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**THE NECESSARY RECONSTITUTION OF THE
HISTORICAL DIALECTIC**

1.

AS WE know, the modern state was not formed as a *result* of some direct economic determination, as a mechanical superstructural outcrop, in conformity to a reductionist view of the supposedly *one-sided material domination* of society, as presented in the vulgar Marxist conception of these matters. Rather, it was dialectically constituted through its necessary *reciprocal interaction* with capital's highly complex material ground. In this sense, the state was not only *shaped* by the economic foundations of society but it was also *most actively shaping* the multifaceted reality of capital's reproductive manifestations throughout their historical transformations, both in the ascending and in the descending phase of development of the capital system.

In this complex dialectical process of reciprocal interchange the historical and the transhistorical determinations have been closely intertwined, even if in the course of the capital system's descending phase of development we had to witness a growing violation of the historical dialectic, especially under the impact of the deepening *structural crisis*. For the defence of the established mode of societal reproduction at all cost, no matter how wasteful and destructive its impact by now even on nature, can only underline the *historical anachronism* and the corresponding untenability of a once all-powerful mode of productive societal reproduction, which tries to extend its power in a "*globalized form*" at a time when the *absolute systemic limits* of capital are being activated on a global scale.

Moreover, the fact that the historical phase of modern imperialism which used to prevail prior to and during the second world war – a form of imperialism in which a number of *rival powers* asserted themselves in the world, in contention with one another, as theorized by Lenin during the first world war – is now replaced by the *global hegemonic imperialism* of the United

States of America, attempting to impose itself everywhere as *the global state of the capital system in general*, does not solve any of the underlying contradictions at all. On the contrary, it can only highlight the gravity of the dangers inseparable from the structural crisis of capital's mode of controlling societal reproduction. For the imposition of global hegemonic imperialism of our time by the now dominant military power is no less untenable in the longer run than the traditional imperialist state rivalry which produced two devastating world wars in the twentieth century. Far from successfully constituting the state of the capital system in general, as a vain attempt to remedy capital's great historic failure on that score, the global hegemonic imperialism of the U.S.A., with its growing military domination of the planet as an *aggressive nation state*, the present phase of imperialism is the potentially deadliest one.

In the course of the capital system's historical unfolding the legal and political superstructure assumed an ever more *preponderant* role. The present phase of global hegemonic imperialism is the most extreme manifestation of that, marking at the same time the end of a, for the time being practicable, but in the longer run absolutely untenable road, given the still prevailing relation of forces in which some countries with massive population and matching military potential, including China, are marginalized. For nothing could be more preponderant in terms of its domination of all aspects of social life – from the elementary conditions of material reproduction and their grave impact on nature all the way to the most mediated forms of intellectual production – than the operation of a state system which directly and indirectly threatens the whole of humanity with the fate of self-destruction. Even a return to the formerly experienced violent state confrontations is feasible in the not too distant future, which would certainly terminate human life on this planet, if the destructive antagonisms of the capital system are not resolved in a historically sustainable way within the time still at our disposal. Accordingly, only a *qualitative transformation* of the established legal and political superstructure in its entirety, together with the radical restructuring of its no longer viable material ground, can show a way out of this blind alley. This means an *all-embracing transformation* which is conceivable only in the

spirit of the envisaged socialist hegemonic alternative to capital's mode of social metabolic control.

2.

THE historically specific and necessarily transient, no matter how preponderant, legal and political superstructure of capital emerged in the course of systemic development in conjunction with some vital structural requirements of the unfolding overall societal complex.

In sharp contrast to the feudal type of material productive and political relationship which had to be replaced by the capital system, a *direct political control* of the countless particular productive units – the locally articulated *microcosms* of the newly developing material ground, with its *abstract* and “free” labour force¹ was neither feasible nor conducive to the irresistible process of capital-expansion. It was controlled in a most *contradictory* way by the individual “personifications of capital”² as masters of their *particular* enterprises, who, however, could by no means control, as individual capitalists acting in the economic domain, the capital system as a whole.

Thus, in the course of historical development we witnessed the emergence of an inherently *centrifugal* material productive system in which the particular *microcosms* dynamically interacted with each other, and with society as a whole, by following their self-oriented and self-expansionary capital interests. This kind of productive practice was, of course, fictionalized in the form of the claimed “sovereignty” of capital's individual personifications, and even idealized as late as the last third of the eighteenth century – by one of the greatest political economists of all times, Adam Smith – with the naïve stipulative suggestion according to

¹ That is, abstract also in the sense of being propertyless, because totally deprived of the means of production, and “free” in its concomitant hierarchical structural determination of being forced by *economic compulsion*, and not by *direct political bondage*, to put its labour power at the service of the new productive system.

² As Marx puts it, in his conception the individuals, including of course the individual capitalists, “are dealt with only in so far as they are the *personifications of economic categories*, embodiments of particular class-relations and class-interests.” Marx, *Capital*, vol. 1, p. 10.

which it was necessary to *exclude the politicians* from the reproductive logic of the system, since the system itself was supposed to function insuperably well under the beneficial guidance of the mythical “Invisible Hand”. However, no fictional postulate of “entrepreneurial sovereignty”, nor indeed the idealized projection of the mysterious, yet by definition necessarily and forever successful “Invisible Hand”, could in actuality remedy the *structural defect* of the capital system’s productive microcosms: their self-oriented and self-asserting *centrifugality*, devoid of a systemically tenable overall/totalizing *cohesion*.

This is where we can clearly see the *necessary reciprocal interrelationship* between the unfolding and *systemically consolidating* material reproductive ground of capital and its historically specific state formation. For it was inconceivable that the new modality of reproduction, with its inherently centrifugal material productive microcosms, should be able to consolidate itself in actuality as a *comprehensive system*, without acquiring an appropriate *cohesive dimension*. At the same time, it was no less inconceivable that the required totalizing/cohesive dimension – the answer to the *objective imperative* to remedy in some way, no matter how problematically, the *structural defect* of potentially most disruptive centrifugality – should be able to emerge from the *direct materiality* of the productive practices pursued by the individual personifications of capital in the particular economic microcosms.

As far as the material productive units of capital were concerned, the size of the enterprises was (and remains) of secondary importance in this respect. As we know only too well, even in our time the giant quasi-monopolistic transnational corporations, characterized by an extremely high degree of the centralization of capital, retain the severe structural defect in question. Thus, given the *insuperably centrifugal* determination of capital’s material productive microcosms, only the modern state could assume and fulfil the required vital function of being the *overall command structure* of the capital system. The *cohesive dimension*, without which even the potentially most dynamic type of productive units could not constitute a sustainable reproductive *system*, was therefore acquired by capital’s mode of controlling societal reproduction in this historically specific and unique

form.

Accordingly, the critically important process of capital-expansion – not simply with regard to the increasing size of the particular productive units but, much more importantly, in terms of the ever more intensive penetration of the new reproductive principles, with the unchallengeable domination of *exchange-value over use-value*, together with its fundamental *corollaries* – into every domain, was made possible through this *reciprocal interchange* between the economic microcosms and the legal and political superstructure, producing thereby capital's mode of social metabolic reproduction in its integrality as a *cohesive overall system*. Naturally, the dialectical reciprocity had to prevail also in the other direction, through the dynamic transformation and massive expansion of capital's state formation itself.

Such transformation and expansion of the legal and political superstructure had to take place parallel to the growing centralization and concentration of capital in the economic microcosms. For this kind of – in terms of its self-serving expansionary logic in principle unlimitable – economic expansion could not help putting ever greater requirements on the all-embracing political dimension of this historically unique modality of social metabolic control. In this sense the modern capitalist state was expected to favourably respond, in a most active way, to the apparently unlimitable expansionary demands emanating from the material basis of societal reproduction.

