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## INTERNATIONALIZATION OF CAPITALIST RELATIONS AND THE NATION-STATE

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The new phase of imperialism and the rise in the class struggle in the imperialist metropolises have raised a series of key questions for revolutionary strategy: what are the new relations between one imperialist metropolis and another and what are their effects on the state apparatuses? Can one at the present time speak of a *national state* in the imperialist metropolises? What are the relations between these states and the 'internationalization of capital' or the 'multi-national firms'? Do new superstate institutional forms tend to be substituted for the national states or, again, what are the modifications of these states which permit them to fulfil the new functions required by the extended reproduction of capital on the international scale?

These questions are, as we know, particularly acute in the light of the problem of the EEC and the 'political future' of Europe. They are of decisive importance, as it is clear that the existing state, now more than ever the centre of revolutionary strategy, can only be studied in relation to the current phase of imperialism and its effects actually within the zone of the metropolises. But it is just as well known that Marxist research has been less concerned with these questions than with questions about the relations between centre and periphery and about peripheral social formations. Not least among the reasons for this are political positions and the 'Third World' ideology. So, whilst the effects of current imperialist domination within the dominated and

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dependent social formations are beginning to be seen clearly, its effects within the imperialist metropolises are studied much less.

Even so, two main tendencies can be detected, albeit schematically, in the positions taken with respect to this last question.

1. The first represents what might be called the current left version of Kautskyite 'ultra-imperialism'. Various forms of this position are associated with authors such as Sweezy,<sup>1</sup> Magdoff, Nicolaus, Jalée,<sup>2</sup> etc. They have in one way contributed greatly to the clarification of the currently dominant role of the United States among the capitalist countries but they underestimate the interimperialist contradictions based on uneven development and their only line of demarcation within the imperialist chain is between 'centre' and 'periphery.' The analyses of the relations between the imperialist metropolises depend on the principle of pacification and integration under the uncontested domination and exploitation of American capital. This domination is itself conceived *in the same analogical mode* as the relation between imperialist metropolises and dominated and dependent countries. It is thus allied to the type of 'neo-colonization' that has the relations between the United States and Canada both as a borderline case and as its exemplar. On this view we are witnessing the rapid destruction, not to say the quasi-disappearance, of the powers of the national states of the imperialist metropolises, be it under the domination of the American superstate or under the domination of large American capital or of 'international' capital liberated from the shackles of the states.<sup>3</sup>

2. In the second case, on the other hand, there are two theses in which the analyses often diverge, but in this case at least they are dependent on a common foundation. We can therefore discuss them together here *without any intention of amalgamating them.*

Firstly, there are authors such as Mandel,<sup>4</sup> Kidron, Warren, Rowthorn, and Valier<sup>5</sup> in France. Their thought is in no danger of misrepresentation if it is said that for them the current phase of imperialism is in no way marked by a change in the structure of the relations between the imperialist metropolises. Here again, the sole line of structural cleavage allowed in the imperialist chain is the one between the centre and the periphery, and this cleavage is itself understood in a uniform manner throughout the history of imperialism. The interimperialist contradictions actually within the centre have the same meaning at the present time as in the past and are placed in a context of states and 'autonomous' and 'independent' bourgeoisies struggling for hegemony. It would thus be a matter of 'national

bourgeoisies' and of 'national states' with purely external relations, with a tendency towards internationalization only affecting *at its limit* relations of exchange alone. The dominance of the United States over the imperialist metropolises is seen as the essence of the matter, in the same analogical manner as was Great Britain's in the past. Even now, on this view, we are once again witnessing a radical challenge to this hegemony in the emergence of equivalent 'anti-imperialisms', those of the European Common Market and of Japan. The enlarged EEC in particular is considered to be a 'cooperation' and an 'internationalization' of European capitals leading to a European supranational state for the elimination of the supremacy of American capital, a thesis in fair contradiction with the thesis of 'autonomous national states'.

Then there are the analyses of the western Communist parties, in this case the French CP.<sup>6</sup> The existing relations within the centre are thought to be founded not on modifications of the imperialist chain but on modifications of the capitalist mode of production (CMP) into national 'state monopoly capitalisms' which are juxtaposed and added on; at its limit the process of internationalization is here thought to reach only the notorious 'productive forces'. The relations are thus understood essentially as reciprocal external 'pressures' between bourgeoisies and autonomous and independent national states elsewhere. The EEC and 'United Europe' are considered the manifestation of an increased domination of American capital. This domination, however, is conceived in some sense under the form of 'grafts' of cosmopolitan foreign bodies onto the European national state monopoly capitalisms, and the role of the national state towards the profit of American or cosmopolitan capital is conceived under the form of functions 'superadded' to the 'national' functions of these states.

We shall have occasion later to discuss the more precise positions within these modes and their political implications. Let it be said now, however, that they do not succeed in identifying either the existing modifications in the imperialist chain or their effects on the relations between metropolises and in particular on the national states. We shall restrict ourselves here to the case of the European metropolises, both because of its political importance for us here and now and because of certain important particularities which are present in the case of Japan, even though tendentially they do not appear as exceptions to the rule at all.

Given the existing state of research, an adequate analysis of the current phase of imperialism demands that the problems be studied from scratch and that a series of questions be opened up which may

seem intractable or difficult. The reader is asked to excuse us and to grant that it is the only way to clarify the political debate.

*The Current phase of Imperialism  
and the Domination the United States*

*Periodization*

In its extended reproduction the CMP is characterized by a *double* tendency: its reproduction within a social formation where it 'takes root' and establishes its dominance, and its extension to the exterior of this formation, the two aspects of this tendency acting *at the same time*. Because of its characteristic limits the CMP can exist only by extending its relations of production and by extending its limits in this way. If this double tendency characterizes the CMP from its beginning, it takes on a very particular importance in the imperialist stage. This stage, which accentuates the tendency towards a decline in the rate of profit, is characterized by the pre-eminence, in the extension to the exterior of the CMP, of *the export of capitals* over the simple export of commodities. The imperialist stage, corresponding to monopoly capitalism, is marked by the displacement of dominance from the economic to the political (the state) both in the social formation and in the imperialist chain.

The imperialist chain is itself marked by *uneven development*. In each link the chain is reflected in a specificity of each social formation. This specificity depends on the forms taken by the dominance of the CMP on an international scale over the other modes and forms of production within each social formation. Indeed, the reproduction of the CMP in its double tendency bears witness to the fact that the CMP can exist only by suppressing the other modes and forms of production and by appropriating their elements (labour-power, means of labour). It is the articulation, in its reproduction, of the CMP and of the modes and forms of production it encounters in the social formations that produces the uneven development.

This dominance of the CMP has complex effects of *dissolution/conservation* (since it is a matter of a class struggle) on the other modes and the forms of production which it dominates.<sup>7</sup> The differential forms taken by these effects on an international scale mark the *phases* of the imperialist stage; they thus correspond to precise forms of accumulation of capital, that is, to precise forms of world relations of production and of international imperialist division of labour.

From the beginning of imperialism, therefore, the imperialist chain

has been marked by a fundamental cleavage between on the one hand *the imperialist metropolises* and on the other hand *the dominated and dependent social formations*. This cleavage, which is founded on the very structure of the imperialist chain, is radically different from the relation of the colonial type at the beginning of capitalism and later the capitalist/commercial type of relation, principally through the constitution of the world market and of the export of commodities. It is no longer a matter of the economic juxtaposition of social formations in relatively external relations. The process of imperialist domination and dependence now appears as the reproduction, actually within the dominated social formations and under specific forms for each of them, of the *relation* of domination which links them to the imperialist centre.

This position is of maximum relevance to our project and we can now try to state it more precisely. A social formation is dominated and dependent when the articulation of its own economic, political and ideological structure expresses constitutive and asymmetrical relations with one or more social formations in a position of power in relation to that social formation.<sup>8</sup> The organization of class relations and state apparatuses in the dominated and dependent formation reproduces within itself the structure of the relation of domination and thus expresses in a specific manner the forms of domination characterizing the class(es) in power in the dominant social formation(s). This domination corresponds to both indirect (through the position of the dominated formation in the imperialist chain) and direct (through direct investments) forms of *exploitation* of the popular masses of the dominated formations by the classes in power in the dominant formations. This exploitation is articulated with the exploitation they suffer at the hands of their own classes in power. Each phase of imperialism is marked by different forms of realization of this domination and dependence.

By taking these elements into account, we can determine the periodization of the imperialist stage into phases. Let it be made clear immediately that this is not a matter of a periodization in the sense of a necessary 'succession' following a scheme of chronological linear 'incrementalism'. These phases, which we shall try to discern in the fundamental traits of the *extended reproduction* of the CMP, are the historical effects of the class struggle.

