period from 1945 to 1990, and along with other transformations brings us to the contemporary period.

2.3. Contemporary capitalism

The current economic dynamics is easily understandable if we look at its political and cultural content. Starting from the end of the 1960s, the crisis of capitalism as a social order was legitimised in the eyes of the worried wealthy classes, and the power of neoliberal thinking increased, driven notably by M. Friedman, J. Buchanan and F. Hayek, who produced a set of justifications for the reconfiguration of social relations.⁸ In the 1980s, the policy of mass unemployment and poverty allowed for the return of the domination of Capital. By the end of the decade, the destruction of the centrally planned economy, which was established between 1917 and 1950, opened up opportunities for the return of Capital in a form it had ceased to dream of since 1914. The "reactionary utopia of Wall Street", denounced by Polanyi in 1945, has become dominant today with the United States at its helm as the main vehicle for finance-led globalisation, giving the feeling that the years between 1930 and 1980 were of an exceptional character, rather than as Keynes had hoped in his essay *Economic Possibilities for Our Grandchildren*, a transition to a world of abundance.

Driven by transnational firms, a transnational capitalism was therefore established over the course of thirty-five years after World War II. To describe this capitalism as *transnational* and not *global*

⁸ Neoliberalism was without a doubt first an ideology (Arrighi, 2006), before effectively becoming a stage of capitalism (Duménil & Lévy, 2006).

is a way to avoid certain ambiguities. *Transnationalisation* has in effect a political content, that of American hegemony: "*The story since the 1970s has been one of growing pressures from the Wall Street centre to weaken the barriers to its penetration into domestic financial systems.*" (Gowan, 1999: 14). More generally, a long time has certainly passed since the academic blinkers presented globalisation as "a purely techno-economic force not only separate from state-political controls but inimical to them" (*ibid.*: 16). It is therefore hard to argue that globalisation correctly creates on its own the processes that shape contemporary capitalism. Nevertheless, it is also true that the current configuration is different from the international world economy under British hegemony or the national economies of the Fordist times.

The success of Fordism enabled global trade to grow faster than national production: and while initially, the increased opening up of national economies did not pose the difficult problems of macroeconomic regulation, it gradually did. For three decades, exploitation of the gains from trade and of the riches of others, on an ever-increasing scale, could still be maintained without damaging the macroeconomic system of regulation; on the contrary, they were driving it. However, in the mid-1970s transnationalisation was accelerated by financial globalisation, facilitated by the demise of the Bretton Woods system, the oil crisis, the growing debt of the southern countries and the eruption of public deficits (notably in the US). Globalisation, like transnationalisation, is therefore not a recent concept, considering that it was introduced well before the 1990s. It is however true that some key elements accelerated the dynamics of contemporary capitalism: the fall of the Berlin Wall and the Eastern European countries' march towards capitalism, the maturing of "new information and communication technologies", the IMF-

promoted dismantling of the protections through "structural adjustment", which rendered possible the emergence of dynamic capitalisms in the South, among other elements. However, it should be noted that the ordinary modalities of Keynesian economics and Fordism were already becoming problematic before these stages that mark the notable expansion of Capitalism.

The trans-nationalisation of the goods markets and the mobilisation of an unskilled workforce on a global level was a process which was already well underway in the 1960s. For this reason some authors, like de Bernis in France believed that in the early 1980s Europe was not a coherent sphere for the accumulation of capital. The process of trans-nationalisation was carried out through the construction of a systemic web of exchanges where goods, commodities and technologies were mobilised like never before by market processes or through the 'internal markets' of big companies. In this transnational regime, access to global outlets rests therefore on the all-out mobilisation of financial resources, technologies and the workforce. Yet, as underlined by Chesnais (2006), the mobility of capital, which is so essential for this transnational system, is achieved through direct foreign investments, participating in the increase in public and private debt, which over time transcends national accumulation systems.