The state was required to fulfil its dynamic – and, despite all neoliberal mythology of “pushing back the boundaries of the state”, increasingly more *directly interventionist* role during the descending phase of the capital system's development – in accordance with its own logic. And that logic could only amount to ever greater legal/political, and even military (hence in the case of the most powerful states inevitably imperialist), preponderance. Moreover, this kind of development could be readily imposed on society only for as long as fulfilling the state's all-en-croaching role, with its reciprocal interchange with capital's material ground, was practicable under the globally prevailing circumstances. That is what had to be rendered untenable in our time through the direct military danger of humanity's self-destruction, on the one hand, and through the ongoing destruc-

tion of nature, on the other.

However, well before the activation of capital's absolute limits, in close conjunction with the – in earlier historical epochs inconceivable – development of the material reproductive units of the system, the modern state had acquired an ever greater importance and dynamism of its own. In this important sense, as a most powerful articulation and assertion of its own logic, the historically unfolding modern capitalist state cannot be abstracted from the reciprocal determinations and the objective dynamism of the developing capital system as a whole. Accordingly, the ever more powerful modern state is intelligible in its historical emergence and transformations only as constituting an *organic unity* with the system as a whole, inseparably from its continuing interrelationship with the constantly expanding material reproductive domain.

3.

THIS is the tangible reality of capital's advancement, sustainable throughout the ascending phase of its systemic development as a dynamic reproductive order. Indeed, it cannot be stressed strongly enough: the unfolding productive development of the capital system was a historic advancement that would be inconceivable without the massive contribution by the legal and political superstructure to the all-embracing structural determinations of the system as a whole.

However, it must be kept in mind at the same time that the earlier mentioned tendency of capital's legal and political superstructure *to acquire an all-pervasive preponderance* was an essential condition of the same advancement right from the beginning. Nor can we ignore the necessary corollary of this type of systemic development. Namely, that the *tendency* to all-pervasive preponderance ultimately had to run *out of control*, carrying with it great problems for the future. For the impact of the tendentially all-encroaching legal and political superstructure on overall societal development was very different in the two contrasting phases of historical transformations.

In the ascending phase of capital's development the remedy offered to the structural defect of centrifugality of the particular material reproductive units – by the state providing the miss-

ing *cohesive* dimension in the form of a most dynamic overall political command structure – *objectively enhanced* the positive expansionary potentialities of the system in its entirety. Paradoxically, the state's growing appetite for the appropriation of significant amounts of resources, in the interest of its own enlargement, was for a long historical period an integral part of this reproductive dynamism, in that it was beneficial to the internal material expansion as well as to the global extension of capital's social metabolic order.

By contrast, in the descending phase of the capital system the ultimately incurable *negative* constituents of this kind of *state-imperative* involvement and the corresponding transformation of societal reproduction have become ever more dominant, and with regard to their growing *wastefulness and destructiveness* totally untenable in the longer run. Imposing such wastefulness and destructiveness on society under the now prevailing circumstances, while brushing aside all concern about the consequences, would be impossible without the most active, and often directly authoritarian, role of the capitalist state. The earlier mentioned direct state interventionism in the economy on a growing scale, and the escalating military adventurism justified under false pretences, are the necessary manifestations of the underlying contradictions. This is why the radical transformation of the legal and political superstructure is a vital requirement for the constitution of a historically sustainable hegemonic alternative to the capital system.

The increasingly negative role of the legal and political superstructure in the material reproductive processes, prevailing in the course of the capital system's descending phase of development, is not only obvious but also most dangerous. For it affects directly, in the literal sense of the term, the prospects of humanity's survival. The historical unfolding of *monopolistic imperialism* in the descending phase clearly indicates the perilous nature of these developments, including the two world wars of the twentieth century, in addition to countless smaller ones, and the ultimate danger of total human annihilation if the system's antagonistic contradictions are not overcome in the not too distant future.

Moreover, in our time the capitalist state is even the *direct*

purchaser of the catastrophically wasteful *destructive production* of the military-industrial complex. In this way the modern state of the capital system not only *facilitates* (by means of its growing legislative jungle) but also hypocritically *legitimizes* the most fraudulent – and of course immensely profitable – capital-expansion of militarist production in the name of the “national interest”.

Contrary even to the most elementary *economic rationality*, it does not seem to matter to the personifications of capital today that *global material bankruptcy* looms large at the end of such road. For, in tune with it, they are already bent on imposing moral and political bankruptcy on society, in the form of the system’s *counter-values* even in the form of genocidal wars, for the sake of eternalizing capital’s historically no longer tenable domination. Thus, totally false priorities of direct military destruction must prevail, under the false pretences decreed by the preponderant state, together with the ongoing destruction of nature. Moreover, as a bitter irony, humanity is forced to suffer in our time even the callously imposed *global food crisis*, with the prospect of causing the starvation of countless millions, *at the peak of capital’s productive development*. This is the dehumanizing reality of the established order’s “all-round beneficial globalization”, putting into relief the completion of capital’s destructive full circle.

4.

THE radical transformation of the legal and political superstructure can only be accomplished in its actually developing historical perspective by countering the destructive antagonisms of the established order as a mode of social metabolic reproduction from the standpoint of its feasible hegemonic alternative.

The accomplishment of this task requires, in due course and on a continuing basis, the *conscious management* of the totality of societal reproductive practices, in order to be able to overcome the boundless irrationality of the now existing order. For the unique way in which the structural defect of centrifugality had been managed in the course of capital’s historical development could only mean the *complete alienation* of the powers of *overall decision making* from the social individuals.

There could be no exception to that. The *state-imperative* overall decision making of the capital system, as a most problematical remedy to centrifugality that in due course had to run out of control, was in no way the realization of the comprehensive vision of a conscious social subject. On the contrary, it was the necessary imposition of an objective, but in the final analysis blind, *structural imperative* – the lopsided reflection and self-serving preservation of the underlying *structural defect* – in antagonistic opposition to the only feasible *real subject* of historically sustainable societal reproduction, labour.³ Even the particular economic personifications of capital had to be strictly mandated to carry out the *structural imperatives* of their system. For in the event of failing to do so, they would quickly find themselves marginalized in, and – as bankrupt “surplus to requirements” – even completely ejected from, the material reproduction process. Thus, the modern state, in its inseparability from the necessary material ground of the capital system as such, had to be the *paradigm of alienation* as regards the powers of *comprehensive/totalizing decision making*.

Since the combined totality of the material reproductive determinations and the all-embracing political command structure of the modern state *together* constitute the overpowering reality of the capital system, it is necessary to submit to a radical critique the complex *interdeterminations* of the entire system in order to be able to envisage a historically sustainable societal change. This means that the historically specific overall material articulation of the capital system must be *qualitatively* changed, through a laborious process of comprehensive restructuring, no less than its corresponding multifaceted political dimension. Fulfilling the task of a coherent socialist transformation of the direct materiality of the established order is absolutely vital in this respect.

³ Labour, with regard to its emancipated future perspective of realization, not as a particular sociological entity, but as the *universal condition* of historically viable – because non-adversarial and positively co-operative – societal reproductive practices consciously planned and self-critically controlled by the social individuals themselves. This way of regulating the social metabolism is feasible only on the basis of fully instituting and unreservedly observing the vital operative principle of *substantive equality* in every domain.

The necessary radical transformation of capital's preponderant legal and political superstructure is not conceivable in any other way. Partial political changes, including even the legislative expropriation of the private capitalist expropriators of the fruits of labour, can constitute only the first step in the envisaged direction. For such measures are more or less easily reversible, in the interest of capitalist restoration, if the *combined totality* of the deep-rooted – direct material as well as the corresponding but highly mediated political – interdeterminations of the system are dealt with in a politically reduced voluntaristic way, even if that kind of approach is pursued under the weight of difficult historical circumstances. Our painful historical experience in the twentieth century provided an unmistakable warning in that regard.

