

Towards a further developed materialistic understanding of the state

Olle Törnquist

I would like to share with you some of my problems in trying to understand the role of the state in the development of capitalism in countries such as Indonesia and India. I will also indicate what I think is the fundamental theoretical problem and how one can start tackling it.

Generally speaking, my argument goes like this: Probably most of us agree that many social forces and resources which have proved extremely important in the development of capitalism in countries such as Indonesia and India can be traced back to the state. This has been difficult to take account of within the framework of the established theories of the state. While the society centered perspectives tend to neglect these factors, the state centred theories fail to explain them. In my opinion, however, these difficulties are not so much due to the very theories of the state as a poor understanding of its socio-economic base, including the above mentioned social forces and resources. And since *this* problem is possible to handle if we extend a materialistic analysis of relations of production – by including also, for instance, the control of conditions of production which are formally public – we should carry out these kinds of studies before we start debating the extent to which one has to supplement society centered theories of the state with, among other things, the importance of political and cultural institutions.

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To begin with, I assume that the state has played an extremely important role in the development of capitalism in countries as different as Indonesia and India. But more than that: state institutions and leading people within them have often been quite capable of acting compara-

tively independent of the demands from various classes and interest groups in the society as a whole.

This cannot possibly be explained in terms of theories about capitalists or other classes that are so strong that they can, firstly, survive and expand without decisive state interventions, and therefore, secondly, can allow the politicians and bureaucrats to play around on their own backyard. Quite on the contrary we know all too well that the most important ruling classes or factions have been, and continue to be, extremely dependent on state support.

Consequently, the opposite proposition seems more likely: namely that capitalism was, at least initially, so un- or underdeveloped that there were simply very few strong classes around which could be masters of the house. In this way one could thus explain why politicians and administrators had an unusually spacious room of manoeuvre.

However, freedom and power are not identical. Why have state leaders and bureaucrats often been able to mobilise a lot of decisive resources and act in most powerful ways?

It is, of course, dangerous to make empirical generalisations and to compare societies with very different historical background. But the state in countries like Indonesia and India certainly reminds us about the absolutist state in Europe under the transition to capitalism, including the so-called Bonapartist state in France, Bismarck's strong state in Germany, and similar arrangements during the late industrialisation in the eastern part of the continent. In all these cases it is possible to derive the unusual freedoms of the state from the fact that no class was capable of taking the lead and seizing power.

The problem, however, is that the forcefulness of the state cannot be explained in the same way in Indonesia or India as in Europe. In the European cases one can usually argue that the state was strong because it could draw on certain common interests among the dominating classes which, despite everything, were comparatively powerful.

But this does not hold true in many South and Southeast Asian countries. The forcefulness of the state in these countries has been far less related to strong capitalists and landowners. And the classical deadlock between capitalists and workers, which is associated with Bonapartism, has hardly come to the fore, with the possible exception of South Korea.

As far as I can see, it is therefore necessary to explain the powerful states in South and Southeast Asia within their own domain; that is, by finding out if their institutions, politicians, administrators, and officers have not only become unusually independent of the conventional classes in the society, but have also got hold of important resources of power of their own.

One common explanation is that they have inherited extensive and well integrated institutions from the old colonial masters. Moreover, these institutions have thereafter been further expanded. We would thus have a kind of institutional source of power as well as with people within the institutions who are interested in defending and expanding them.

To begin with, however, the powers that institutions can exercise must also be related to the resources that the politicians, civil servants, and officers are able to mobilise and command. Many scholars overlook that side of the coin and emphasise instead the logic of the institutions themselves. Others have been able to supplement in a fruitful way the institutionalist perspective by highlighting, for instance, the cases when the state has been able to get hold of resources on its own without drawing on its citizens, the classes, and economic development – for example, by getting access to large sums of development aid or huge oil incomes. These states are often labelled rentier states.

But one cannot limit oneself to the study of the fixed resources that the institutions have access to, no matter how important they may be. If one wants to understand what more or less independent sources of power they command it is probably even more important to find out

how politicians, administrators, and officers make use of the resources: Do they invest them in such a way that more resources are generated? Do the institutions get at least part of the surplus?

It is thus obvious that one has to go far beyond the institutional approach even if one is only out to investigate the importance of the institutions themselves.