However, the recognition of transnationalisation does not mean that national and regional governments do not bear any responsibility in this politically alienating process. European governments, instead of playing the game of an internationalisation which would be profitable to the European people, organise the trans-nationalisation of European economies through the unfailing support of "national champions" (i.e. improving the 'competitiveness' of national private capitals). From then on, financial

and banking laws invariably can be seen as having a neoliberal twist. Non-standard forms of employment are then encouraged by the dominating classes as the new norm and laws are increasingly drafted by far-off commissions. The purpose of the latter is to create a disinvestment and quietism of people in public affairs in order to promote the reign of a techno-bureaucracy affirming among other things, its alleged neutrality. As decisive as economic determinism, naturalisation of the European and global markets appears to be one of the salient cultural and political features of contemporary capitalism.

3. States and nations in contemporary capitalism

For some authors, such as Negri who knew better than others how to describe the atmosphere of the time, the contemporary period is marked by the eradication of the Nation State in the figure of the "Empire".⁹ According to this view, opposition to American imperialism pertains to a revival of "sovereignist" nostalgia. The establishment of an economy, founded on knowledge and networks, would be the ultimate reason for the liquidation of the figure of sovereignty. Yet, much the same atmosphere, which engulfed the left some 15 years ago, was already brewing 100 years ago before the Great War, in the statements of the very liberal economist von Mises, who had already declared sovereignty "*a ridiculous*

illusion" (quoted by Polanyi, 1944: 198). Nevertheless, contrary to the "liberal-libertarian" temptation tangible across the left, it is necessary to recall that the State remains a means to counter the force of Capital and that internationalism¹⁰ is one of the few spaces to contest the rule of globalised capitalism.

3.1. Governments: obstacles to liberation by contemporary capitalism?

The idea that the contemporary transformation of productive forces renders void the peoples' demands for sovereignty risks not only falling for the old liberal clichés, it also threatens a revival of what was most problematic in orthodox Marxism. Dismissing, de facto, the role of social and political struggles, the followers of so-called "cognitive capitalism" attribute the current problems to an incompatibility between techno-organisational dynamics and institutions.¹¹ They advocate federalism as the political model to help us rise out of our socio-economic stagnation. Also, they believe that the current "reticular" forms of organisation mark the end of the wage system. Strongly opposed to the idea of the nation and traditional social protection, various researchers who inspired the liberal "left", in 2005 supported the decidedly neoliberal *Treaty establishing a Constitution for Europe*.¹² Sometimes, they even dared

⁹ The concept of imperialism would be dismissed in favor of an Empire which is not linked to any particular State but "the sovereign power which rules the world", the legal form of which would be provided by the American Constitution. Regarding history and European ideology, the accession of this Empire would cause a rupture as it would not be characterized by any particular place. This would be the end of the opposition between centre and periphery. The emergence of sovereignty without a territory, which the American federal model would allow for, would herald the death of the territorial and omnipotent nation-state (Hardt, Negri, 2000).

¹⁰ Internationalism means "between nations": this idea supposes that nations can act as collective actors of their own destinies through the organized will of their people.

¹¹ For two excellent and critical and complementary appraisals of "cognitive capitalism", see Jeon (2010) and Boffo (2012).

¹² This same treaty has been reintroduced and validated since then without recourse to a referendum and, despite the opposition expressed by 55% of our French citizens in 2005. The leading parties on both left and right have validated it through a pure parliamentary procedure, which is telling about both the state of politics in Europe and the ideas of those who are happy that such procedures can be employed in the name of "Europe".

to call themselves radical in order to gain media attention, and give life to false dichotomies readily swallowed by the press of the "vested interests" (in Veblen's words).