On the other hand, we want to raise a supplementary problem which is posed by the periodization of imperialism when imperialism is itself a particular stage of the CMP. The periodization into phases of imperialism *itself* is legitimate to the extent that the CMP presents a

certain particularity with respect to the 'pre-capitalist' modes, namely, being marked by *two stages* which are distinguishable by a different articulation of its structure. But that indicates that the periodization of imperialism in the enlarged reproduction of the CMP must be discerned in the relations between imperialism (monopoly capitalism) and *both* the pre-capitalist modes and forms of production *and* the 'pre-imperialist' stage of the CMP (which for convenience will be designated 'competitive capitalism').

We can thus distinguish the following phases of imperialism. *The phase of transition* – from the competitive capitalist stage to the imperialist stage. This phase extends from the end of the nineteenth century to the inter-war period; in the metropolises of imperialism, it covers the period of *unstable equilibrium* between competitive capitalism and monopoly capitalism. In the extension of the CMP towards the 'exterior' and the establishment of the imperialist chain, this phase covers relative equilibrium between the form of commercial-capitalist domination of the dominated formations by means of the export of commodities and domination by means of the export of capitals. During this period, both the imperialist metropolises and the relations metropolises/dominated formations are marked by an unstable equilibrium between the dominance of the economic and the dominance of the political, of the state.

*The phase of consolidation of the imperialist stage* – initiated between the two wars, in particular after the crisis of 1930, the stabilization or initiation of the fascisms, and Roosevelt's New Deal. Within the metropolises, monopoly capitalism establishes its dominance over competitive capitalism, connoting the dominance of the political, of the state, within these formations. But in the contradictory effects of dissolution/conservation which monopoly capitalism imposes, be it on the pre-capitalist forms (simple market form of production, traditional petty bourgeoisie, etc.) or on competitive capitalism (non-monopoly capital), the effects of conservation still override those of dissolution. In the imperialist chain it is the export of capitals that overrides the export of commodities, and it is the political that prevails in the relations metropolises/dominated and dependent formations.

It must be pointed out, however, that during these phases and to unequal degrees the CMP characterizing the imperialist chain dominates the dependent formations principally by means of their insertion in that chain. The imperialist centre/periphery social division of labour is essentially between town (industry) and country (agriculture). This permits, precisely, a domination by the CMP of formations in the interior of which modes of production other than the CMP can often

predominate. It is under this predominance (for example, feudal predominance i.e. the domination of the great 'feudal' landowners) that there intervenes the reproduction in the dependent formation of the relation of domination linking it to the centre.

As for the relation between the imperialist metropolises during these phases, it is a matter of interimperialist contradictions often giving way to the alternating predominance of one of the metropolises over the others: Great Britain, Germany, USA. But this predominance is *essentially* founded both on the type of dominance and exploitation which the metropolis imposes on its own empire of dominated formations and on the rhythm of development of capitalism within the metropolis. The sole line of polarized demarcation relating to the structure of the imperialist chain is that between metropolises and dominated formations.

*The current phase of imperialism* – established progressively after the end of the Second World War and itself marked by various stages of class struggle. It is during this phase that within the imperialist metropolises the domination of monopoly capital is exercised over the pre-capitalist forms and over competitive capitalism, though this is to unequal degrees, through the effects of dissolution which override those of conservation. This does not, however, mean that the CMP in its monopoly form tends to become 'exclusive' in the metropolises. The forms in question continue to exist but henceforth in the form of 'elements' (traditional petty bourgeoisie, peasant proprietorship of land parcels, medium capital) that are restructured and directly subsumed under the reproduction of monopoly capitalism.

This phase corresponds to modifications of the relation metropolises/dominated formations. Henceforth the CMP dominates these formations not simply from the 'exterior' and by means of the reproduction of the *relation* of dependence *but establishes its direct domination within them. The mode of production of the metropolises is reproduced in a specific form in the very interior of the dominated and dependent formations.* This presents no obstacle to the ability of the effects of conservation, to unequal degrees and counter to what happens in the metropolises, to override those of dissolution in the double tendency imposed by the internal domination of the CMP over the other modes and forms of production in these formations. What further characterizes this phase is that this induced reproduction of the CMP within these formations extends in a decisive manner to the sphere of their state apparatuses and their ideological forms.

The current forms of this dependence (the development of underdevelopment, peripheral industrialization and blockages in the econ-

omy, internal disarticulation of social relations, etc.) have been widely studied in the last few years.<sup>9</sup> Less attention has been paid to the modifications of the imperialist chain in the relations between the metropolises. In fact, as we shall see shortly, the forms of accumulation of capital and of international division of labour that are at the base of this extended reproduction of capitalism in the relation metropolises/dominated formations introduce here, in this phase, a crucial modification. At the very time when the line of demarcation and cleavage between metropolises and dominated formations is becoming accentuated and is getting deeper, we are witnessing the establishment of a new line of demarcation in the metropolises' camp between the USA on the one hand and the other metropolises of imperialism, in particular Europe, on the other. The structure of domination and dependence of the imperialist chain organizes the relations of even the formations of the centre. In fact, this hegemony of the USA is neither analogous to the hegemony of one metropolis over the others in the preceding phases nor does it differ from it only from a purely quantitative point of view; it appears in the establishment of relations of production characterizing American monopoly capitalism and its domination in *the very interior* of the other metropolises, and in the reproduction within the other metropolises of this new relation of dependence. It is this *induced reproduction* of American monopoly capitalism within the other metropolises and its effects on their modes and forms of production (pre-capitalist, competitive capitalist) that characterizes the current phase and that equally implies the extended reproduction within them of the political and ideological conditions of the development of American imperialism.

But it nonetheless remains a matter of the lines of demarcation being asymmetrically divided into two. This new dependence is not identical to the dependence that characterizes the relations metropolises/periphery, precisely to the extent that these metropolises continue to constitute real centres of capital accumulation and to dominate the peripheral formations

With respect to these characteristics, this current phase of imperialism, taking various turnings, is marked by a prodigious rise in the struggles of the popular masses on the world front, *both* in the peripheral formations *and* in the imperialist metropolises, particularly in Europe. It is the accumulation of these struggles that, at *determinate conjunctures* of this phase, confers the character of *crisis* on the entire system.



*The signs of the domination of American capital*

If it is seen in this light, it is advisable first to establish the characteristics of this situation before going on to analyze it in greater depth.

(a) The first striking fact is the regular *proportionate* increase after Second World War in the global volume of capital investments abroad by American capital. In 1960, the foreign investments of the USA already counted for 60 per cent of the world total whereas in 1930 they reached only 35 per cent. Although it has a much less spectacular rhythm this tendency has been confirmed, and the gulf separating the USA from the other metropolises became deeper still in the period 1960–68, the dates for which we have comparative statistical data.<sup>10</sup>

But even more important are certain new characteristics of these investments.

(b) From now on it is no longer the peripheral formations but the European metropolises that in a massively increasing manner are becoming the privileged place of American direct investments; these quadrupled in the years 1957–67 in Europe, whereas they not quite doubled in Canada and hardly increased at all in Latin America. This, moreover, corresponds to the general tendency of the capitals of the countries in the centre to be invested in the interior of that zone.

(c) Considerable differences occur in a parallel way with respect to the forms of investment of these capitals. It is a matter of the growing predominance of *direct investments* over *investments in securities*. Although this distinction is in fact relative, it is important as an index since it corresponds directly to modifications in the relations of production. By direct investments we mean both investments in fixed capital and investments which involve, or in the short or long term tend towards, *taking control* of the firms and enterprises; although the percentages vary according to the statistics and the different institutions, investment in excess of 25 per cent of the shares of a company is in general regarded as direct investment. Investments in securities, however, concern ordinary purchases of bonds or short-term Stock Exchange and financial transactions. Currently, direct investments, constitute approximately 75 per cent of the exports of private capitals of the main industrial countries, as against only 10 per cent before 1914.<sup>11</sup>

Now, whilst the total *flux* of global investments from Europe to the USA is more or less in equilibrium with the flux from the USA towards Europe (the argument favoured by Mandel, Rowthorn, etc.), approximately 70 per cent of the American investments in Europe are direct

investments, as against only a third of the European investments in the USA.<sup>12</sup> This also indicates that American capital in Europe is in fact geared down by the reinvestment of profits on the spot. As a matter of fact, contrary to what happens in the peripheral formations, a considerable part (approximately 40 per cent) of the profits is here reinvested on the spot or in the same zone.