Let us nevertheless assume that we also analyse of various "external" resources and their uses. However, having done that we must also take into consideration that most of the state apparatuses in countries such as India and Indonesia can hardly be characterised as especially homogeneous and capable of unified efficient action. One must be careful, therefore, not to overestimate the importance of institutional arrangements and connections. And one must be most cautious when talking about institutions as unified actors, even when it is the army or police with their unusually solid functioning structures of command.

Moreover, those who study state institutions in South and Southeast Asia usually stress this themselves, even if they also point out exceptions in such countries as South Korea and Singapore. What they suggest instead, is that we should focus on the study of personal networks, such as so-called patron-client relations (mutual but unequal dependency relationships between individuals). These networks are often parallel to, or even within the boundaries of, what seem to be impeccable institutional arrangements. Many scholars draw on Weberian approaches and talk about neo-patrimonialism.

But how far does this perspective take us? No doubt, most of the public as well as the private institutions in South and Southeast Asia are just as much characterised by clientelism as by formal bureaucratic or military organisation, institutional power or crude class solidarity. And it is, of course, important to analyse the different forms in which this appears. How is clientelism related to religious and other loyalties, including those based on clan and family? How do

various bosses and dynastic ambitions make themselves felt? How are nepotism and corruption expanding?

In addition to this it is also possible to analyse parts of the problems of democracy in similar terms. Most people seem to be so dependent upon their patrons and ethnic, religious and other loyalties that they are rarely able to organise and vote in accordance with their ascribed class interests or in line with their own positions on various issues. And many politicians make use of – and thus also aggravate – ethnic and other communal differences to enhance their power and influence.

But as soon as we have found out that patron-client relations are extremely important and do help us describing a good deal of South and Southeast Asian politics, we still have to explain what these dependency relations are due to. Why are they so important? What is their base?

If we are not satisfied with half-smothered views of people in South and Southeast Asia being possessed by some kind of hereditary and more or less religious culture which make them more submissive to authority and more corrupt than the rest of us we probably have to ask – just as in our own societies – for the causes and reasons behind their actions and why they become patrons and clients respectively. Culture and ethics *are* important, but in addition to this, many clients may act perfectly in accordance with their own material interests when they ally themselves with various patrons and link up with a communal group.

Obviously this cannot be studied in a fruitful way with unrefined marxist perspectives of classes and interests. Thus viewed, the clients would almost per definition suffer from insufficient class consciousness. The problem is, however, that those who tell us about the importance of clientelism also fall short of providing good explanations. Most confine themselves to sophisticated descriptions and historical perspectives. Others add comparisons with what happened in Europe.

It is, of course, possible to explain authoritarian forms of rule and clientelism in South and Southeast Asia by noting of the obvious fact that the building of "modern" institutions and democratisation was not preceded by industrialisation and the emergence of strong labour movements in the same way as in our part of the world. But even if it is important to know what has not taken place in the third world we are still left with the task of analysing what is actually going on instead. Are there, for instance, some partially different contradictions and movements which can contribute to important changes and perhaps even to democratisation?

A current attempt to further develop the state centred perspectives is to analyse the increasingly important but different social movements, demand groups, and communal conflicts in terms of a general contradiction between the state and the so-called civil society (usually understood as the part of the society which exists outside the institutionalised power of the state).

After attaining independence, powerful state institutions, various politicians, bureaucrats, and officers have used force and manipulation to back-up themselves and promote rapid capitalist development of various kinds. Many new economic, social, and political problems have thereby come to fore – and the old as well as new movements which have tackled the problems have become increasingly important.

State developmental policies have rarely affected classes as a whole, but rather special groups of people belonging to different conventional classes, such as "rich" as well as small peasants who depend on the market or people living in a certain area. People have then come together on the basis of what they have in common – the resistance against state intervention on the one hand, and, on the other hand, the ethnic and other loyalties, powerful organisations and, individuals, including patrons, within the group or in the area that have been able to offer some protection. Simultaneously, left oriented organisations, and action groups, that also view the state as a kind of main enemy, try to intervene with alternative perspectives.