In our own time we see a particularly damaging *symbiosis* between the legal/political framework and the material productive as well as the financial dimension of the established order, managed often with utterly corrupt practices by the privileged personifications of capital. For, no matter how transparently corrupt such practices might be, they are fully in tune with the *institutionalized counter-values* of the system, and therefore legally quite permissible, thanks to the *facilitating role* of the state's *impenetrable legislative jungle* also in the financial domain. *Fraudulence*, in a great variety of its practicable forms, is the *normality of capital*. Its extremely destructive manifestations are by no means confined to the operation of the military-industrial complex. By now the direct role of the capitalist state in the parasitic world of finance is not only fundamentally important, in view of its forbiddingly all-pervasive magnitude, but also potentially catastrophic.

The truth of this painful matter is that there can be no way out of these ultimately suicidal contradictions, which are inseparable from the *imperative of endless capital-expansion* – arbitrarily and mystifyingly confounded with *growth as such* – without radically changing our mode of social metabolic reproduction by adopting the much needed responsible and rational practices of

the only viable economy.⁴ However, this is where the overwhelming impediment of capital's self-serving interdeterminations must be confronted. For the absolutely necessary adoption and the appropriate future development of the only viable economy is inconceivable without the radical transformation of the legal and political superstructure of our existing social order.

5.

TO understand the great difficulties involved in attempting to overcome the *vicious circle* of capital's self-serving interdeterminations, in their inseparability from the preponderant power of the legal and political superstructure, the unique character and bewilderingly complex articulation of this system must be put in its proper historical perspective.

The formerly unimaginable dynamism of the capital system unfolded on the basis of the radical separation of productive activity from the primary determinations of *use* and the corresponding degree of *self-sufficiency* in the former (feudal and earlier) reproductive units, in the interest of ever enlarged commodity exchange. This meant the total subordination of *use-value* to the unlimitable requirements of *exchange-value* without which *generalized commodity production* would be impossible. For the paradoxical, and indeed in an ultimately untenable way contradictory nature of capital's mode of societal reproduction is that "All commodities are non-use-values for their owners, and use-values for their non-owner. Consequently they *must* all change hands. But this change of hands is what constitutes their exchange, and the latter puts them in relation with each other as values. Hence commodities must be realised as *values* before they can be realised as *use-values*."⁵ Inevitably, therefore, generalized commodity production is dominated by an *abstract formalized value-relation* which must be sustained on an appropriate *economy-wide scale*, as a vital condition of its operational fea-

⁴ See in this respect: "Qualitative Growth in Utilization: The Only Viable Economy", Section 9.5 of my book, *O desafio e o fardo do tempo histórico*, Boitempo Editorial, São Paulo, 2007, pp. 244-261. (In English: *The Challenge and Burden of Historical Time*, Monthly Review Press, New York, 2008, pp. 272-93.)

⁵ Marx, *Capital*, vol. 1, p. 85.

sibility and continued expansion.

However, the earlier mentioned *structural defect* of this societal reproductive order – the *insuperable centrifugality* of its economic microcosms – *prevents* the realization of the dominant value-relation on the necessary economy-wide scale, contradicting thereby capital's systemic potentiality. For the value-relation must be in principle unlimitable in accordance with the innermost determinations of the unfolding capital system, so as to become a *cohesive system*. Thus, since the cohesion required cannot be achieved on the *substantive* basis of the self-expansionary material microcosms themselves, only the *formal universality* of the *state imperativ* determinations can complete capital's mode of social metabolic reproduction as a system, thereby offering a way out from the contradiction of insuperable centrifugality. And even this unique way out is feasible only on a strictly temporary basis. Until, that is, the *overall structural/systemic limits* of this kind of societal reproduction are historically reached, both in terms of the necessary *material* requirements of its unlimitable self-expansionary productive microcosms (deeply affecting in a destructive way nature itself), as well as in relation to the *nationally constrained legal and political superstructure* that brings the productive units together and drives them forward in its own way, as their comprehensive/totalizing power of decision making and condition of systemic advancement.

However, the inexorable self-expansionary drive of the material productive units is not brought to a point of rest by being contained within the national boundaries. The wishful projection of *unproblematical globalization*, most powerfully promoted today by the U.S. as the dominant *aggressive nation state*, is the manifestation of this contradiction, in view of capital's historic failure to create the *state of the capital system as such*. But even if the existing nation states could be somehow put under a common umbrella – by military force or by some kind of formal political agreement – that could only be ephemeral, leaving the underlying contradiction unresolved. For it would still maintain the innermost *structural defect* of the capital system – the *necessary self-expansionary centrifugality* of its material reproductive microcosms – in its place, totally devoid of an effective and cohesive

operational rationality. Indeed, it would remove even the limited and fairly *spontaneous negative cohesion* in the face of an identified “common enemy”, generated within the particular national boundaries on the basis of some shared interests and/or grievances, as demonstrated under the circumstances of a major emergency, like war.

That kind of relatively spontaneous negative cohesion can be effective not only *across class boundaries*, as experienced in a disheartening way in which the European socialdemocratic parties sided with their class antagonists at the outbreak of the first world war, but also among the otherwise competitively/adversarially related personifications of capital in positions of key economic command in the particular economic enterprises, witnessed during the second world war.⁶ The relatively spontaneous cohesive impact of facing the declared “common enemy” was attempted to be even morally justified, although in a most questionable way, in view of its destructive implications, by Hegel himself. He retorted – in undisguised ironical reference to Kant’s postulate of a League of Nations which was expected to guarantee world peace – by saying that “corruption in nations would be the product of prolonged, let alone ‘perpetual’ peace.”⁷

In our time the major military undertaking in the name of the so-called “war on terror”, without a commensurate identifiable enemy, as pursued and imposed by the dominant imperialist nation state of North America on others, lacks the ability to generate even the minimal negative cohesion among the populations of its dubiously “willing” partners; and in virtue of the untenable self-definition and justification of the real purpose behind such operations also among a most significant part of its own population. This is how the promotion of “beneficial globalization” reveals itself as the imperialist adventure of the militarily for the time being most powerful nation state, in accordance

⁶ See Harry Magdoff’s account of the way in which the heads of giant capitalist enterprises unhesitatingly redirected economic activity in their firms in accordance with the political economic requests they received from ministerial sources, in the interest of the centrally planned war effort. Harry Magdoff, interviewed by Huck Gutman, “Creating a Just Society: Lessons from Planning in the U.S.S.R. & the U.S.”, *Monthly Review*, October 2002.

⁷ Hegel, *The Philosophy of Right*, § 324.

with capital's self-contradictory logic, putting into relief not an isolated and contingent development but a particularly grave manifestation of the deepening structural crisis of the established order of social metabolic reproduction.

In their historical perspective the developments leading to this kind of perilous blind alley are inseparable from the fundamental contradiction manifest in the way in which the *substantive* is reduced to the *formal* in the capital system. To put it more precisely, capital's systemic development necessarily involves the fetishistic reduction of the *substantive determinations* of objects and social relations into *formally generalizable* characteristics, both in the material reproductive domain and at the level of the corresponding legal and political superstructure. For that is the only way in which the self-oriented and self-asserting *partiality* of capital's commodity relations, centrifugally operated in the productive *microcosms* – requiring in and through their interchanges the apparently absurd *equation of incommensurability*⁸ – can be transformed into the *pseudo-universality* of the formally homogenized abstract value-relations coalescing into a systemic *macrocosm*.⁹ And all within the all-embracing framework of the modern capitalist state's legal and political totalizing practices that rest on *formal* principles of claimed *universal rationality*. That is what Hegel proclaims to amount to “*the rationality of actuality*”.