(d) A progressively increasing part of foreign investments by the developed countries reverts to the processing industries (manufactured products) in comparison with the extraction industries (primary materials) and the 'services' sector, commerce, etc. This is especially *processing industries*, the proportionate growth of American capital in Europe in relation to the global export of American capital in this sector is even more striking. Whereas in 1950 Europe received only 24.3 per cent of American capital in this sector, it received 40.3 per cent in 1966. In a parallel manner, whereas the overwhelming part of American direct investments in Europe is concerned with the processing industries, *hence directly productive capital*, a minor part (approximately a third) of the direct European investments in the USA is concerned with directly productive capital, the greater part going towards the 'services' sector, insurance, etc.<sup>13</sup>

(e) These American investments in Europe are linked to the concentration and centralization of capital. They come from the most concentrated branches and sectors in the USA.<sup>14</sup> In Europe they head for the sectors and branches with a strong concentration and contribute, furthermore, to the acceleration of the rhythm of concentration; the European subsidiaries of American companies are in the majority of cases situated in very concentrated branches where the subsidiary most often occupies a dominant position.<sup>15</sup> Finally, the sectors and branches in which investments are made are the ones that experience fastest expansion and offer the most advanced technology. They are, that is, the ones with the highest productivity of labour and the dominant characteristics of intensive exploitation of labour by means of the rise in the organic composition of capital; 85 per cent of the American investments in the sphere of processing industries are concerned with metallurgy and mechanical industries, chemistry and synthetic products, the electrical industry, electronics, etc. The rhythm of expansion and of growth of these capitals is between 8 per cent and 10 per cent per annum, that is, approximately double the growth of the European GNP. Further, if one examines the directions in which these capitals develop, it is clear that in the majority of cases they seem to be taking over concessions of licences and patents from the European firms whilst engaging in the direct exploitation of these technological advantages.

(f) The export of capitals and the hegemony of American capital are just as concerned with *the centralization of money capital*, the large banks and properly financial holdings. From this situation as a whole, moreover, there derives the role that the dollar played for a long time in the monetary sphere and that is currently being replaced by the Eurodollar market.

It must be noted, however, that the tendency towards the 'fusion' of industrial and banking capital into finance capital in the monopoly capitalism stage does not eliminate the distinction, in the cycle of extended reproduction of capital, between the *concentration of productive capital* and the *centralization of money capital*. The accumulation of capital and the rate of profit in the cycle as a whole *are determined by the cycle of productive capital*, capital which produces surplus-value. This is contrary to a fairly widespread conception which, through a terminological confusion, identifies 'finance' capital with dominance of 'banking' capital. Finance capital designates the *process* of reproduction in 'fusion' of fractions of capital and the mode of their functioning in this 'fusion'. This implies the distinction between monopoly capital with industrial dominance and monopoly capital with banking dominance. Further, this determinant role of productive capital does not prevent the process of finance capital from taking place *historically* under the economic aegis and under political hegemony, be it of industrial capital itself (as in the case of the USA) or of banking capital (as in the classic case of Germany). It is therefore in the cycle of productive capital that the modifications of the current phase of imperialism are precisely readable, which explains the privileged position we have accorded it here.

Finally these modifications have repercussions to a certain extent on the current organization of world foreign commerce with regard to *the export of commodities*, a tendency which is inherent in capitalism in its tension of the market and which in spite of being dominated by the export of capitals in the imperialist stage does not weaken. In world commerce the proportion of internal commerce between 'developed countries' is increasing in relation to the proportion of commerce *between* these countries and the countries of the periphery. The proportion of internal transfers in the centre went from 46 per cent of world commerce in 1950 to 62 per cent in 1965 and is increasing very much faster than commerce between centre and periphery (+17.5 per cent in 1969). Corresponding to this evolution, moreover, is the growing proportion of *manufactured products* in world commerce. These represented approximately 66 per cent of world commerce in 1969 as against less than 50 per cent before 1963.<sup>16</sup>

We must, however, make an incidental comment here. It is true that in the imperialist countries we are witnessing a proportionate increase in the export of commodities on the part of the other imperialist countries, in particular Europe, compared with the USA. Here, then, is the *principal argument* of the Mandel tendency to doubt the supremacy of American capital. We shall say a few words on the significance of this phenomenon in our conclusion but let it be pointed out at once: (a) that the decisive role in imperialism reverts to the export of capitals; (b) that, on the one hand, Mandel's analyses do not take into consideration the commodities directly produced in Europe by firms under American control and which are thus 'substituted' for American exports and that on the other hand his analyses count as 'European' exports the exports of firms under American control in the countries of Europe. The full importance of this becomes clear if one takes account of the fact that huge amounts of the American investments in Europe are in the sectors that are themselves geared towards export, even including exports in the form of re-exporting to the USA under a European label. Dunning thus estimates that a third of the growth in European exports in advanced technology products between 1955 and 1964 comes from enterprises controlled by American capital and that in 1980 approximately a quarter of all British exports may come from these enterprises.

Returning to the question of the export of American capitals, the facts outlined above are important only as signs of modifications currently affecting, in the cycle of social capital, the international concentration of capital (relations of production) and the imperialist social division of labour on the world front (the labour process). In this perspective the facts can be estimated at their proper value.

Their significance absolutely cannot, therefore, be reduced to the notorious question of the 'percentage' of the rise in American direct investments in the European countries in relation to the global rise of investments, including autochthonous investments, in these countries, a form of argument dear to the Mandel tendency and also to the various bourgeois specialists on the subject. If this percentage is truly an index of the fact that the European countries are not mere 'colonies' of the USA it is in no way indicative of the new process of dependence if it is considered in isolation. But consider it in this way for a moment. According to the official statistics this percentage seems relatively insubstantial, being placed somewhere around 6.5 per cent (1964 figures). There is, however, every reason to think that the basis of these data is considerably skewed, to the point where it has limited meaning.

To begin with, these data more often than not, though this depends on the countries, only take account of American investments coming either from the flux of new capitals from the USA or from reinvestments through the auto-financing of American subsidiaries in Europe. They thus disregard the fact that American capital has recourse to the *European market of capitals* (the issue of bonds) and to the Eurodollar market. This currently accounts for two thirds of the rise in American real investments in Europe. Next, these data generally treat as direct investments those in excess of 25 per cent of the assets of a firm, whereas in the existing context of concentration of capital and of socialization of the labour process a lot less than that is often enough to guarantee control by American capital. Again, these figures relate to direct investments throughout the economy, whereas if one considers only the industrial sector (productive capital) the percentage is considerably higher. *Finally, and most importantly*, these figures do not take account of the American investments made in Europe under cover of firms which are legally 'European' but which are under American control and economic property. This is particularly true in the case of Switzerland and her investments in the EEC countries. The importance of this will be understood if one takes into consideration the fact that from 1961 to 1967 the proportion of American investments in the foreign direct investments in France was 30 per cent but Switzerland's investments took up 29 per cent. Braun, the Director of the EEC Commission, adds these two together to arrive at the figure of 59 per cent of USA direct investments.<sup>17</sup> It is also known that this phenomenon takes on considerable proportions with the entry of Great Britain into the EEC.

But this, to repeat, is a different question from that of percentage. We must therefore come to the current modifications in the international concentration of capital and in the imperialist social division of labour. It is the action of the new forms of world relations of production on the labour process that currently marks the changes in the imperialist chain and in the relations USA/Europe.

*The international socialization of labour processes  
and the internationalization of capital*

(i) The new forms of international imperialist division of labour correspond to the direction which the current concentration of capital impresses on the socialization of the labour process and productive forces on a world scale. The concentration of capital on an international scale and the constitution of financial empires date in fact from

the beginning of the imperialist era. As was also true in the case of the process of concentration in the interior of a social formation, they imply a distinction between formal legal property and real economic property (joint-stock companies) which has been understood in the ideological form of a 'separation of private property and control'. This distinction still continues today. The important modifications have a bearing on the current articulation of *economic property* and of *possession*, namely, on the forms of the relations of production themselves.

In fact, the form of production which prevailed at the time of the progressive extinction of the entrepreneurial capitalist was either that of cartels and international financial *holdings* or that of a capital having at its disposal one determinate *unit of production* (a centre for the appropriation of nature) in one external country or several 'separate' units of production in different countries. This consequently massively dominant form implies a *relative distinction and off-centring* between the relations of possession (management and control of a determinate labour process) and economic property (power to affect the means of production and to allocate resources and profits for this or that utilization) this economic property concentrating several *separate* units of production (and possessions) under a single control. What characterizes this process in the current phase of imperialism, on the other hand, is the constitution under a single economic property of effective *complex units of production*<sup>18</sup> *with closely articulated and integrated labour processes (integrated production) with its various establishments spread over several countries*. This integrated production presents no obstacles – quite the contrary – to the diversification of finished products and is not limited to one branch. Even exchanges between the different establishments are not fixed on the basis of the market price but constitute exchanges 'internal' to the units (transfer price). In other words, we see the reabsorption of the distance between economic property and possession under a different form. However, this does not prevent the *plurality of powers* required by these relations from being distantiated in new ways and their exercise by different supports and agents.