Nevertheless, this discourse poses a methodological problem: is it positive or normative or prescriptive? At first sight, the founding values of the "*new Great Transformation*" (Moulier-Boutang) are those of passion and freedom, as opposed to the pursuit of money and the glorification of labour. However, it is not that simple. There are always dangers of taking at face value the rationalizations of the actors involved. The talk of these actors about their own practices is only part of the social life which escapes from them. Furthermore, the empire of the new masters of the "free" (this world of micro-computing which is a source of such inspiration for the theorists of "cognitive capitalism") represents such a tiny fraction of humanity that it is dangerous to make daring forecasts based on the practices and discourse of this specific population. The problem is therefore that the "liberal-libertarian" left mixes up their wishes with reality at large. It is understandable that one *would want* to see the death of the State as the sign of a new communism. Yet it is simply wrong to *actually* claim the death of public regulations: the novelty does surely not reside in their disappearance but rather in the tendency to remove them completely from public control.

In reality, neoliberalism wishes merely to use public regulations as an instrument for restoring public order and Capital profit. To quote our colleague Dick Bryan (2000), we have seen not so much the rule of markets as the rule of Capital. Nevertheless the breadth of redistribution remains manifest in Europe. The same applies to all regulations that are still escaping the great "European" gust. The many recriminations against so-called "modernisation" are a sign of the inertia of certain social and economic phenomena which we cannot shake off to this day, despite

social engineers' expertise of institutions like OECD who mobilize social sciences in the service of the everlasting adaptation of society to capital (Thompson, 2009).

Furthermore, the theory behind the "Empire", which must take the place of theories of imperialism, is based upon the assumption that national capitalisms would be so strongly integrated within the American economic complex that it would be impossible to distinguish between the different nations (Hardt and Negri, 2000). According to this hypothesis, economic and financial bases being henceforth shared, the political structure would necessarily be both unified and stateless. Through this hypothesis, the national identities of transnational firms are effectively ignored. Nevertheless, the State and the US nation have not been dissolved into a form of imperial government on a global scale. In this respect, the disintegration of the very idea of nation is under current and foreseeable circumstances undesirable, except in order to prove that any political organisation of people would be useless. The liberal left should take heed of the lessons taught by the peoples who wish to exist, from Palestine to Kurdistan. In fact, "*sovereignty means, for a given community, the idea of the Law that is valid within it (...). The nation-state offers a neutral solution resting on a simple territorial base. It is the only way compatible with diversities, be they religious, ethnic or otherwise*" (Sapir, 2002: 188-189, our translation). Contemporary capitalism is not the instrument of freedom that many would have us believe. Rather than following the (so-called) "progressive" cultural values which capitalism promotes (or used to), more often emancipation stems from the political and cultural constraints which are opposed to all forms of capitalism. There is increasingly no "ruse of reason" making contemporary capitalism work for the creation of a common world. Put simply, the trans-nationalisation of economies will not precipitate the founding of

global politics, except by taking prophetism for socio-economic analysis.

But we should not lament over the efficiency of the lost Fordist regulation. The system of Fordism was, and is still, precisely a foil to those who wish for a democratic constitution of the economic system. But we can nevertheless wonder about the meaning of the celebration of the end of Fordism and public regulations. When for instance Negri writes that "*Capital is in the minds of the people*" (quoted by Husson, 1998), it seems that we are dealing with a prophecy which strives, more or less consciously, after self-realisation. If this proposition were to be taken seriously, then our time, marked by the "*ontological transformation of labour*" (Negri and Vercellone, 2008), would mark the end of Capital as a social relation. We would therefore undergo an *anthropological transformation*: the emergence of the Age the Common, an unprecedented time where social cooperation would define the economy. The old dichotomy between private and public would be rendered meaningless and the ambitions of State interventionism would thereby be eliminated. Yet in 1869, a French socialist and political activist was already writing that "*all the problems successively presented throughout history have had a communist solution*" (Blanqui, 2007, our translation). The *common* described by Negri can be interpreted as a form of solidarity economy, which may seem like a novel idea for our time, but can be traced back to utopian socialism. The emergence of the *common*, can then ironically perhaps be used to justify the liquidation of the *public* at a time when the *private* is almighty.

3.2. What can and should remain of the nations

Two notions of "nation" can be therefore contrasted: the identity view and the political view (Nicolet, 2000). In practical terms, neither is ever genuinely achieved because

the concrete world can be analysed as being situated in an unceasing tension between these two poles resulting from the social and political struggles (Hansen & Weil, 2001).