Hegel asserts that “The nation state is mind in its *substantive*

⁸ As Marx points out, in the fetishistic equations of the capital system irrationality dominates to the point of absurdity. For “The relation of a portion of the surplus-value, of money-rent ... to the land is in itself absurd and irrational; for the magnitudes which are here measured by one another are *incommensurable* – a particular *use-value*, a piece of land of so many and so many square feet, on the one hand, and *value*, especially *surplus-value*, on the other. ... But prima facie the expression is the same as if one desired to speak of the relation of a *five-pound note to the diameter of the earth*.” Marx, *Capital*, vol. 3, p. 759.

In this sense, nothing could be more absurd than the fetishistic equation of *labour* – the potentially most positive and creative activity of *living human beings* – with *commodity*, as the manipulable “material factor of production” and “cost of production”, bought like any other commodity, and dispensed with utmost callousness when capital's self-interest so dictates.

⁹ See in this respect Chapter 2. – “General Tendency to Formalism” – in *The Social Determination of Method*, pp. 21-45.

rationality and immediate *actuality* and is therefore the *absolute power* on earth. It follows that every state is *sovereign* and autonomous against its neighbours. It is entitled in the first place and *without qualification* to be sovereign from their point of view, i.e. to be recognized by them as sovereign.”¹⁰ However, he must introduce a qualification immediately by adding that “this title is *purely formal* ... and recognition is *conditional* on the neighbouring state’s judgement and will.”¹¹

This solution of working with “purely formal” principles leaves the door wide open to the most violent effective *denial of other nations sovereignty* through war, fully approved by Hegel himself, in total agreement with the normal practice of capital’s inter-state relations up to the present time. And this is how Hegel rationalizes the most *arbitrary* practice of breaking the “purely formal” treaty obligations by the more powerful states at the expense of those they can subdue:

“A state through its subjects has widespread connexions and many-sided interests, and these may be readily and considerably injured; but it remains *inherently indeterminable* which of these injuries is to be regarded as a specific breach of treaty or as an injury to the honour and autonomy of the state. The reason for this is that a state may regard *its infinity and honour* as a stake in each of its concerns, *however minute*, and it is all the more inclined to susceptibility to injury the more its strong individuality is impelled as a result of *long domestic peace* to seek and create a *sphere of activity abroad*.”¹²

Thus, even one of the greatest thinkers of all history is pushed to the edge of cynical apologetics when he has to find justification for the crude violation of his own solemn principle: the unqualified sovereignty and unconditional autonomy of the nation state. For he has to do that fully in tune with the *colonial imperialist* expansionary phase of the capital system’s development, decreeing that “Europe is absolutely the end of history” and accepting the imposition of extreme forms of injury – imposed “in rational actuality” – on the weaker states. Characteristically, Hegel must adopt such position when he formulates his monumental historical conception from the vantage point of capital,

¹⁰ Hegel, *The Philosophy of Right*, p. 212.

¹¹ *Ibid.*, p. 213.

¹² *Ibid.*, p. 214.

with its state theory finding self-justification even for the most brutal deeds of the powerful on the ground of the “*inherently indeterminate* injuries” which can be (and of course are) arbitrarily proclaimed by the “world historical nations”.

Naturally, it is utterly incoherent to predicate the all round beneficial condition of globalization and the permanence of peace required for it in positive international relations while maintaining, as we know it from historical experience, the unrestrainable self-expansionary dynamics of the capital system’s material reproductive basis. To introduce the required change in the domain of inter-state relations, in order to realize the now absolutely imperative condition of safeguarding peace on a global scale, it would be necessary to radically reconstitute the elementary operative principles of the capital system’s material practices, from the smallest cells of the productive microcosms to the most comprehensive structures of transnational production and international trade, together with the entire legal and political framework of the modern state. Any other way of projecting successful globalization and the concomitant enduring peace everywhere in the world is at best only a pipe dream. And that kind of radical reconstitution of the operative principles of the capital system would require the transfer of the effective *power of decision making* to the social individuals on a *substantive* basis in all fields of activity. For capital’s preponderant legal and political superstructure, which is incorrigible within its own terms of reference, as the failure of reformism amply demonstrated it in the course of the twentieth century, had been articulated right from the beginning on the basis of the same contradictory and ultimately quite untenable transformation of the *substantive* into the *formal*. Inevitably, that kind of transformation must prevail in every domain of the system’s material reproductive dimension, fatefully undermining in the end the historical process. Thus, the necessary reconstitution of the historical dialectic is inconceivable without establishing and maintaining human relations on a sustainable ground, within the overall framework of a radically different mode of social metabolic reproduction.

6.

THE dramatic expansion of production *for exchange*, under capi-

tal's unfolding social order, was feasible only through the satisfaction of two vital conditions:

(1.) the establishment of a *general framework* of operation for material production which would render possible, as a matter of everyday routine, the *profitable equalization of incommensurabilities* everywhere, in tune with the great expansionary dynamism implicit in the radical shift from *use-value to exchange-value* under the new system. This shift made it possible to bring into the domain of profitable capital-expansion not only the virtually inexhaustible range of "*artificial appetites*" but even objects and relations formerly unimaginable to be subsumed under the determinations of "prosaic" commercial exploitation, including, among others, the creation and distribution of works of art; and

(2.) the *political ability to secure* the beneficial self-expansionary interchanges of the particular productive microcosms among themselves, within the well expandable and properly protected boundaries of the idealized market, in sharp contrast to the dangers of arbitrary interference encountered under the conditions of "feudal anarchy". The constitution of the *modern nation state*, and the final articulation of its inherent logic within the framework of *imperialist rivalry* – ultimately exploding in the form of two devastating world wars – was the necessary consequence of the underlying process.

With regard to the first vital condition, the apparently insoluble problem of *incommensurability* defeated even a giant of philosophy, like Aristotle. He perceived with great insight the contradiction inherent in the postulated equalization of incommensurabilities well before a perverse but fetishistically working solution could be provided for it. That kind of solution had been instituted through the practically dominant reductive transformation of the virtually infinite variety of *use-values* into the abstract determinations of uniformly manipulable *value*, under the conditions of *generalized commodity production* many centuries later.

Aristotle's defeat in this respect was unavoidable, despite the fact that he was "the first to analyze so many forms, whether of thought, society, or nature, and amongst them also the form

of value.”¹³ For Aristotle, whose basic category was *substance*, found it impossible to come to terms with the mystifying problem of the formalized equalization of substantively/qualitatively incommensurable objects. The idea of equalization objectively grounded on the labour power of politically equal human beings was well beyond the horizon of thinkers even of his greatness in a productive order based on slavery.¹⁴ Thus Aristotle had to conclude his reflections on the subject of equalizing a house with five beds (the example he used) by saying somewhat naively that it is “in reality impossible that such unlike things can be qualitatively *commensurable*, i.e., qualitatively equal. Such an equalization can only be something foreign to their real nature, consequently only ‘*a makeshift for practical purposes*’.”¹⁵

Another fundamental reason why Aristotle could not contemplate the equalization of incommensurabilities was his concept of the human being as a “*zoon politicon*” – a social animal – which implied the necessary integration of humans in their society. This vision could not have been in greater contrast to the image of the *isolated individual* fit for the proper operation of generalized commodity production. Such production was feasible only on the ground of the homogenizing reduction of productive human beings – with their *qualitative/substantive* determinations – to the condition of *quantitatively commensurable abstract labour*. In that way the particular individuals could be conveniently inserted into the – *economically forced* but – *formally equi-*

¹³ Marx, *Capital*, vol. 1, p. 59.