The reabsorption of the distance between economic property and possession must be understood at the level of the whole process, that is, branches, industries, inter-branches, *and* primary materials and commercialization, the upstream and downstream of production. Further, and as we shall see, this reabsorption has, on the one hand, the general consequence of *extending* (and sometimes shattering) *the traditional limits* of the 'enterprises' on the international front, and, on

the other hand, a particular *effect*, namely, the constitution of *multinational industrial firms*. This is only one effect, however, for these firms only partially cover the *process* of unifying complex units of production by means of branches and industries. But these firms constitute an excellent example of the current integration of the labour process. It is to these modifications in particular that the pre-eminence of direct investment over investment in securities corresponds.

The integration of the labour processes in the interior of a firm on an international scale can take several forms. It can be a matter of vertical integration, with each subsidiary in a country committed to one stage of production, to one series of component parts of a product, or to one group of products. IBM is the classic case. It can just as well be a matter of horizontal integration, with each establishment or subsidiary specializing from end to end in the production of products which they exchange among themselves. Ford is a case in point. This integrated production, furthermore, is often partly realized *over several branches* in the current forms of *conglomerate*. Whether vertical or horizontal integration, these forms of socialization of the labour processes constitute in any case the most marked tendency,<sup>19</sup> even if they do not yet dominate the international concentration of capital. In fact they form part of a much wider process of international socialization of labour.

(ii) This socialization of labour on the international scale is therefore not principally due to factors of the 'technical' order – the 'technological revolution' – but operates under the sign of important modifications in world relations of production. Consequently, it can be seen in the full extent of the imperialist social division of labour only through the existing forms of *internationalization of capital*, although it is important to be very careful here, because of the different ideologies which gravitate around the interpretations of multinational firms. What are the particular characteristics of this internationalization in the current phase when these firms are only one of its effects?

(a) The development of the bases of exploitation of a particular capital (or of several capitals in combination) *in several nations*.

(b) The marked tendency towards the combination under a single economic property of *capitals coming from several different countries*.

But it must be added immediately that, in the overwhelming majority of cases where this legal and economic participation of capitals from several nations is found, this internationalization is achieved under the decisive dominance of the capital coming from a

determinate country. It is this capital that concentrates in its grasp the single economic property. Witness the fact that the 'joint ventures' which are supposed to represent an 'egalitarian fusion' of the property of the capitals of different countries are still, in their legal appearances, quite exceptional; for example, Royal Dutch/Shell, Dunlop/Pirelli, Agfa/Gevaert.

This is owing to the very nature of capitalist relations of production as expressed in the current process of concentration, capital being not a 'thing' but a relation of production. It is the *place* circumscribed by the relations of economic property and possession that determines the different powers stemming from it. The occupation of this place by different capitals reproduced in the interior and in the exterior of a social formation is in no way an 'association' but depends on a *relation of force*. Contradictions and competition between the components of a concentrated capital continue, the more so as the narrow correspondence currently being established between economic property and possession and which is the counterpart of the current process of international concentration works precisely towards a unified control and a central directing instance under a determinate capital.

(c) The internationalization of capital described above *is effected under the decisive dominance of American capital*.

In the case of productive industrial capital, in 1968, 55 per cent of the assets of multinational firms in the exterior of their countries of origin belong to American capital, 20 per cent to British capital, the rest being shared among European and Japanese capitals. Contrary to Mandel's argument, this is accompanied by the massive tendency of an *extrapolated fusion* of the European capitals *with* American capital, in preference to a fusion of these capitals with themselves, and the EEC has merely accentuated this tendency. Further, note that even in the case of a combination of European capitals it is rarely a matter of a fusion, more rarely still a matter of integrated production, but more often than not a matter of various 'ententes', Fiat/Citroën for example, between limited companies and securities transactions, whereas the exact opposite is the case when it is a matter of concentrations under the aegis of American capital.<sup>20</sup>

*The imperialist social division of labour  
and the accumulation of capital*

These are the modifications that mark the new forms of imperialist social division of labour and the relations between imperialist metropolises. They correspond to new forms of accumulation of capital on a



world scale. In fact, by requiring that the centre-periphery line of demarcation be split in two by the new line of demarcation crossing the very metropolises of imperialism, and by displacing the bases of exploitation and accumulation towards the zone of the centre, these modifications take place in response to the *existing conditions* of the tendency for the rate of average property to fall. Whereas exports of capitals previously appeared to be linked principally to the control of primary materials and to the extension of markets, *in essence they are currently responding to the necessity of the development of imperialist monopoly capital by taking part in every relative advantage from the direct exploitation of labour.* (This is not to deny the presence of the necessity of the extension of markets, as, for example, in the case of the investment of American capital in Europe.) *All the modifications* which have been under discussion here as implying the dominance of American capital over the other metropolises *tend towards a single goal*, namely, a rise in the rate of exploitation so as to counteract the tendency towards a fall in the rate of profit. It is here in particular that we find the underlying cause both of the interiorization of the reproduction of the dominant capital actually within the 'external' bases of exploitation and of the new forms of articulation: economic property/possession which correspond to the existing forms of domination of monopoly capital over the other modes and forms of production on the international scale and to the new forms of exploitation.

In fact, this rise in the rate of exploitation is the result *both of the level of wages and of the productivity of labour*, comprising the degree of technological development, the qualification of labour tied to the degree of development of the productive forces, etc. The level of wages and the productivity of labour are, *in the long term*, tied. In other words, the rate of exploitation and of surplus-value is not just measurable by the level of wages but also *by the intensive exploitation of labour* (new technical processes, diversification of products, intensification of labour and work rhythms). In a different context of the development of productive forces, a higher wage in real and nominal value can correspond to a weaker proportion of the value produced and, thus, to a greater exploitation compared with a lower wage in the context of a lesser productivity of labour.

Now we know that if the wages of the peripheral zone are lower than those of the countries in the centre, the productivity of labour is considerably higher in the centre than in the periphery. But this still does not explain the displacement of the bases of exploitation of capital towards the metropolises. This is explained by *the displacement*

*of the weight of exploitation towards the intensive exploitation of labour* in the current phase of imperialism and at the level of world accumulation. This displacement is itself a function of the main characteristic of monopoly concentration, namely, *the rise in the organic composition of capital* which consists in the increase of constant capital in relation to variable capital (wages costs) and in the diminution of living labour in relation to 'dead labour' (incorporated in the means of labour). This rise in the organic composition of capital being in inverse proportion to the rate of profit, it is here that the current tendency towards technological innovations is inscribed. But labour is still the basis of surplus-value, and it is this that explains the current tendency of an increase in the rate of surplus-value principally by means of an intensive exploitation of labour which is directly tied to the productivity of labour (relative surplus-value).

The new forms of world relations of production and of international socialization of labour, running concurrently with this intensive exploitation of labour on the world front, are thus concentrated in the new forms of the *imperialist social division of labour*. In the order of exploitation, this division no longer goes through the traditional line of demarcation: 'town-industry-metropolis/country-agriculture-periphery'. It is doubled by a division actually within the *industrial sector of productive capital* (with the process of 'industrialization' of agriculture on the international front also taken into account). It is here that the displacement of the exports of capitals towards direct investments and towards processing industries is inscribed, together with the importance of manufactured products in external commerce.

This new imperialist social division of labour certainly concerns the relations centre/periphery. It corresponds to the 'development of under-development' and to peripheral industrialization, and it produces in the peripheral formations dislocations and deformations of a new type, namely, the general sectioning off of the formations with capital investments in forms of light industry (principally concerned with consumer goods) and with inferior technology, the maintenance of weak qualification of labour power, that is exploitation of labour principally by means of low wages, and also the existence of isolated centres with a high concentration of capital and productivity of labour. *But the new division of labour is mainly concerned with the new demarcation between the USA on the one hand and the other imperialist metropolises on the other.* It has important effects, firstly, on the disparities in and the hierarchies of wages in these formations (the disparities in wages between the USA and Europe here playing a

peculiar role), secondly, on the level of qualification and the disparities in the qualification/disqualification process of labour within the metropolises, thirdly, on technological disparities, fourthly, on the disparities between the forms of unemployment and the role of immigrant labour, etc.

The new division of labour and the displacement of the dominant towards the intensive exploitation of labour thus expresses itself under different forms of exploitation following the two lines of demarcation. Whereas the exploitation of the popular masses of the peripheral formations by the dominant classes of the metropolises is effected principally in an indirect manner (through the place of the formations in the imperialist chain and its polarization) and secondarily in a direct manner (exploitation of the labourers of these countries by foreign capital directly invested there), exploitation by American capital of the popular masses in Europe is effected principally in a direct manner and secondarily in an indirect manner.