One of the concepts rests on the essentialisation of a set of cultural and/or alleged ethnic features considered as hierarchically superior to others (Delannoi & Taguieff, 2001) or considered as too different one from another. This view in term of identity and hierarchy is not necessarily aligned with the idea of universal emancipation and equality that characterises progressive political traditions. In the essentialist view, the nation is indeed considered as an entity superior to anything else including other nations, which is, by definition, not especially conducive to the subversion of the existing social order as the individual is then first and foremost required to act so as to be loyal to the (imaginary) concept of that nation and to promote the nation in the competition against other nations. As the collective identity defines ontologically the nation, an identity situated above any other political principle, the essentialist view is prone to perpetuate existing social hierarchies because any aspiration to change could be considered as endangering the very nature of the nation. This does not mean that nationalisms of this kind are all to be considered as conservative: as history has shown, some of them consist precisely in the advent of a "genuine" nation, a project that supposes to get rid of the elements preventing its true realisation. Identity nationalism can be either conservative or "revolutionary" but not in a very progressive way, because it consists in the exclusion (non-universalism) of some parts of the population and/or the systematic constraining of individuals to conform to specific behaviours in order to meet certain identity requirements. Such a type of nation is neither imaginable nor implementable without a top-down sovereign

principle, otherwise individuals or groups could always endeavour to follow another direction than the one required by "The Identity".

The alternative view of the nation, as the political organisation of the people, is precisely based on a sovereignty that goes the other way round, from the bottom to the top (Debray, 1989). It was a view developed during the 18th century by authors like Rousseau (1762) and revolutionaries like Saint-Just (2004) and Robespierre (2000). The People is not an adherence to a somewhat transcendent principle imposed from the outside, but is rather a process instituting itself as the founding principle of the nation (Dumont, 1991). As such, the nation refers to the fact that the government is the materialisation through the State of the collective will of the People to exert power in its name and not in the name of an entity outside the People itself. Here the nation is immanent, i.e. the People is the sovereign because the nation exists and acts in its name. In other words, the political nation constitutes the concrete historical form of (representative) democracy, limited to specific geographical spaces.¹³ This kind of national democracy is necessarily imperfect as long as social classes exist but it should be noticed that it is likely to be subversive regarding social order as its intrinsic vocation is to be inclusive and based on cooperation and discussion between equals rather than on conformism to a principle allegedly superior to individuals (Noiriel, 2001). The persistence of social classes in nations which conceive of themselves mostly according to the political view represents certainly the main contradiction, and this then becomes a possible powerful driver for political change. The concrete forms of the constitutions of the political nations can be very diverse, but whatever their formal differences, and as

the potential of this kind of nations is in fact oriented towards universal emancipation, the cooperation among equals not only inside but also between the nations is possible and desirable. Internationalism is nothing but this: cooperation between Peoples that conceive of themselves primarily on a political rather than on an essentialist basis. Internationalism logically presupposes political nations. On the left, some radical thinkers would like to immediately bypass nations to directly access internationalism, and this certainly animated many left participants in the European Union. But this political 'great leap' looks quite idealistic as long as the different nations consider themselves as belonging to different essentialist, or even political entities.

Nation, as the political organisation of the people, should hence not be overlooked in the name of a misunderstood universalism. It can be credibly argued that a common world cannot be constructed on the negation of an important form of collective membership. The dream of a "European Republic", to return to one left vision of the European Union is notably quiet on this question. Various authors talk of the deleterious hold of the "social representations" of "nationalism", which we suppose to be some form of attachment to the idea of the nation of which the characteristic would be the absolute negation of any kind of supranational life. But which conception of the nation decided that? Given the arguments developed earlier, it is hard to understand why one would want to stigmatise the idea of the nation while affirming that "the effects of internationalisation are globally positive whereas the effects of globalisation are entirely negative" (Caillé and Insel, 2002: 150, our translation). It would seem here that the argument is that a desirable,