¹⁴ “Greek society was founded upon slavery, and had, therefore, for its natural basis, the inequality of men and their labour-powers. The secret of the expression of value, namely, that all kinds of labour are equal and equivalent, because, and so far as they are *human labour in general*, cannot be decyphered, until the notion of *human equality* has already acquired the fixity of a popular prejudice. This, however, is possible only in a society in which the great mass of the produce of labour takes the form of commodities, in which, consequently, the dominant relation between man and man, is that of owners of commodities. The brilliancy of Aristotle’s genius is shown by this alone, that he discovered in the expression of the value of commodities, a relation of equality. The peculiar conditions of society in which he lived, prevented him from discovering what, ‘in truth’, was at the bottom of this equality.”

Marx, *Capital*, vol. 1, p. 60.

¹⁵ *Ibid.* p. 59.

table contractual framework of capital's social reproductive order. For, characteristically, in that order the capitalists and the workers, as isolated individuals, were supposed to enjoy a fictional "equality as buyers and sellers", when in actuality they occupied radically different power positions in the process of societal reproduction.

Yet their social positions were rationalized as being formally/contractually equal from the vantage point and in the interest of the unfolding capital relation, in the spirit of the abstract "Rights of Man". Accordingly, in capital's material reproductive microcosms, thanks to the reduction of living human beings to the condition of abstract labour, the practical commensurability of the qualitatively incommensurable use values – by turning them into abstract quantifiable value – became possible not as a dubious "makeshift for practical purposes" but as fully in keeping with the law of value. In this way abstract labour became both the *objective ground* and the *measure* by which the equalization of incommensurabilities could be operated, dynamically subordinating the production of *use-value* to the requirements of *exchange-value* in the fetishistic interest of ongoing capital-expansion.

This is how the first vital condition for the dramatic expansion of production for exchange – and therewith the required subsumption and domination of use-value by exchange-value – has been satisfied through the practically sustainable equalization of incommensurabilities in capital's socioeconomic order.

7.

FULFILLING the second vital condition mentioned earlier – the *political ability to secure* the beneficial self-expansory interchanges of the particular productive microcosms among themselves – was equally important for the development of capital's new modality of production as a coherent system.

Understandably, the necessary boundaries within which the internally/materially unconstrainable expansionary dynamics was expected to be maintained on a continuing basis had to be forcefully *secured and protected* from intrusion from *outside*. At the same time, some protection and stabilization had to be provided also *internally*, against the potentially most disruptive conse-

quences of avoidable encroachment by the self-asserting economic microcosms on each other. For in the absence of such all-round beneficial protection some considerable damage would be suffered within the locally and nationally circumscribed boundaries – well protected boundaries that were, of course, highly relevant for the establishment and for the consolidation of the markets required for expansion in the first place – by the weaker constituents of the capital system's productive microcosms. The emerging and ubiquitously expanding nation state of the capital system was the obvious legal and political framework and the most appropriate direct as well as indirect promoter of such developments.

To be sure, these dynamic developments of generalized commodity production – which were, thanks to the modern nation state's all-embracing and constantly growing legislative network, as a matter of paramount importance, not only forcefully protected against intrusion from abroad, but also increasingly regulated in the interest of internal cohesion – historically unfolded through the *dialectical reciprocity* of the material reproductive domain and the legal and political superstructure of the capital system.

Transformations of this magnitude were inconceivable in earlier periods of history. Moreover, socioeconomic developments of this kind would be also in their own more advanced setting totally unintelligible without the *ongoing reciprocal interchange* of the forces involved in shaping the relevant changes of the overall system – as an *organic* framework of all-embracing societal reproduction in which the various parts strongly *sustain* one another – across history. At the same time, in view of the fact that the internally unrestrainable new material reproductive system of generalized commodity production could not be maintained in existence without its dramatic expansion on a continuing basis, it was also inconceivable to confine the corresponding legal and political framework of the modern nation state to anything less than a comparably dynamic form of unrestrainable power relations.

Thus the state was essential no less for the internal cohesion of the productive units against avoidable excess by their more powerful counterparts (which would be of course detri-

mental for the expansionary potential of the system as a whole), than for protecting the established order from outside interference, in view of the vital need for *correctively preserving* the dynamic constituent of their – not only expansion-oriented but also expansion-securing – centrifugality. The staggering development and unrestrainable expansion of the modern capitalist state itself, irrespective of how problematical its historical advancement had to turn out to be in the final analysis, in our own time of potentially catastrophic collisions, finds its explanation in this *objective historical dialectic* – between the *internal necessities* of capital's material basis and the legal and political conditions required under which the *potentialities* of the system could be turned into *reality* – and not in the fanciful brainwork of “occidental jurists” circularly projected by Max Weber.

Naturally, this relationship of dialectical reciprocity between the material basis and the legal and political superstructure was by no means simply a question of the unrestrainably expanding magnitudes involved in their interchanges. It necessarily concerned also their most fundamental *internal determinations*, as the material reproductive domain of the capital system and its legal and political dimension followed their respective course of historical development in close conjunction with each other. Indeed, the reciprocal interchange involved – and of course at the same time also deeply affected – the most fundamental internal determinations of both the material basis and its legal and political superstructure. Only through such dynamic interchange of dialectical reciprocity could it be made possible for the system as a whole to expand in accordance with its full potentiality, thanks to the way in which the material and the superstructural dimension of capital's organic system could interact and powerfully drive forward one another.

8.

WE can see the profound impact of this reciprocity between the material domain and the modern state by focusing attention on the inherent connection between the *universal* exchange relations unfolding under the rule of capital's generalized commodity production and the *formal* determinations that enable (because they *must* enable) the systemically necessary equaliza-

tion of incommensurabilities. For this relationship, based on the universal predominance of abstract labour in the given social metabolic order, must be sustained at all levels of societal interchanges, formally obfuscating and fetishistically obliterating substantive incommensurability everywhere.

Naturally, this includes the way in which the individuals involved in production and exchange are managed in capital's structurally preordained – and in that sense as a matter of unalterable systemic determination both hierarchical/iniquitous and incurably *antagonistic* – but in another sense *formally equitable* (and ideologically rationalized in the fictitious image of “people's capitalism” as even *harmoniously share-owning*) social reproductive order.

As we know, generalized commodity production and exchange are unthinkable without *universal value-equation* that must be constantly accomplished on the ground of capital's material reproductive practices. The *formal reductive homogenization* of all substantive relations – and thereby the *reconciliation of irrational forms* put into relief by Marx, as I have discussed elsewhere¹⁶ – is seminally important in this respect. It is crucial for understanding the profound interconnection between the material reproductive processes and the historically specific constitution of capital's ever more powerful legal and political superstructure required for the sustainable operation of the system as a whole. For, viewed simply from the angle of the particular units, the ever more complex exchange relations of the expanding material reproductive microcosms – arising from the unrestrainable centralization and concentration of self-expansionary capital – generate constantly greater demands for systemic cohesion and support which they themselves, as locally confined productive structures, are totally incapable of satisfying. And the causal implication of that circumstance for the development of the legal and political framework itself would seem to be, quite wrongly, a one-way determination of the overall societal complex by the material basis.

However, precisely because the just mentioned growing de-

¹⁶ We should recall in relation to this issue Chapters 2. and 4. of *The Social Determination of Method*.

mands of the expansion-oriented productive units could not be satisfied at all by the particular material reproductive microcosms themselves, the historically arising complex exchange relations – which we are all familiar with – could not be established in the first place without bringing fully into play capital's legal and political framework as the *necessary condition* of systemic cohesion and development. Without the direct or indirect supportive involvement of the capital system's political dimension even the most genuine expansionary needs of the reproductive microcosms would have to remain no more than frustrated abstract requirements, instead of being turned into effective demands. This again strongly underlines the reciprocal determinations of the historical dialectic in the real articulation of both the material reproductive basis of capital as a coherent system and its state formation.