### *The forms of European dependence*

It is not, however, the analysis of the different aspects of this division of labour actually within the imperialist metropolises that is our objective here but the illustration of the dependence implied by these aspects. By taking account precisely of the new division of labour, it is clear that the domination of American capital cannot be evaluated according to the percentage of means of production which it formally controls within each European nation, nor can it be done according to the individual role of multinational firms under American control. These firms are only one of the effects of the existing process and reflect this domination *only very partially*. This can be shown with just a few examples.

First of all, the American direct investments in Europe take on a quite other meaning if one considers international concentration according to *branches*, and if one takes account of the fact that they are principally centred on certain branches which they have a tendency to control on a massive scale.<sup>21</sup> But this control is not simply to be measured in the importance of American firms in Europe in these branches, and the new division of labour cannot be reduced to the division of labour 'in the interior' of the multinational firms and their establishments in different countries. In fact, these branches are in general the ones where the process of socialization of labour and the international concentration of capital are the most advanced. In this

context, as is patently the case for the mechanical and electrical industries in particular, a '*standardization of base materials*' (which does not exclude their variation and diversification in the finished products) is often seen *on a world scale*. This standardization is far from corresponding to mere 'technical' necessities; more often than not, it is imposed by the American industry dominant in these branches. A 'European' firm which would like to be competitive in this sphere has to 'restructure' its production and its labour processes in the light of this standardization and on the basis of the internationalization of the branch. But it is very often here that the firm becomes enmeshed in its insertion into the process of dependence and is forced into multiple forms of subcontracting in the face of American capital, even if it has not been legally absorbed by an American firm. In the same context, dependence extends to the fact that, in the branches and sectors where American capital leaves its mark on the entire labour process, European capital engages in the purchase of patents and licences which have been carefully selected by American capital.

This process is even more important if one takes account of the fact that the existing socialization of labour processes and of concentration of capital are not simply measurable within a single branch but extend to different industrial branches, with American capital succeeding in establishing its dominance over different branches by means of its dominance in a single branch. This is patently the case in the sphere of the electrical industry. Janco has recently shown that on the current scale the use of computers by European industry, a sphere in which the pre-eminence of American capital is known, is far from corresponding to technical needs; in fact, their use often verges on the superfluous or even the uneconomical.<sup>22</sup> Their use corresponds to the control of certain labour processes by American capital and serves only to accentuate this domination; further, this domination is not limited to the single sphere of computers but extends by these means to certain sectors where these computers are used on a massive scale.

With the international imperialist division of labour thus reflected in the highest degree in the *social division and organization* of the entirety of the labour processes (as the analyses of Gorz have amply shown, this social division dominates the 'technical division'),<sup>23</sup> we can see how the existing division in favour of American capital is not limited to a division 'within' the American multinational firms. In fact there is every reason to think that with the new forms of social division currently extending, through certain of their features, to

sectors and branches of 'European industry', in particular the reproduction under new forms of the division intellectual labour/manual labour (forms of qualification/disqualification of labour, and the place of engineers and technicians in relation to a particular application of technology), the new forms of authority and of division of the tasks of decision and execution in the 'advanced' European enterprises (the notorious problem of their *modernization*) correspond to and reinforce the control of the labour processes in their entirety by American capital.

Finally, in the framework of the concentration of capital, it is only necessary to point to the fact that in certain branches and sectors, electro-mechanics for example, the internationalization of the cycle of productive capital is expressed by the process, and its forms, that American productive capital (Westinghouse, General Electric, etc.) imposes on the concentration of European productive capital, namely, the movement of 'internal' restructuration of European capital in accordance with the enlarged reproduction of American capital, which must lead in the end to its inclusion in it. Further, this illustrates the illusory character of the considerations according to which an increased 'interior' accumulation of a European country, or even of European capitals, would be the best means of resisting American penetration; such a flight forward often serves only to precipitate them into the grasp of American capital.

We could multiply examples, but it is clear that the process can only appear in its full extent if we also take account of the international centralization of money-capital and of the role of the big American banks. We can, however, summarize by saying that apart from displacements of the relation of economic property towards American capital under cover of the maintenance of an 'autonomous' European legal property (minority control), the following displacements are often to be seen at the present time.

(a) Displacements towards American capital of the (or certain of the) powers stemming from economic property under cover of the maintenance of 'autonomous' European property, as in the case of multiple and complex subcontracting. Sometimes this goes so far as to overlay the effective *actual expropriations* which are not yet visible and whose effects will only be felt gradually.

(b) Displacements towards American capital of the (or certain of the) powers stemming from the relation of possession (control and management of the labour process), even in the cases of 'autonomous' European economic property. Owing to the current tendency for the space between economic property and possession to be reabsorbed,

this leads in the long term to a displacement towards American capital of economic property.

The process can, therefore, be understood only by taking account of the retreat, the shattering even, of the traditional frontiers between 'firms' and 'enterprises' on the international front.

The coordinates relating to the enlarged reproduction of the dominant imperialism actually within the other imperialist metropolises are not, however, solely concerned with the relations of production. They imply the extension of the *ideological conditions* of this reproduction in the interior of these metropolises. In order to understand this process it is absolutely necessary to see that ideology is not concerned solely with 'ideas', the articulated ideological units, but is concretely embodied in a whole series of practices, know-how, modes and rituals to do with the economic sphere as well.

This is a doubly important point in that it relates equally to differences between on the one hand, the ideological dependence of the peripheral formations with respect to the centre and, on the other hand, the ideological dependence of the metropolises with respect to the United States. In the case of the peripheral formations, it is because of their original dependence with respect to the centre and because of the ideological under-determination of their own bourgeoisies that the extension within the peripheral formations themselves of the ideological forms of the centre provokes a profound disarticulation of the ideological sectors in their entirety which has been understood in the false image of 'dualist society'.

In the case of the relation between the imperialist metropolises and the United States, the extension is mainly concerned with the practices, rituals and know-how articulated on production. One has only to mention the notorious problems of 'know-how' ('savoir-faire' could hardly express it better!), *management*, techniques of 'organization', the mass of rituals gravitating around information-processing – it would be a long list. These practices do not in fact correspond to some sort of 'technological' rationality. It is often a matter of ideological forms which, in their above-mentioned effects on the social division of labour, overlay the complex dependence of the metropolises on the dominant imperialism.

### *The National State*

After the previous remarks, it is now possible to deal with the question of the national state in the imperialist metropolises and to see in which

respects the various positions on this subject outlined at the beginning of this article are erroneous.

*The state and the question of the national bourgeoisie*

Once again it is necessary to denounce myths living on even in the framework of Marxist analyses. Even the customary formulations of the problem, typified by questions such as, 'What can, or can't, the state do *in the face of* the large multinational firms?' and 'What is the degree or form of destruction of the state's powers in the face of the possibilities of international giants?' (formulas favoured by Servan-Schreiber), *are fundamentally false, so true is it that the institutions or the apparatuses do not 'possess' 'power' proper but do nothing but express and crystallize class powers.* So the question is displaced and becomes, in the first place, the question of the relations between the European bourgeoisies and American capital. And to ask exactly which bourgeoisies are involved here is to pose the question of the *national bourgeoisie*.

To begin with, notice that the national bourgeoisie is to be distinguished from the *comprador bourgeoisie* in more ways than on the purely economic front. It is impossible to delimit the national bourgeoisie without referring to the political and ideological criteria of its structural class determination. The national bourgeoisie cannot just be understood as an 'autochthonous' capital radically distinct from 'foreign' imperialist capital, nor by reference to the solely economic relations separating them. In fact the imperialist stage from its very beginning shows a tendency towards the international interpenetration of capitals. And the distinction between national and comprador bourgeoisie is not, as is often thought, coextensive with the distinction between industrial and commercial capital. What is more, the national bourgeoisie cannot be understood just by reference to the criteria of the market, that is, as the autochthonous bourgeoisie which operates on the 'interior' national market. It is possible at one and the same time to find sectors of the industrial bourgeoisie and of this commercial bourgeoisie which are entirely held in fee by foreign capital, in the same way that it is possible, as is shown in certain Latin American countries, to find landowning bourgeoisies which export monoculture products, such as coffee, but which have assumed the characteristics of national bourgeoisies. Finally, and even more significantly, the distinction between national and comprador bourgeoisie certainly is not coextensive with the distinction between monopoly capital (large capital) and non-monopoly capital (medium capital). It is possible

to find large monopolies functioning like national bourgeoisies and sectors of medium capital which are themselves entirely held in fee by foreign capital.

These remarks do not mean that the economic contradictions between foreign and autochthonous capital do not play a determinant role in the delimitation of the national bourgeoisie but they do mean that this is not sufficient. In fact, by *national bourgeoisie* is understood the autochthonous fraction of the bourgeoisie that, starting from a certain type and degree of contradictions with foreign imperialist capital, occupies a relatively autonomous position in the ideological and political structure, and thus presents a proper unity. This position of the national bourgeoisie, relevant to its structural class determination, does not reduce to its class position but has effects on it. In determinate conjunctures of anti-imperialist struggle and national liberation the national bourgeoisie is susceptible to the adoption of class positions which include it in the *people* and it is therefore prone to a certain type of alliance with the popular masses.