However, even if we accept that the contemporary new movements and conflicts involve the state and those who have captured its institutions and resources, we are left with the problem that the "state and civil society thesis" is insufficient as an analytical instrument.

Firstly, all the institutions and relations that one would like to analyse with the dual concepts of "state and civil society" are in reality more intertwined than contradictory. Those having captured state institutions and resources often use them to penetrate important parts of what is commonly associated with the "civil society". And many persons considered to be in favour of "the civil society" often act through state institutions. Even many state-governed national and international development aid organisations are deeply engaged in promoting "the civil society" in developing countries, via such channels as so-called Non Governmental Organisations

Secondly, the concepts of "state and civil society" do not help us analysing important differences between the actors involved. Neither the state nor its politics is, of course, unified and given. And the movements and organisations are much different in terms of character as well as aims and means. Some are almost neo-liberal while others, such as many Indian farmer's movements, have no problem with state regulations as such, but rather with the ways in which they are carried out as well as with, in their view, unfair treatment.

Finally, there also exists a kind of non-Marxist materialistic explanation of nepotism, corruption etc. which, moreover, has become increasingly popular during recent years, namely that of the neo-liberals. One basic line of reasoning within the so-called public-choice school is that one can analyse the way in which politicians, administrators, and the voters act just as when one studies how businessmen and consumers act on the market. From this point of view it is often perfectly rational for politicians and bureaucrats to, among other things, insure that the public institutions expand more and more. This enables them to make use of their positions in order to become, for instance, patrons who mobilise and rip off a lot of clients. And they

can provide themselves with unproductive incomes – so-called rents – by manipulating the market.

This parasitic misery is, in other words, due to their ability to abuse political and administrative powers in order to disturb the freedom of the market. An example is the selective distribution of import licences, which can provide those who have distributed the licences as well as those who have received them with extra incomes despite the fact that nothing of value has been produced.

If we now abstain from discussing the serious problem of analysing almost everything that politicians and administrators are doing only in terms of their own narrow self-interests, I think we still must admit that at least many of them function in this canny way in South and Southeast Asia. A lot of them do use public assets and regulations to rally and make use of clients, as well as to rake in a lot of rent.

The most important problem with the neo-liberal explanations is instead that these phenomena cannot be simply explained as a problem of too much politics and too little market. Precisely these kind of politicians, bureaucrats, and officers have in several cases forcefully contributed to an often devastating but yet rapid capitalist development (for example in Indonesia), while simultaneously nourishing their patronage and collecting rents. And if we thereafter analyse the businessmen who survive in the "free" market it is not too much of a problem to identify a whole lot who devote themselves to, to say the least, speculative ventures and live from unproductive rent incomes by way of rounding up limited resources. The key-question is therefore, instead, what it is that, businessmen and politicians have in common when they are parasitic – as well as what it is that sometimes enables them to, despite everything, promote development. But obviously, this task is difficult to solve with the help of the neo-liberals.

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A better solution, I suggest, is that we be open for a study of all important conditions of production and initially neglect the fact that some are private and some public.

If our principle point of departure is units of production, we start therefore by identifying not only the means of production which are directly related to these units – such as machines and land – but also other vital and more external conditions of production – such as credits or various inputs – no matter whether they are privately controlled and regulated or not.

Since there are already fruitful materialistic approaches to the study of the conventional private means of production and their relation to the state, we now focus upon the other conditions of production. And since we are interested in the state, we stress the conditions of production which, at least formally, are publicly controlled and/or regulated.

The task then is to analyse the control of these resources and regulation – many of which we may find to be more or less semi-privatised. We proceed by studying how various institutions *and*, most importantly, individuals have captured these conditions of production, including by way of various domestic and international alliances. (For instance, many Indonesian rent capitalists grew out of the Left-supported nationalisation of Dutch companies in the 50's.) And we follow up by asking if, and if so how, they make use of the resources and the regulations to appropriate surplus (which one may analyse in terms of rents as outlined by Marx, Ricardo and others) as well as how they are able to reproduce this "business".