In this sense the unfolding of the state's formal/legal universality and capital's universal commodification are inseparable. The insuperable *substantive structural hierarchy* of capital's material basis finds its equivalent at the level of the legal and political relations, calling for the defence of the most iniquitous established order at all cost. *Formal* measures and rationalizations, no matter how ingenious, cannot obliterate the *substantive* inequalities and structural antagonisms.

In fact the need for apologetic ideological rationalization on that score becomes ever more pronounced parallel to the move from capital's ascending phase of development to the descending phase. Accordingly, Kant still needs no cynicism and hypocrisy when he contrasts the *strictly formal equality* of the law feasible under the rule of capital with the *substantive inequality* required for managing the given antagonistic social order. Thus he writes without any camouflage that: "The *general equality* of men as subjects in a state coexists quite readily with the *greatest inequality* in degrees of the *possessions* men have, whether the possessions consist of corporeal or spiritual superiority or in material possession besides. Hence the general equality of men also coexists with *great inequality of specific rights* of which there may be many. ... Nevertheless, all subjects are equal to each other *before the law* which, as a pronouncement of the general will, can only be one. This law concerns the *form* and not the

matter of the object regarding which I may possess a right.”¹⁷

In the same way, Adam Smith is not in the least tempted by the need to hide that “Till there be *property* there can be no *government*, the very end of which is to *secure wealth* and to *defend the rich from the poor*.”¹⁸ However, by the time we reach “capital’s hired prize fighter”, Hayek, in the descending phase of the system’s development, everything is turned upside down. The exploitative practices imposed on “most of the Western proletariat and most of the millions of the developing world”¹⁹ – defended by the neoliberal state with all means at its disposal against the people who dare to oppose it – are glorified as “*moral practices*”, and we are peremptorily told by Hayek that “If we ask what men most owe to the moral practices of those who are called *capitalists* the answer is: *their very lives*.”²⁰ The particular irony in this respect is that Hayek claims to write in the spirit of Adam Smith while in fact diametrically contradicting him. Contradicting without shame the same intellectual giant Adam Smith, of the ascending phase of the capital system’s development, who did not hesitate to denounce in his time the deplorable fact – imposed today no less than in the past through the pretended “moral practices” of Hayek’s idealized capitalists on “most of the millions of the developing world” who clothe the world in appalling working conditions in the transnational sweatshops – by saying that “*the people who clothe the world are in rags themselves*”.²¹

Adam Smith perceived very clearly that the unjust property system of his time could only be sustained on an enduring basis if the government of the established order kept on defending the wealth of the rich against the poor. In this way – by viewing the world with honesty from capital’s vantage point – he realized that the material ground of the system which he firmly believed

¹⁷ Kant, “Theory and Practice “, in Carl J. Friedrich (ed.), *Immanuel Kant’s Moral and Political Writings*, Random House, New York, 1949, pp.415-416.

¹⁸ Adam Smith, *Lectures on Justice, Police, Revenue, and Arms*, in Herbert W. Schneider (ed.), *Adam Smith’s Moral and Political Philosophy*, Hafner Publishing Company, New York, 1948, p. 291.

¹⁹ Hayek, *The Fatal Conceit*, p. 131.

²⁰ *Ibid.*, p. 130.

²¹ Adam Smith, *op. cit.*, p. 320.

in, and its governing political state, were inseparable from one another. What was impossible for Adam Smith to spell out from capital's vantage point was the radical implication of his own insight. Namely that in order to overturn the perceived and denounced injustice about those who "clothe the world but are in rags themselves", the material ground and the protective political state of the system, which *stood* together, must also *fall* together.

9.

THE increasing preponderance of the legal and political superstructure across modern history is very far from being a development of corrigible contingency. On the contrary, it is due to the state's innermost character and objective constitution. For the modern nation state is *absolutely unrestrainable* in capital's own terms of reference, as a matter of insuperable structural determination. The complete failure of all attempts aimed at a socially significant reform of the state in the course of the last century and a half speaks unmistakeably on this score.

To make matters worse, the structurally entrenched material basis of the capital system is *also unrestrainable*, as well as in a socially significant sense *unreformable*. Again, not as a matter of corrigible historical contingency but as a result of its fundamental structural determination. In fact the material reproductive and the legal/political dimensions of the system have a most paradoxical relationship. For they powerfully contribute throughout their reciprocal historical interchanges to the immense *expansion* of one another, and thereby of themselves as well, but they are totally incapable of exercising a meaningful *restraining* impact on each other, not to mention on themselves. The inner logic of this type of development is that, as a result, we are subjected to the ultimately all-round destructive consequences of a dangerous *one-way directionality*, leading toward a potentially suicidal *blind alley*. This is so because a system of societal husbandry which by its innermost constitution and structural determination is incapable of recognising and acknowledging any *limit*, not even when doing so would be, as today, *absolutely imperative* – in view of the ever-intensifying *destruction of nature* as well as of the vital energy and strategic raw

material resources required for humanity's continued reproduction – can offer no viable solution for the future.

The perverse logic of the capital system is that the material and the legal/political dimension can *complement* one another only in an ultimately unsustainable way. For although the legal/political dimension can *constrain centrifugality* in the interest of *overall systemic expansion*, it is absolutely incapable of introducing *rational restraint* into its own mode of operation. This is so because it is incompatible with the concept of *systemically overarching rationality* required for meaningful restraint.

That is the fundamental reason why the final articulation of the capitalist nation state's inherent logic had to assume the form of *imperialist rivalry* – exploded in two world wars in the twentieth century – which persists today, despite verbal denials, no less than ever before. Hegel, a century prior to the unfolding of global wars, had no illusions whatsoever regarding the question of constrainability. He stated with striking openness that “The nation state is mind in its *substantive rationality* and immediate *actuality* and is therefore the *absolute power* on earth.”²² Ideas to the contrary, like the Kantian projection of “perpetual peace” and its proposed instrumentality of a League of Nations, proved to be no more than noble wishful thinking on capital's material ground. As our actual historical experience painfully demonstrated it, such a League of Nations could do nothing to prevent the eruption of the second world war, despite the fact that it was conceived and established in the light of the all too obviously devastating consequences of the first world war.

The untenable logic of capital's material reproductive microcosms is: “grow eternally or implode”! The nowadays persistent wishful projection of all-round beneficial “globalization” is the ideological rationalization of that logic. At the same time, the oppressive imposition of the power of global hegemonic imperialism in our time – with its unhesitating engagement in massively destructive wars, including the wars pursued not so long ago in Vietnam and now in the Middle East, and indeed not shirking even from the threat of using nuclear weapons against states without such weapons – is the far from “rational actuality” corre-

²² Hegel, *The Philosophy of Right*, p. 212.

sponding to capital's unwarnished logic.

The grave contradiction at the roots of such developments is that in our historical period of materially/productively ever more intertwined global developments we are being offered *globalizing rationalizations* within the horizon of the dominant *aggressive nation state*, the United States of America and its military-industrial complex, but no viable solutions to capital's antagonisms either in terms of the capital system's material ground or at the level of its *rival state formations*. The painful truth of the matter is that – in view of the necessary historic failure of capital to constitute the *state of the capital system as such*, remaining in its stead inextricably tied to the rival imperialist nation states' destructive logic even under the most extreme conditions of literally MAD “mutually assured destruction”, fully in tune with the structural antagonisms of the system's material ground – no sustainable solution is conceivable within the rationally in no way constrainable framework of capital's social order.