¹³ The crucial issue of "what is democracy?" is extensively and brilliantly tackled by Sylla (2015).

but contradictory, internationalist project would march under the following banner: internationalism without nations! Finally, in a surprising affirmation, which would surely surprise people of the Middle East and Central Asia, Caille and Insel maintain that the United States "has won enduring titles recognised around the world" (*id.*) and that their culture is based on "democratic, humanist and pluralist" (*id.*) ideals. This democratic American ideal may have a place inside their State (although the Black Lives Matter campaign surely suggests that trope is selective). In addition, as for values issue, certain European nations have often surpassed the reference to tolerance and arrived at a more humanist secularity. It is true that this is currently threatened by forms of relativism which are well adapted to the transnational market.

The right of the Southern countries to use their States to achieve their social aims is often discussed in contemporary debate. However, this stimulating reflexion must be supplemented by the acknowledgement that certain Northern countries, as political nations, also have some legitimacy in defending certain types of social relations. In this respect, raising the difficult questions of interdependence, Plihon wrote fifteen years ago: "*In order to find room for manoeuvre, countries must be able to protect themselves*" (Plihon 2002: 109, our translation). We contend that the idea of the nation as progressive immunity in the face of a globalised market has not been transcended just yet and in some cases should even be promoted. The analytical and political dilemmas here can be framed by way of a series of questions: Can the nation have an effect on our way of envisaging States in the progressive initiative of the transformation of social relations, and if so how? Why, as wished by some of the opposition to

"liberal globalisation", would one want to liquidate the States or try to take away the power held by public regulations? Would one want to thus eliminate all forms of conscious coordination? These questions have a range of possible answers many of which also hold true for the Northern countries. According to Husson, one of the answers is that "*in the Southern countries, all coherent national development projects pass through a control on the movement of capital (...). The State must be defended, not as an incarnation of the nation against the cosmopolitanism of Capital, but as the only instrument allowing any control of capital*" (Husson 2001, our translation). What liberal capitalism has done, may be done by a democratic state, albeit in a different way. In terms of taxation and financial regulation, it is possible to give back to State the resources it has abandoned. As for European Union and Eurozone, it is obvious that fiscal and budgetary policies can easily become both more efficient and equitable, compared to the current deflationary framework; it is also possible to make the European Central Bank more democratic.

The last decade has shown that nations do play, and always have played an important, though evolving, role in the dynamics of Capital. The 2008 global financial meltdown and the financial bailout, its differentiated implications throughout the world have pushed the regulation issue to the fore and shown that the possibility of managing the abundance, which Keynes accurately predicted implies that a careful and historical analysis of the State is nonetheless required to understand contemporary transformations, which seek to reimpose scarcity. In opposition to the assumption that globalisation would induce a new "lex mercatoria" for business and finance, as these would be relieved of any national

regulation, Bryan et al. (2017: 60) believe that nations and nation-states still matter but in different way from fifty years ago: "*ironically, finance today is probably the most state-subsidized business in the advanced capitalist countries – from a combination of bail-outs and underwriting to ensure confidence in the sector, to the fees that come from people being increasingly forced to borrow in order to get a home or education, and to save for old age*".

Just as the role of the State should not be overstated in the post-WWII period, it should not be underestimated with respect to the present. It is true that since the Eurofinance development, capital is more liquid and hence has an ever increasing capacity to make profit from different national regulations and laws through arbitrage and derivatives, which in turn undermines the nation-states' capacity to levy taxes and enjoy fiscal sovereignty. From this point of view, nationality presents itself to money capital as a merely additional tradable attribute of an asset. But it is also true that "*tax havens can only have status because they too have the national sovereignty to offer tax and other concessions*" (Bryan et al., 2017: 49) and Capital can decisively not hang up "in the air" indefinitely above any national space as it has to land in some specific legal power in order not only to realize gains but also to specify and enforce certain characteristics of contracts (like those pertaining to intellectual property) which are by definition rooted into specific places. Today's finance at once circulates globally and yet is anchored nationally. The new configuration between Nations and Capital is then the structural asymmetry that has emerged between finance and corporations on the one hand, and households on the other. Business activities can use "discontinuous