I cannot, of course, go into details here.⁷⁸ But let me at least indicate, firstly, that a distinction between control of resources and regu-

⁷⁸Those who are interested may have a look at the two volumes of my *What's Wrong with Marxism?* (Subtitled *On Capitalists and State in India and Indonesia* and *Peasants and Workers in India and Indonesia* respectively.) Manohar, New Delhi, 1989 and 1991 – chapters 5-6 in volume I and chapter 2 in Volume II – where there are also relevant references.

lations makes it possible to go beyond analyses in terms of state-classes where a basic criteria seems to be the occupation of the individual (being a politician, a bureaucrat, a professional, etc.) as well as beyond analyses of only "rent on bureacracy" (i.e. regulation). Secondly, we may distinguish between various ways in which surplus is appropriated: by way of plunder but also, more dynamically, via trading, or investing and then sharing the profit – all of which do not have to be illegal and fall under terms like corruption.

This in turn may help us approach the unsolved questions that grew out of my brief review of the established theories of the state. For instance, we are now able to discuss why state leaders and bureaucrats have been capable of acting comparatively independent *and* forcefully. Some of them have monopolised and made use of vital conditions of production. And we can further develop studies of how they get access to fixed resources by examining how they make use of them and generate more.

Moreover, we can analyse the material bases of various patron-client relations, ethnic loyalties etc. within and outside the organs of the state – as well as the much debated "softness" of the state. These phenomena are thus not only the result of, for instance, historical legacy, manipulating politicians, or undeveloped capitalism but are also, and perhaps mainly, part of the actual way in which capitalism *is* expanding from within the preserves of the state. Clientelism, ethnic loyalties and "soft" states are in other words associated with how people have to relate to those who monopolise vital and formally public resources and regulations – as well as with how the monopolists in their turn have to approach people as they appropriate surplus and reproduce their positions.

I would also maintain that while the increasingly important protests among "rich" as well as petty farmers against the state and its policies indicate that class struggles over land (and rent on land) are no longer as important as they used to be, the new conflicts are in a way also *related* to class. They may namely be interpreted as a struggle over increasingly important conditions of production (such as credits

and various inputs but also regulations of the market) as well as over the appropriation of monopoly rents on them.

In addition to this, we may be able to explain a lot of the problems of democratisation through detailed analyses of the various ways in which important groups and individuals control resources and regulation and thereby can appropriate surplus. What I have called a rent-capitalist path of development and expansion of domestic bourgeois forces may thus hinder rather than promote democracy. This may then be qualified. For instance, those in Indonesia who appropriate rents by mainly trading and investing public resources may at least be open for steps towards more efficient administration. And Indian politicians and civil servants with less absolutist control of resources and regulations may help reproducing their own positions by way of vote catching, mediation, respect for elitism etc.

Moreover, groups and movements which rise the banner of "civil society against the state" can, to begin with, be analysed in terms of how they relate to the conflicts over monopolisation: Most of the groups and movements emphasise various liberties and the rule of law – but do they go for privatisation and deregulation or do they stress instead democratic government of public resources and regulations?

Finally we may also discuss how and why this rent-capitalist business sometimes hamper and sometimes, despite everything, promote development. One example is that while appropriation of rents by way of exclusive control of certain regulations usually require the reproduction of complicated and inefficient administration, those in control of real assets may have to invest them productively in order to reproduce their positions.

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Of course, much more could be added. But let me now conclude by stressing that I have not suggested a state centered theory of the state, but rather tried to work out a supplement to materialistic, society-

oriented approaches which are based on analyses of conditions of production and of appropriation of surplus.⁷⁹ I think that the latter approach can be extended to cover also many of the important phenomena which the state centered analysts have pointed to but, in my view, have failed to explain.

This implies, to put it bluntly, that I do not find it fruitful to discuss the extent to which we must devote ourselves to institutionalist perspectives and other state centred approaches – which I am sure we have to – until we have, first, added supplementary perspectives (such as mine) to mainstream society-oriented studies and, second, have found out what important characteristics and developments that remain to be explained. Let us not get caught by what is trendy but find out the real limits of previous perspectives and theories before we throw them away.

⁷⁹The fact that I have in my research arrived at these conclusions by way of studying problems of conscious political action – by testing the explanatory power of certain Marxist theories via an examination of to what extent they have proved politically fruitful and then making note of what material conditions the actors have not been able to take into consideration – is of course quite another question related to methodology and to the empirical focus of many political scientists rather than to theory.