Moreover, the historic failure to create the state of the capital system as such is itself by no means a corrigible contingency. For the globally required legal and political framework of regulatory interaction, even if envisaged as confined to a relatively short period of transition on the road toward a positively working (in the sense of consciously self-regulating) normativity, would need *comprehensive rationality* from the time of its inception in order to become historically sustainable. The capital system, however, is incompatible with anything other than the most restrictive and partial form of rationality. This is why the untenable logic of the capitalist nation state in our time, asserting itself as before in the form of imperialist rivalry irrespective of how its leading “actors” might change from time to time, remains with us even under the present-day conditions of potentially catastrophic collisions.

Hegel's words are most instructive also in this respect. Not only because he insisted that “The nation state is mind in its *substantive rationality* and immediate *actuality* and is therefore the *absolute power* on earth”. The fact that he expressed this judgement in an idealist form, projecting it speculatively into the timeless “future” of the Absolute's “eternal present”, is here of

secondary importance. For, by complementing his judgement with the required historical qualifications, it is undoubtedly true that the capitalist nation state, in its *substantive* self-determination and immediate *actuality* asserts itself – inevitably within the capital system’s horizon – together with all of its extreme destructive implications, as “the absolute power on earth”. And, to be sure, nothing could be more absolute than the absolute not just for Hegel but also in terms of capital’s self-definition.

The great problem is not the all too obvious actuality of the capitalist nation state’s absolute – unconstrainable – self-assertion throughout its history but the devastating implications of that uncontrollable self-assertion for our own time. For in the past the structural unconstrainability in question always took the form of wars of increasing scale and intensity, whenever some limiting constraints were attempted to be imposed by the particular nation states on one another from the outside. Such wars were even morally justified by Hegel, as we have seen earlier, without questioning in the least the “Germanic” (including the colonially most successful English) nation state’s absolute unconstrainability as such. Nor was it, in contrast to the present time, totally prohibitive, in strictly military terms, to project in Hegel’s time the idealized finality of the nation state’s historic mission for instituting the permanent colonial-imperialist domination of the world by saying that “Europe is absolutely the end of history”. That kind of approach belonged to the *normality* of the colonial-imperialist phase of the capital system’s development. Indeed, it happened to be perfectly sustainable under the then prevailing circumstances, prominently theorized even as the *unalterable* correlation between *war and politics* by the outstanding Prussian military strategist, General Karl Marie von Clausewitz, Hegel’s famous contemporary.

However, what has become totally untenable in our time is the dominant nation states’ unreformable old modality “to seek and create a *sphere of activity abroad*”²³ through their imperialist wars, on the pretext of the “*inherently indeterminable injuries, however minute*”, which they claimed to have suffered them-

²³ *Ibid.*, p. 214.

selves, as Hegel was still willing to spell it out in clear terms, corresponding to the absolutely self-assertive logic of capital's modern state formation. That is what requires a fundamental reexamination and radical structural change today, in contrast to the persistent *material domination* and *political/military undertaking* of countless wars (calculated in approximately two hundred military interventions in the affairs of other states after the second world war) by the most aggressive nation state of our time: the United States of America, described as "the only necessary nation" in President Clinton's notorious words. And, of course, such disheartening reality is coupled with the cynical ideology diffused under the pretences of all-round beneficial globalization.

As we know, the system of modern nation states, with its most iniquitous structural hierarchy among its members. was historically constituted on capital's *substantive discriminatory material ground*, even if later that system became ideologically rationalized – both internally and in its inter-state relations – in the spirit of "purely formal" rationality and the (never instituted) abstract "Rights of Man". Thus the challenge in this regard for the future of humanity is to overcome the *blind unrestrainability* of capital's nation states by the *rational controllability* of a radically different system of globally viable interchanges in substantive terms. Naturally, meeting that challenge, by instituting a historically sustainable form of *socialist internationalism*, is feasible only through the actual supersession of the grievances suffered by the smaller states in the course of their long historical domination by the so-called "world historical nations".²⁴ And that is possible only by overcoming at the same time, in enduring substantive terms, the oppressive *structural hierarchy* without which capital's societal reproductive order is inconceivable either in its internal *class relations* or in its aggressive *inter-state* practices.

To be sure, the accomplishment of that task is not simply a political matter. The fundamental objective condition of institut-

²⁴ The almost forbidding difficulty with this problem is that equitable relations among states and nations have *never* been instituted in the course of history. Envisaging a socialist solution is feasible only on the ground of a radically different – in its innermost constitution substantively equitable – mode of societal reproduction.

ing a historically sustainable solution in this domain is the qualitative transformation of the *antagonistic material ground* of capital's socioeconomic order which continues to produce, as a matter of *structural necessity*, the drive to unrestrainable global domination of the weaker constituents of the system by the more powerful not only in exploitative material reproductive terms, under the pretences of globalization, but also on the political/military stage. It is that profound structural determination, erupting in the form of the destructive antagonisms of our time, that must be consigned to the past on a permanent basis.

10.

THUS the required radical transformation of the legal and political superstructure is inseparable from the *reconstitution of the historical dialectic* which had been dangerously distorted and ultimately *subverted* in the course of capital's descending phase of development, degrading thereby the once positive self-expansionary drive of the system to the condition of blind uncontrollability.

The key difference in relation to this problem is that the capital system was established in the first place on the ground of structurally safeguarded *substantive inequality*, thanks also to the unmitigated large scale violence of the "primitive accumulation" which was greatly facilitated in its classic form in England by the absolutist state of Henry VIII. In complete contrast to capital's deeply entrenched substantive inequality in all domains, from the direct material to the most mediated cultural relations, the necessary alternative – socialist – mode of social metabolic reproduction cannot be considered historically viable unless it is *qualitatively reconstituted* and firmly maintained in its new social setting on the basis of *substantive equality*.

Stressing this vital contrast between the *substantive* defining characteristics of the historical alternative modes of social metabolic reproduction of our time is all the more important for us because in its ideologically well diffused self-images capital always proclaimed its programmatic adhesion, as far as its legislative terms were concerned, to *contractual equality*, just as in practical material reproductive terms it claimed to regulate the socioeconomic order on the basis of *universal value-equation*.

However, as we have seen above in different contexts, all such practices have been actually pursued on the basis of the reductive transformation of *substantive incommensurabilities* into *formally equalizable* relations only, under the ubiquitous dominance of generalized commodity production and its fetishistically equalizable *abstract labour*.

The profoundly iniquitous and structurally safeguarded *substantive* relations of exploitative domination and subordination could be therefore carried on undisturbed in capital's societal reproductive practices for a very long time, until the onset of some major crises as late as the monopolistic imperialist phase of the system's development. And even then, despite the fact that the erupting crises in question were of considerable magnitude – characteristically attempted to be redressed later by the most powerful imperialist states, although without lasting success, by massive military undertaking, like the two world wars of the twentieth century – pointed only *tendentially* toward the ultimately unavoidable *structural crisis* of the system.

In the meantime, the long persistent normality of universal value-equation, under the dominance of fetishistically generalized commodity production, succeeded in conferring even the halo of “liberty-fraternity-equality” on the ideological conceptualizations of the capital system. The increasingly more preponderant legal and political superstructure of capital, unfolding in the course of history with its inexorably expanding legal jungle that reached its climax in our own time, made a vital contribution to the continued success of this mode of societal reproduction. It fulfilled its problematical stabilizing role in a most authoritarian way in the descending phase of capital's systemic development. Accordingly, it contributed by every possible means at its disposal – including the cynically open legitimation of monopolistic encroachment in the field of economic production, and active involvement in the most blatant imperialist adventurism and violence in the political/military domain, in the name of “democratic equality” – to the ever more dangerous subversion of the historical dialectic.