jurisdictional spaces" to strategically leverage and trade financial products whereas there are greater expectations that households as national citizens, not the State, should take on the role of stabilizer and insurer (Bryan et al., *ibid.*: 59). The same authors note that this role of households as "shock absorber of last resort" explicitly formulated by IMF in 2005 is possible because of the asymmetry between labour and capital in terms of liquidity. This view could be expanded to encompass class relations: dominated classes are less liquid than dominant strata. Hence, dominating classes are increasingly able to shift risk onto the others. Current trends are to use the State so as to ensure that illiquid households should retain their ability to cushion these risks. A progressive agenda at the level of nation-states would have to tackle this issue in earnest, instead of readily assuming that everything is global and nothing can be done unless a global State is created.

4. Conclusion

The paper has developed the contentious argument that left "liberal-libertarian" arguments about the nation state are not only theoretically flawed but, regrettably, have also disarmed quite a bit of critical thinking. In France, for instance, part of the trade union and the political left, including at its most radical fringes, went as far as approving in 2005 a European treaty conceived by a very classical liberal, Valéry Giscard d'Estaing French president from 1974 to 1981. Twelve years later, an avatar of "Giscardism" – Emmanuel Macron – was elected in the name of "anti-fascism" against the French version of far right-wing populism, an Orban-Trump-PiS type local version which has been fuelled for decades by the predecessors of the

current incumbents. Just like some parts of the extreme left wing, the "new centre" which is currently taking grounds in France after flourishing in Italy, UK and Germany, undermines the positive economic functions of the State and instead praises universal *uberisation*, in the name of the ideal of the individual entrepreneur. Both tendencies acknowledge at least some social functions for the State, which often act as the crutches of Capital or at least its medical emergency department. It also persists in denying the positivity of the political Nation even as it constitutes a hindrance to the power of Capital. For this reason, the example of the first Tsipras government had to be crushed. Yet Brexit recalls that the denial of the political organisation of the People favours the identity view of the Nation to re-emerge, as was the case in France with the vote for M. Le Pen in April 2017. Looking at the other side of the political spectrum, J-L Melenchon has been able to gather part of the working class on a project both progressive and national in the political and democratic sense by taking the revolutionary gesture up again. Much time has been lost because of 1990s ideological debates and the delusions of new information and communications technologies have been very costly, but what has been lost in that malaise is that the possibilities for our future are not being imagined and debated.

The question to put it historically, is whether we are in a Polanyian moment when the crisis of market capitalism requires a reconstruction of the State, and if so, what openings might be found for political revolt? The urgent intellectual question flowing from that is how to frame

a politics of revived national democratic action that is neither anti-statist nor nationalist, for that would surely condemn another generation to Marx's aphorism about historical facts and personages appearing more than once.¹⁴

References

- Arrighi, Giovanni (2006) À la recherche de l'état mondial, *Actuel Marx*, 40 (2), p. 55-70.
- Blanqui, Auguste (2007) *Maintenant, Il faut des armes*, La Fabrique éditions, Paris.
- Boffo, Marco (2012) 'Historical Immaterialism: from Immaterial Labour to Cognitive Capitalism', *International Journal of Management Concepts and Philosophy*, 6(4): 256-279.
- Bryan, Dick (2000) 'The Rush To Regulate: The Shift In Australia From The Rule Of Markets To The Rule Of Capital' *Australian Journal of Social Issues*, Vol. 35, 4, pp. 333-348.
- Bryan, Dick, Michael Rafferty and Duncan Wigan (2017) From time-space compression to spatial spreads, situating nationality in global financial liquidity, in *Money and Finance after the Crisis: a Critical Thinking for Uncertain Times*, edited by B. Christophers, A. Leyshon and G. Mann, Wiley & Sons: 43-67.
- Caillé, Alain & Ahmet Insel (2002) "Quelle autre mondialisation ?", *La Revue du Mauss*, 2, 20, pp. 148-170.
- Cangiani, M. & J. Maucourant (ed.) (2008) *Essais de Karl Polanyi*, Paris, Seuil.
- Castoriadis, Cornelius (1998) *The imaginary institution of society*, Blackwell Publishers (1975 for the original edition in French).