On the other hand, by *comprador bourgeoisie* is traditionally understood the bourgeois fraction that does not have its own base of capital accumulation, that operates in some sort as a simple 'intermediary' of foreign imperialist capital (which is why the 'bureaucratic bourgeoisie' is sometimes included in the comprador bourgeoisie), and that from the simultaneously economic, political and ideological point of view is entirely held in fee by foreign capital.

It can be seen clearly, therefore, that these two concepts are insufficient for the analysis of the bourgeoisies of the imperialist metropolises in the face of American capital in the current phase of imperialism. In fact, sticking to a single distinction in this case is fatally conducive to an economist reduction of the case and to false conclusions as follows.

(a) Either economic contradictions of interest are affirmed between sectors of the autochthonous bourgeoisie and foreign imperialist capital, owing above all to the fact that the autochthonous bourgeoisie offers an industrial foundation and its own bases for the accumulation of capital in both the interior and the exterior of the formation, and the peremptory conclusion is that it is a matter of *effective national bourgeoisies* (as we shall see, this is the case in the Mandel/CP mode), or,

(b) on the contrary, it is affirmed that the bourgeoisies of the centre are such that they can no longer adopt class positions which lead them to take sides with the people. But the immediate conclusion is then that it is a matter of comprador bourgeoisies *only*, in the sense that they



would be just the simple 'intermediaries' between the national economy and foreign capital (this is the case in the 'super-imperialism' mode).

It will, therefore, be necessary to introduce a new concept permitting the analysis of at the very least the concrete situation of the bourgeoisies of the imperialist metropolises in their relations with American capital. *Interior bourgeoisie* is that concept. This bourgeoisie coexists with properly comprador sectors but no longer possesses the structural characteristics of the national bourgeoisie in the different imperialist formations, though this is to unequal degrees. Because of the reproduction of American capital within these formations, this bourgeoisie is imbricated, by multiple links of dependence, with the processes of international division of labour and international concentration of capital under the domination of American capital, and this can even take the form of a transfer of part of the surplus-value to this capital's profit. In addition, because of the induced reproduction of the political and ideological conditions of that dependence, this bourgeoisie is affected by the effects of the dissolution of its politico-ideological autonomy in the face of American capital.

From another angle, however, this is not a matter of a simple comprador bourgeoisie. The interior bourgeoisie possesses its own economic base and its own base of accumulation of capital both in the interior of its formation, since the dominance of American capital does not affect the economies of the other metropolises in the same way as the economies of the peripheral formations, and in the exterior of its formation. Even at the politico-ideological level, it continues to present its own specificities, deriving both from its present situation and from its past as 'auto-centred' imperialist capital. It is this latter that distinguishes it from the bourgeoisies of the peripheral formations. Important contradictions thus exist between it and American capital; they are without the power to lead it forward to the adoption of positions of effective 'autonomy' or 'independence' in the face of this capital but they do have effects on the state apparatuses of these formations in their relations with the American state.

It is precisely by taking account of the existing forms of alliance, and of the contradictions, between imperialist bourgeoisies and American capital that it is possible to pose the question of the *national states*. The current internationalization of capital neither suppresses nor short-circuits the national states, neither in the sense of a peaceable integration of capitals 'over' the states, with every process of internationalization working under the dominance of a determinate country, nor in the sense of their extinction under the American super-state,

as if American capital purely and simply swallowed up the other imperialist bourgeoisies. But, from another angle, this internationalization does have a profound effect on the political and on the institutional forms of these states by their inclusion in a system of interconnections which is in no way limited to the interplay of 'exterior' and 'reciprocal' pressures between states and juxtaposed capitals. *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 interiorization in the interior bourgeoisie which it dominates.* This system of interconnections does not tend towards the constitution of 'supra-national' and 'super-state' institutional forms or instances. This might be the case if it were a matter of an internationalization in a context of juxtaposed states with external relations that had to be superseded. Rather the system is founded on an induced reproduction of the form of imperialist power dominant in each national formation *and its own state.*

To begin with, the states engage in assuming responsibility for the interests of the dominant capital in a direct manner. In its investment within the formation, American capital is often given support of the same type as that accorded to the autochthonous capital, public subsidies for example, but also support necessary to American capital in its extension further in the chain to the exterior of the formation, thereby acting as a *relay* in the chain. Further, this support can even reach the point where it assists American capital in the circumvention of certain aspects of the American state itself (in the case of anti-trust legislation, for example). The international reproduction of capital under the domination of American capital is supported by those same vectors that are the national states, with each state trying to fasten on itself a 'moment' of this process. Consequently, support for American capital is also given in an indirect manner. The industrial politics of each state with respect to the autochthonous capital aims at the international concentration and expansion of that capital.

It is true that important contradictions exist over a whole series of points between the interior bourgeoisies of the imperialist metropolises and American capital and that each state takes on these contradictions more often than not by lending its support to its interior bourgeoisie. This, moreover, is *one* of the aspects of the EEC. But here the matter must be taken further *by pointing out that these contradictions are not currently the principal contradiction within the imperialist dominant classes.* The currently dominant

form of interimperialist contradiction is not that between 'international capital' and 'national capital', nor that between the imperialist bourgeoisies understood as juxtaposed *entities*.

To understand that, it is absolutely necessary to see that the dependence of the autochthonous capital in relation to American capital *cuts across the different fractions* of the autochthonous capital. This precisely provokes its *internal disarticulation*, with the contradictions between American capital and autochthonous capital as the principal constituents of the complex form of reproduction within autochthonous capital of the contradictions peculiar to American capital. In other words, the contradictions of autochthonous capital are, by complex mediations, extrapolated in terms of American capital, and the interior bourgeoisie is currently composed of heterogeneous and *conjunctural* elements. Even less today than in the past, in the case of the national bourgeoisie, the distinction between interior bourgeoisie and comprador bourgeoisie is coextensive neither with the distinction between large monopoly capital and non-monopoly capital, nor with that between productive (industrial) capital and banking capital, nor, finally, with that between a limited bourgeoisie with an interior market and a bourgeoisie with a strategy of international expansion. Rather the distinction cuts across them in a direction which depends on the conjuncture. (Witness the vicissitudes of de Gaulle's politics.)

In its role as the promoter of hegemony, therefore, the national state intervenes in an 'interior' field already crossed by 'interimperialist contradictions' and where the contradictions among the dominant fractions within its social formation *are already internationalized*. The interventions of the state in favour of certain large autochthonous monopolies and against others, in favour of large monopolies or sectors of autochthonous medium capital and against others, in favour of certain fractions of 'European' capital and against others, these interventions are often only indirect interventions in favour of certain fractions and sectors of American capital and against others of this same capital, and the different fractions and sectors of autochthonous capital and European capital depend on these interventions. According to the conjuncture, the principal contradiction passes in this way to within the contradictions of the dominant imperialist capital and of the internationalization it imposes or to within even the interior bourgeoisie and its internal struggles, but it is rarely displaced between the interior bourgeoisie *as such* and American capital.

Furthermore, it is this disarticulation and heterogeneity of the interior bourgeoisie, this conjunctural constellation, that compels

the various spasms of the feeble resistance of the European states in the face of American capital. The different and new *real* means of 'pressure' on the European states by American multinational firms – tax evasions, speculation against currencies, diversion of tariff walls – are only a secondary element of the affair, contrary to what underlies the dominant ideological mode which poses the problem: national state versus multinational firms.

We have noted, then, the distance separating us both from the conceptions of super-imperialism and from the conceptions of the mode of Mandel and western CPs. As for the two components of this last mode, it can be said that they both accept the existence of a national bourgeoisie in the European countries but that they do not delimit it in the same way. To each his national bourgeoisie!

For Mandel the national bourgeoisie is constituted by the 'European' *great monopolies*, contrary to what happens with medium European capital.

The era of national big capital and of the nation state has not yet been superseded in Western Europe . . . the growing desire to resist American competition, manifest not only in 'autonomous state capitalism' but also clearly expressed by the great European concerns, the increasing consolidation of the EEC, and the growing force of supranational state organs within it, are all parallel processes.<sup>24</sup>

The frailest companies, those whose branch of industry is not expanding, and stagnant family businesses usually prefer to take the easy way out and to allow themselves to be bought up or taken over by American companies. The wealthier, more dynamic European businesses generally have a wider choice and prefer to take the path of European cooperation and capital interpenetration.<sup>25</sup>

That is all there is to say. It is not surprising that after these claims, which are contradicted by the facts, Mandel goes along with all the current bourgeois propaganda about the 'united Europe'. Furthermore, Mandel is not thereby prevented from noting two pages later what he calls a paradox.