Prior to the articulation of the modern capital system and its state formation the question of equality did not arise at all in relation to the socioeconomic and political dimension of societal

reproduction. As we know, “Greek democracy” could sustain its remarkably advanced political decision making practices on the ground of *slavery* as its long enduring material reproductive basis. A form of slavery regulated as a mode of social metabolic reproduction in which human beings could be characterized by a thinker as great as Aristotle himself as nothing more than “talking tools”. Moreover, even at a much later stage of historical development the feudal state, in its well known self-legitimatory efforts, did not hesitate to claim *divine lineage* on behalf of its privileged ruling personnel. This way of conceptualizing the world order represented no problem whatsoever either for ancient slavery or for the feudal system of the middle ages. For in both cases any concern with equality, not only substantive equality but even formal, was totally irrelevant to the way in which the conditions of existence of the members of society were actually produced and reproduced on an ongoing basis.

In complete contrast, the capitalist state’s concern with equality right from the outset of its historical development was rooted in the *formal equalizations* of its material basis, and as such, that kind of concern with equality was both *necessary* and *genuine* in its own terms of reference. The complicating fact was that the *capital relation* itself – based on the alienation of labour and its embodiment in capital – could be *circularly presupposed* in capital’s self-serving conceptualizations as the only feasible mode of the “natural” reproductive order, at the level of the system’s everyday operative principles. Accordingly, the contractual equality and universal value-equation could be coherently proclaimed to constitute the effective *modus operandi* of the capital system by its greatest intellectual representatives, including Adam Smith and Hegel. This approach became untenable only when the question of the system’s *historical genesis* had to be raised, precisely with a view to reassessing its viability as regards the future, in the light of its structurally entrenched substantive inequality which became contested by a growing class-based social movement in the aftermath of the French Revolution and the Napoleonic wars.

At that point, when the question of time appeared on the horizon both with regard to the *past* and the *future*, the former circular presupposition of the operative principles themselves –

ideologically rationalized and eternalized on the ground that they were in Hegelian “rational actuality” demonstrably working – had to fail to fulfil its customary function. For, in sharp contrast to *formally stipulated equality*, which can be ideologically rationalized under all kinds of totally untenable postulates, as we have seen it done even by a very great philosopher, like Kant, *substantive equality*, with its qualitative determinations, cannot be treated *circularly*, so as to vindicate its aprioristic exclusion from commendable social normativity by arbitrarily proclaimed *self-referentiality*, offered as a “conclusive” judgement *by definition*.

11.

INEVITABLY, therefore, once the question of substantive equality as such is raised in relation to the *modern state*, it brings with it the challenge to confront the difficult problem of the necessary *withering away of the state* in its historically constituted actuality. For within the historically determined confines of the modern state – which must be hierarchically ordered both internally and in its inter-state relations, embodying thereby the radical alienation of the power of comprehensive decision making from the social individuals – the very idea of substantive equality is of necessity *structurally negated*.

However, the institution of a substantively equitable social reproductive order represents a fundamental challenge for *our future*, calling for the radical transformation of the hierarchically structured legal and political superstructure itself, together with its practical premises and material presuppositions. As mentioned already, the great expansion of the capital system was made possible in the first place by the progressive advancement of a system of unchallengeable domination of *use-value* by *exchange-value* through which universal value-equation became the expansion-securing dynamic operative principle of societal reproduction under the rule of generalized commodity production. As a vitally important member of a *dichotomous system*, exchange could exercise a *dominant* role in the material reproduction process, quite irrespective of the negative consequences arising in the longer run from its supremacy over production and over the demands it could impose – “behind the backs of the producing individuals” – even on the available, necessarily fi-

nite, natural resources. In the last analysis, therefore, a system of this kind *had to run out of control* once the objective systemic limits of capital's mode of social metabolic reproduction had been activated.

Moreover, what made matters worse was the fact that the alienating domination of human use by the fetishistic requirements of commodity exchange was not sustained simply by the given exchange relation in and by itself. The dominance of exchange over use had its equally problematical *corollaries* which all *together* constituted an ultimately unmanageable system. A system of undialectical dichotomies which asserted themselves with categorical peremptoriness both materially and in the political domain. Indeed, the same kind of undialectical dichotomies, characteristic of the capital system as a whole, had to prevail through the domination of *quantity over quality*, of the *abstract over the concrete*, and of the *formal over the substantive*, as what we have seen in the necessarily reifying dominance of *exchange-value over use-value* under the established reproductive order's universal value-equation.

To be sure, at the roots of all of these inevitably distorting – even if for the purposes of generalized commodity production absolutely necessary – relations of one-sided domination and subordination we find the politically secured and safeguarded *structural subordination of labour to capital*, rationalized through the most absurd but fetishistically for a long historical period well functioning reproductive practice of formal/reductive homogenization which turns into a commodity and reductively equates living human beings with *abstract labour*. It is by no means surprising, therefore, that the ever more preponderant legal and political superstructure of the system played, and continues to play, an increasingly irrationalistic supportive role in delaying the “moment of truth”. That moment, nevertheless, arrives when it becomes unavoidable to pay for the destructive consequences of the unfolding dangerous developments on a global scale both in the material productive domain and on the political/military plane. As things stand today, given its preponderant power the “democratic state” can fulfil its irrational supportive role by brushing aside with cynically stage-managed authoritarianism – whether “neo-liberal” or “neo-conservative” –

any concern even about the regularly erupting major military collisions.

In this sense, the radical transformation of the legal and political superstructure, as a literally vital exigency of our time, requires a fundamental change on a long-term sustainable material basis. That means overcoming the undialectical dichotomous domination of one side of the relations mentioned a moment ago over the other, from the ultimately self-defeating domination of exchange over use, as well as the abstract over the concrete, all the way to the historically no longer tenable obliteration of the vital qualitative determinations of any long term viable mode of societal reproduction by the fetishism of universal quantification and the ensuing equalization of incommensurabilities.

The *reconstitution* of the historical dialectic on a *structurally secured substantive equitable basis* is therefore not a speculative philosophical postulate but a key objective exigency of our present-day conditions of existence. For the dangerous *subversion of the historical dialectic* coincided with the increasingly antagonistic descending phase of the capital system's development and the activation of its *structural crisis*, bringing with it the defiance of, and the irrationalistic practical disregard for, even the most elementary conditions of sustainable human life on this planet. Naturally, the legal and political superstructure of even the most authoritarian state, no matter how bloated and protected it might be not only by its catastrophically wasteful military arsenal but also by its ever denser legal jungle, can in no way permanently counter the pressing character of these objective determinations and exigencies.

Capital's mode of social metabolic control could prevail over a long historical period because it constituted an *organic system* in which the material basis of societal reproduction and its comprehensive legal/political regulatory dimension were inextricably intertwined in a dynamic expansionary way, tending toward an all-embracing global integration. Indeed, for almost three centuries the capital system's expansionary drive could proceed quite unhindered.

However, one of the insuperable *structural limits* of this system, burdened with the ultimately self-destructive logic of its *un-*

restrainable nation state formation: the necessity of *monopolistic* developments and the associated *imperialist rivalry* among the dominant states, had to make the system itself historically unviable in an age when the pursuit of global war could only result in humanity's self-destruction. And the other insuperable *structural limit* of the capital system is no less grave. For on the plane of material reproduction its *rationaly unrestrainable* self-expansionary drive, heavily promoted by capital's state formation, inevitably reached the point of collision with the objective limits of our planetary resources, calling for the adoption of the qualitatively different societal reproductive practices of the only viable – in a *humanly meaningful way economizing* – economy in our planetary household. Naturally, with regard to the imperative to face up to the challenges arising from these fundamental structural limitations of the capital system the radical transformation of its legal and political superstructure – together with its material basis, in the spirit indicated in this lecture – is an absolutely vital requirement.