¹⁴ "Hegel remarks somewhere that all great world-historic facts and personages appear, so to speak, twice. He forgot to add: the first time as tragedy, the second time as farce. Caussidière for Danton, Louis Blanc for Robespierre, the Montagne of 1848 to 1851 for the Montagne of 1793 to 1795, the nephew for the uncle. And the same caricature occurs in the circumstances of the second edition of the Eighteenth Brumaire" (Marx, 1852: chap. 1).

Chesnais, François (2006) « Les contradictions et les antagonismes propres au capitalisme mondialisé et leurs menaces pour l'humanité », *Actuel Marx*, 40 (2), p. 71-85.

Clastres, Pierre (1974) *La société contre l'Etat*, Editions de Minuit (Society Against the State).

Dockès, Pierre (1979) *La libération médiévale*, Flammarion.

Debray, Régis (1989) *Que vive la république!*, Odile Jacob.

Delannoi, Gil & Pierre-André Taguieff (dir.) (2001) *Nationalismes en perspective*, Berg International.

Duby, Georges (1973) *Guerriers et paysans*, Gallimard (The Early Growth of the European Economy: Warriors and Peasants from the Seventh to the Twelfth Century, Ithaca: Cornell, University Press, 1974).

Dufour, Frédéric Guillaume (2008) Historical Materialism and International Relations, in J. Bidet & S. Kouvelakis, *Critical companion to contemporary Marxism*, Leiden/Boston, Brill, pp. 453-471.

Duménil, Gérard & Dominique Lévy (2006) *Néolibéralisme: dépassement ou renouvellement d'un ordre social*, *Actuel Marx*, 40 (2), p. 86-101.

Dumont, Louis (1991) *Homo Aequalis II. L'idéologie allemande, France-Allemagne et retour*, Gallimard.

Elias, Norbert (2000). *The Civilizing Process*. Oxford: Blackwell Publishing (originally published as *Über den Prozess der Zivilisation*, as two separate volumes in 1939 by Hauszum Falken; English translation: *The History of Manners*, 1978, Basil Blackwell and *State Formation and Civilization*, 1982, Basil Blackwell).

Finley, M.I. (1983) *Politics in the Ancient World*, Cambridge University Press.

Gowan, Peter (1999) *The Globalization Gamble: The Dollar-Wall Street Regime and its Consequences* (available at: http://marxsite.com/Gowan_DollarWallstreetRegime.pdf)

Jeon, Heesang (2010) Cognitive Capitalism or Cognition in Capitalism? A Critique of Cognitive Capitalism Theory, *Spectrum: Journal of Global Studies*, 2 (1) p. 89-116.

Laurens, Henry (1999) *La question de Palestine. Tome 1 L'invention de la Terre sainte (1799-1922)*, Paris, Fayard.

Hansen, Randall & Patrick Weil (2001) *Towards a European Nationality. Citizenship, Immigration and Nationality Law in the EU*, Palgrave MacMillan.

Hardt, Michael & Antonio Negri (2000) *Empire*, Harvard University Press.

Hilferding, Rudolph (1910) *Das Finanzkapital. Eine Studie über die jüngste Entwicklung des Kapitalismus*, Vienna, Wiener Volksbuchhandlung (English translation: *Finance Capital. A Study of the Latest Phase of Capitalist Development*. Ed. Tom Bottomore, Routledge & Kegan Paul, London, 1981, available at marxists.org).

Husson, Michel (1998) *Communisme et temps libre*, *Critique communiste*, 152 (available at: <http://hussonet.free.fr/comlibcc.pdf>).

Husson, Michel (2001) *Le fantasme du marché mondial*, *Contretemps*, 2, p. 57-68.