Extra stimulus to do this [sc. 'to counteract the relapses in European economic integration (*sic!*) caused by the indecision of national governments'] is provided by the fact that when European capital interpenetration is lacking, US concerns stand, paradoxically, to

profit more from the Common Market than those of Western Europe.<sup>26</sup>

Now, if the analyses given above are applied to the European front it becomes clear that it is not at all a matter of a paradox due to technical incompetences or incompatibilities of temperament. In fact, if the European bourgeoisies do not cooperate and do not cordon themselves off *in the face of* American capital it is because of the tendential effects on them of the new structure of dependence in relation to American capital. The *relations between these bourgeoisies* are off-centred relations, that is, they function by means of their own interiorization of American capital. Each European state assumes responsibility for the interests of the other European bourgeoisies, taking account, moreover, of their competition with its own interior bourgeoisie but thus assuming their state of dependence in relation to American capital.

By contrast, the analyses of the European CPs, and in particular the analyses of the French CP and its researchers, insist on the interpenetration of the great monopolies and on the dominance of American capital. As Herzog says,

These remarks show that we are careful not to characterize the new stage as a struggle between 'national' capital and trans- or multinational capital. Currently the great national monopolies and the foreign capitals have common interests, and 'resistance', like 'competition', loses its 'national' character. It is groups with partially linked interests, or groups about to become cosmopolitan, that confront each other.<sup>27</sup>

But, in fact, the problem lies elsewhere. The CP does indeed have its national bourgeoisie and it is non-monopoly capital or medium capital. This is not the place to go into the details but that much is clear from the fact that the CP analyses consider that the *sole fraction* currently dominant is that of the globally 'cosmopolitan' great monopolies, *to the exclusion* of medium capital. Medium capital is included in national 'small capital' (that is, the petty bourgeoisie) and democrats and sincere patriots seek its alliance for purposes of the establishment of an 'advanced democracy' to face American capital.<sup>28</sup> Among other things, this ignores the effects of the socialization of the labour process and of concentration on the existing dependence of medium capital in relation to large capital.

### *The state and the nation*

If the existing state of the imperialist metropolises is modified whilst retaining its nature as a national state, that is likewise owing to the fact *that the state is not a mere tool or instrument* of the dominant classes, to be manipulated at will, with the entire stage of the internationalization of capital automatically provoking a 'supranationalization' of states. The state, the apparatus of cohesion, the apparatus of the unity of a formation and of reproduction of its social relations, concentrates and epitomizes the class contradictions of *the social formation as a whole*, by sanctioning and legitimizing the interests of the dominant classes and fractions in the face of *the other classes* of the formation, at the same time as assuming world class contradictions. It follows that the problem we are concerned with does not, moreover, reduce to a simple contradiction of mechanistic composition between the base (internationalization of production) and a superstructural envelope no longer 'corresponding' to it. The superstructural transformations depend on the forms which *the class struggle* assumes in an imperialist chain marked by the uneven development of its links.

Now, we have just seen in the first place that the internationalization of capital does not give rise to an effective 'trans-national fusion' of capitals. But this is only one aspect of the problem. What happens as regards the working classes of the European countries? In fact, whilst the struggles of the popular masses are developing more than ever on a world *foundation* determining concrete conjunctures, and whilst the establishment of world relations of production and the socialization of labour *objectively* reinforce the international solidarity of workers, it is the national form that prevails in their essentially international struggle. This is, in part, owing to the uneven development and to the concrete specificities of each social formation, and thus to the characteristics of the very nature of capitalism, but, in the particularities which these forms currently assume, it is also owing to the organizations (parties, unions) preponderant in the European working classes.

It is, furthermore, just as necessary to attach the greatest importance, on the one hand, to the petty bourgeoisie (which is currently being reproduced in new forms) and to the peasant classes whose indispensable support is sought by these states and whose class situation has a quite particular 'nationalism' as an effect, and, on the other hand, to the *social categories* of the state apparatuses (administrative bureaucracies, personnel of the political parties, etc.) for whom the state remains a source of privileges.

The problem of the permanence of the nation is therefore discovered through the effects it produces on the 'national forms' of the class struggles. But, for all that, the question of the *relation* between state and nation posed by the 'national state' remains unsolved. In fact, if the nation is constitutively tied to the existence of capitalism, including its imperialist stage, then Marxism-Leninism has never confused *state* and *nation*, having simply maintained in this respect the emergence of the 'national state' and of the 'national social formation' under capitalism. The problem is thus reposed under a different perspective. If the current internationalization of production and the world relations of production do not after all eliminate the national entity (uneven development), do they not modify the *space* of the social formation to the point where the 'national social formation' is shattered and the links between state and nation – supranational state – are broken?

There is nothing in that at all, in fact, to the extent that neither the nation nor the relation state/nation reduce to simple economic links. In all the *complexity of its determination* – an economic, territorial, linguistic, symbolico-ideological unit linked with 'tradition' – the nation retains *its own existence* with respect to the 'national forms' of the class struggle, and by this means the relation state/nation is maintained. In the imperialist metropolises at least, the existing modifications only affect certain elements of this determination (and this in an unequal manner). They are thus crystallized as modifications of a state which remains a national state to the core. But these modifications nonetheless remain considerable, making an issue of the legal conception of national sovereignty, the role assumed by each state in the international repression of the class struggle (NATO, etc.). The existing modifications also include the exteriorized nature of the functions and interventions of each state as they extend to exterior formations where its autochthonous capital is developed, and they include modifications of even the internal legal systems of each state so as to cover the internationalization of its interventions, etc.

That said, in the case of the imperialist metropolises we are concerned with, certain *distensions* are currently manifested between the state and the nation, but not in the sense generally meant by the 'supranationalization' of the state. It is not the emergence of a new state over the nations that we are witnessing but rather ruptures in the national unity underlying the existing national states. It is the very important current phenomenon of regionalism, expressed through the resurgence of nationalities, which shows that the internationalization of capital brings about splits in the nation as historically constituted more than it

brings about the supranationalization of the state. Now, this phenomenon is even more characteristic in that, far from an alleged supranational co-operation of European capitals against American capital, it corresponds to the enlarged reproduction of international capital under the dominance of American capital within the European countries and to the new structure of dependence. This brings about a tendency to the internal disarticulation of the European social formations and of their economies which can go so far as the real phenomena of *interior colonization* under the various labels of the parcelling out of the territory. It is on this disarticulation that the disintegration of capitalist national unity takes root.

*Internationalization and the economic role of the state*

It can therefore be seen that the current internationalization of capital and the emergence of 'multinational giants' in their relations with the state cannot be posed in terms of two entities 'possessing' a 'power' and redistributing it. To maintain in particular that the more 'economic strength' increases and is concentrated the more it detracts from state 'power' is to fail to recognize not only that the state does not possess 'power' proper but also that it intervenes in this concentration in a decisive manner. The current process in no way undermines *the dominant role of the state* in the monopoly capital stage.

This dominance of the state corresponds to the considerable increase in the economic functions of the state that are absolutely indispensable to the extended reproduction of large capital. But this deals with only a part of the problem and in particular does not explain why these economic interventions continue to have, and this is the essential aspect, the national states as their *supports*. Might we not allow, with Murray,<sup>29</sup> that these economic interventions, whilst remaining essential, change their support and that the national state is currently dispossessed of a large part of these interventions to the profit of superstate institutions or of an embryonic supranational state?

Now, there is no doubt that the forms of co-ordination of the economic politics of the different states are currently proving necessary (various international institutions, the EEC). But these institutional forms do not in fact constitute apparatuses either supplanting the national states or superimposed on them. And this is for a reason which is supplementary to those already indicated and which it will be useful to mention. These economic interventions of the state are not, as one firmly established tradition would have it thought, 'technical'



and 'neutral' functions imposed by necessities of the 'production' that is itself thought of in the same neutral manner. These economic functions of the state are in fact expressions of its political role as a whole in exploitation and class domination. They are articulated in the field of the class struggle of a social formation, which brings us back precisely to the preceding remarks. It is therefore impossible to separate the different interventions, and their aspects, of the state, in envisaging the possibility of *effective transfer* of the 'economic functions' to the supra-national or superstate apparatuses, with the national state maintaining only a repressive or ideological role. At most it is a matter, sometimes, of *delegation* in the exercise of these functions.

In fact, by straining in that direction, one loses sight of the *real tendencies, namely, the interiorized transformations of the national state itself with a view to assuming responsibility for the internationalization of public functions with respect to capital*. In that way one ends up with a line of defence for one's 'own' national state against the 'cosmopolitan institutions'. In fact these international institutional forms are not, moreover, 'superadded' (the expression favoured by the French CP<sup>30</sup>) to these national states but they are precisely the expression of their interiorized transformations. These transformations are not concerned solely with the economic interrelations of the national state but also with the repressive and ideological aspects of the state by means of which these interventions are realized.