Jones, Charles (1987) *International Business in the Nineteenth Century: The Rise and Fall of a Cosmopolitan Bourgeoisie*, Wheatsheaf Books, Brighton.

Kachee, Akram & Jérôme Maucourant (2016) *La Syrie entre révolutions et ingérences*, *Astèrion*, 14 (available at: <http://asterion.revues.org/2730>).

Keynes, John Maynard (1930) *Economic Possibilities for our Grandchildren*, in *Essays*

Articles

- in *Persuasion* (New York: Harcourt Brace, 1932), 358-373.
- Koller, Frédéric (2017) Une France germanophile pour relancer l'Europe, *letemps.ch*, 19 mai.
- Lukacs, John (1968) *Historical consciousness, the remembered past*, Transaction Publishers (seventh printing, 2009)
- Marx, Karl (1852) *The Eighteenth Brumaire of Louis Bonaparte*, www.marxists.org.
- Michalet, Charles-Albert (2002) *Qu'est-ce que la mondialisation?*, Paris, La découverte.
- Negri, Antonio and Carlo Vercellone (2008) Le rapport capital/travail dans le capitalisme cognitif, *Multitudes*, 32, 1, pp. 39-50.
- Nicolet, Claude (2000) *Histoire, Nation, République*, Odile Jacob.
- Noiriel, Gérard (2001) *État, nation et immigration. Vers une histoire du pouvoir*, Belin.
- Panitch, Leo and Sam Gindin (2012) *The making of global capitalism. The political economy of American empire*, Verso.
- Plihon, Dominique (2002) Une autre mondialisation, *La Revue du Mauss*, 2, 20, pp. 105 à 114.
- Polanyi, Karl (1934), *Fascism and Marxian terminology*, *New Britain*, vol. III, no. 57, 128-129.
- Polanyi, Karl (1944) *The Great Transformation. The Political and Economic Origins of Our Time*, Foreword by Joseph E. Stiglitz, Introduction by Fred Block, Beacon Press, Boston, 2001.
- Polanyi, Karl (1945) *Universal capitalism and regional planning*, *The London Quarterly of World Affairs*, vol. 10, no. 3, 1945, pp. 86-91.
- Polanyi, Karl (1935) *The essence of fascism*, pp. 359-394, in L. Lewis et al, *Christianity and social revolution*, New York, Books for Libraries Press, 1972
- Rioux, Sébastien & Frédéric Guillaume Dufour (2008) *La sociologie historique de la théorie des relations sociales de propriété*, *Actuel Marx*, 43 (1), p. 126-139. DOI 10.3917/amx.043.0126
- Robespierre (2000) *Pour le bonheur et pour la liberté*, La Fabrique.
- Rousseau, Jean-Jacques (1762) *Du Contrat Social ou Principes du droit politique*, (Of the Social Contract, or Principles of Political Right).
- Saint-Just (2004) *Œuvres complètes*, ed. by Miguel Abensour and Anne Kupiec, Gallimard.
- Sapir, Jacques (2002) *Les économistes contre la démocratie*, Paris, Albin Michel.
- Spiegel, Peter (2015) *Greece: Donald Tusk warns of extremist political contagion*, *The Financial Times*, July 29th.
- Stanfield, J. (1986) *The economic thought of Karl Polanyi*, London, MacMillan.
- Sylla, Ndongo Samba (2015) *La démocratie contre la république*, L'Harmattan.
- Tinel, Bruno (2015) "The embedded state and social provisioning: insights from Norbert Elias" in Tae-Hee Jo and Zdravka Todorova (eds) *Advancing the Frontiers of Heterodox Economics. Essays in honor of Frederic S. Lee*, Routledge, pp. 265-280.
- Tompson, William (2009) *The political economy of reform: lessons from pensions, product markets and labour markets in ten OECD countries*, OECD.
- Weber, Max (1923), *Histoire économique – esquisse d'une histoire universelle de l'économie et de la société*, Paris, Gallimard, 1991.