Notice, furthermore, that the conception of the neutral and technical economic functions of the existing state is the conception of the western CPs and in particular the French CP ('state as organic factor of production', the 'state forming part of the base'<sup>31</sup>) in the theorization of 'state monopoly capitalism'. These functions, neutral *per se*, are supposed to be currently 'diverted' to the profit of the large monopolies alone and could be utilized to the profit of the popular masses by means of a simple change in the power of the state without shattering the state apparatus. These analyses, it might be said, would have had to make the French CP fall into the conception of the supranational state in the context of an internationalization of production. If that is not the case, it is because the analyses are situated in a conception of the imperialist chain as the juxtaposition and addition of national state monopoly capitalisms. The fact is therefore stressed that 'international capital' is inserted in each national social formation 'whilst adopting and submitting to the specificities of its state monopoly capitalism',

whereas in fact it is the very structure of each social formation that is reorganized in relation to the internationalization of capital. The functions of the national state itself with respect to the internationalization of capital are not, in the French CP version, supposed to transform and modify this state profoundly but are quite simply supposed to be *superadded* to its 'national' functions. It follows that by means of a defence of the national state, which is supported by the 'national bourgeoisie/medium capital' against 'cosmopolitan' capital, these functions could be utilized for an effective 'international co-operation' imposed by the necessities of 'production' *without shattering the state apparatus*.

To return to our problem, the capital that transgresses these national limits does indeed have recourse to the national states, *not only to its own state of origin* but also to other states. This produces a complex distribution of the role of the states in the international reproduction of capital under the dominance of American capital. This distribution can have as effects off-centrings and displacements in the exercise of these functions *among their supports*, which remain essentially the national states. Depending on the conjuncture, it comes about that it is to this or that national state of the metropolises that the responsibility reverts for this or that intervention of international scope concerning this reproduction and the maintenance of the system in its entirety.

### *The state in the international reproduction of social classes*

The different functions of the state at issue until now are all concentrated towards the extended reproduction of the CMP, and the determinant 'moment' of this reproduction concerns the extended reproduction of social classes, of social relations. But the state has here a peculiar and specific role, intervening, on the one hand, in the reproduction of the places of the social classes and, on the other hand, in the qualification/subjugation of the agents in such a way that they can occupy these places, and thus in the distribution of these agents among these places. In this respect, may we simply mention here the role of the school mechanism.

Now if it is indeed to the national state that this role currently always reverts, and if this role in turn depends on the specificity of the social formation and its class struggles, it is nothing less than that this role is currently placed more and more under the mark of the imperialist social division of labour and of a capitalist reproduction of social classes on the world front. The role of the European national

states in this respect (the school mechanism, further education) consists among other things in the reproduction of new forms of division of labour established between the United States and Europe. The forms of, for example, extended reproduction of the working class, of its qualification and of its composition (skilled and unskilled labourers, etc.), the forms and rhythms of reproduction of the new petty bourgeoisie (technicians, engineers, etc.), of exodus from the country or of immigrant labour in Europe, and the role of the European national states in this respect, all these are closely dependent on the division of labour: United States/Europe. This division of labour is characterized by technological discrepancies, discrepancies in the levels and hierarchies of wages, forms of socialization of labour in integrated production (with the aspect of disqualification of labour which currently accompanies its aspect of high qualification having a tendency to be localized in the exterior of the United States, with Europe being sectioned up, moreover, into relatively inferior forms of 'technology').

These examples only indicate the problem, but they do lead to a more general thesis, in that they show the limitations of a currently most widespread conception (Sweezy and Baran are a case in point) which sees the United States as the *model* or *the foreshadowed image* of the future towards which Europe is tending ineluctably and in an unequivocal manner. This conception has only analogical value, for it neglects the new cleavages of dependence which have been inserted there. To take only the notorious example, which has caused a lot of ink to flow, of the 'inflation of the tertiary [sc. industries]' in the United States, it is clear that the rhythms and the forms of this development, which are in fact quite different in the United States and in Europe, are due to the place which the United States currently holds as the world administrative centre and not to a mere 'delay' that Europe is ineluctably making up for. This is to say that an examination of the social classes and the state apparatuses in the metropolises cannot rest content with an analysis of the United States which deals with this formation in the same 'exemplary' manner as Marx dealt with Great Britain in his time. The other imperialist metropolises, Europe in particular, constitute a specific field and object.

Finally, considering its extent and importance, we must just mention one last question. 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.* There is no doubt that the particular forms of 'strong state' (authoritarian/police) one sees being established more or less everywhere in Europe on the one hand and the accumulation of the conditions of the eventual processes of fascization on the other hand are the expression both of the class struggle in these formations and of their place in the new structure of dependence.

### *Conclusion*

A few final remarks are necessary.

1. The first concerns the *historical* establishment of this dependence. Dating from the end of the Second World War, it has adopted the concrete characteristics of the period. It follows that American hegemony, which was established in a period of the destruction of the European economies, has shown certain particular traits as nearing elimination. This often creates the illusion of the 'end' of American hegemony and, gives rise to the judgements in the Mandel mode that are of the genre 'the American bourgeoisie still maintains its absolute domination but is in relative decline', this decline being considered tendentially as the end of this hegemony. In fact, what is currently *in retreat* are certain forms of this hegemony (in particular the role of the dollar), with Europe occupying the position of dependent or satellite imperialism which reverts to it in the current process and its contradictions. But if one refers to the essential traits of the domination and dependence, American hegemony has not ceased to be affirmed. Considering the extent of the question, furthermore, one has only to mention here the prodigious economic agreements recently concluded between the USA and the USSR which indicate only the intensification of this hegemony.

2. The second point concerns the current *crisis* of imperialism and is thereby connected with the first remark. In fact, what is undergoing a crisis is not American hegemony under the effect of the rise in equivalent contra-imperialisms but the whole of imperialism under the effect of world class struggles which are today reaching even the zone of the centre. This crisis of imperialism does not objectively make an issue of the actual domination of American imperialism over the other metropolises but reaches *the whole* of the centre and is thus manifested *both at its head and in the reactivation of interimperialist contradictions*. In other words, it is not the domination of American

imperialism which is undergoing crisis but the whole of the imperialism of the centre under that domination.

It follows that it is no solution in the face of this crisis for the European bourgeoisies to adopt the tactic of again making an issue of the domination of American capital, *and the European bourgeoisies are perfectly well aware of this*. The question for them, and the vicissitudes of the EEC – witness the last meeting of the nine in Paris – make this perfectly clear, is actually to maintain imperialism under the domination they recognize even if it involves secondary changes affecting the entire system. It is on this, of course, that the sharing of the cake depends. And this brings us to the second claim. The route taken by this crisis (for there are crises which have a long life) will depend on the struggle of the popular masses. In the midst of this struggle, in the current phase of imperialism, and in the present conjuncture, the struggle of the popular masses in Europe has a fundamental role.

We thus come to the question concerning the revolutionary possibilities and strategy in a European country in the current phase of internationalization. The principal question in this respect is not the one concerning the possibility or otherwise of a revolutionary *process* (the notorious question of *one single country*), in so far as it is true that the different metropolises of imperialism are always marked by an uneven development and by the specificity of the concrete situation. The essential problem concerns the very forms of the process in these social formations. What stands out in the preceding analyses is that, in this uninterrupted revolutionary process, there cannot be an individual stage of ‘national liberation’ or of ‘new democracy’ based on forms of alliance with a ‘national bourgeoisie’ against ‘foreign’ imperialism and its ‘agents’. And this is not because it is not a matter of dependent social formations; quite the contrary.

In fact, in the current phase of internationalization, the rupture of the imperialist chain in one of its links becomes terribly difficult, and in particular for the metropolises, it can only begin by means of radical socialist measures which are the sole means of anti-imperialist struggle. The means at the disposal of the dominant imperialism are considerable. To cite only one known example, we know that the large monetary fluctuations and speculative movements of capital in recent years have been principally due to the possibilities of action of the multinational firms, in the face of which the classic means of control of exchange transactions seem pretty derisory. But there is more, of course. It emerges from the above analyses that in the current context of the domination of American capital, it is possible to break

*the simple imperialist dependence* only by making a direct attack on, among other things, the labour process itself and on the forms of social division of labour in the process of production. As for the question of the state apparatuses, we have seen that it is indeed a matter, of the first importance, of fighting the assumption of responsibility for the dominant imperialism by the interiorized modifications of the national states themselves. Now more than ever, and *as an elementary anti-imperialist measure*, this cannot proceed without radically shattering these state apparatuses.