

CLAUS OFFE AND THE CAPITALIST

STATE: A CRITIQUE

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Claus Offe's work may be regarded as a synthesis between certain Marxist concepts and systems theory and has broad implications for Marxist theories of the state. This paper will present and criticize Offe's ideas with special regard to the status of historical materialism in his work.

The historical materialist method (the analysis of production and appropriation of surplus) is not immune to improvement. However, the borrowing of concepts specific to historical materialism for use in a synthesis serves only to vitiate the method. This occurs because the differing background assumptions of the concepts utilized are contradictory and thus render the conclusions incomprehensible.

Offe's synthesis is an exemplar of the problems inherent in synthesizing approaches. Offe's work blends functionalism, Marxian political economy, and systems theory. The characteristic teleology of functional analysis is established on the basis of a 'Marxian' analysis of the commodity. We shall demonstrate that the concepts which Offe borrows from Marxism are not utilized in a valid fashion and that logical inconsistencies exist in his work even if the former is ignored.

In the first section of the paper, Offe's thesis is presented; the second section will provide a critical assessment. The paper concludes with an evaluation of Offe's contribution to Marxist research.

OFFE'S THEORY OF STATE AND SOCIETY

From the outset of his argument Offe dispenses with the Marxist

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base/superstructure distinction and instead portrays capitalist society as three functionally related sub-systems: the economic, the political, and the normative. A sub-system is defined as a set of relationships and processes having a specific coherence based in an 'organizing principle' specific to the sub-system. The principle of the economic system is exchange, the political system is organized on the basis of power, while the normative system is neglected by Offe and, aside from an indication of its normative nature, does not have a principle defined for it (1976: 34,53).*

Offe argues that sub-system relations are concerned with the creation and maintenance of the conditions of economic dominance as the economic system is dominant (in that its stability is crucial to general system stability). For this reason, the non-economic systems are cast as 'flanking' systems as their operation must uphold the dominance of the exchange principle (1976: 34,35). Adding that a system is inherently unstable Offe is able to reduce the question of general system equilibrium to the inter-play of the three organizing principles. To be precise, however, system instability is not the result of the principles themselves but rather is due to the processes based on the principles. In this view, over-all system crisis consists of processes based in one principle coming to control processes organized by another principle.

Given that three unstable sub-systems are linked in an over-all unstable system we can see that Offe's intent is to investigate the nature and conditions of equilibrium for each sub-system as well as the general system. Through such an investigation an over-all social dynamic may be found. For each system Offe must ask: 'what is it about the processes within the system that produces instability, what

*Unless otherwise noted, all references are to Offe.

are the implications of this instability for the other systems, and how is stability regained in all systems?'. Simply stated then, Offe's object consists of the conditions of the maintenance of economic dominance. Note, however, that Offe reduces each system to an organizing principle; thus, maintenance of the economic system is seen by Offe as maintenance of the exchange principle. Further, as the organizing principle actually refers to processes, the conditions under investigation must also be processes. Thus, Offe's object is made up by the processes which maintain the dominance of the exchange principle in capitalist society.

Primary amongst these processes are those involving the non-economic systems. Offe conceptualizes the flanking relationships of these systems as being one of either positive or negative subordination. Positive subordination concerns:

...the adjustment of the content of those sub-systems not organized and formed by exchange to conform to economic processes...(1976: 35).

Negative subordination is a relationship where non-economic systems are related to the economic systems:

...in such a way that they are limited and are insulated from the economic system, without, however, being able to contribute to the content of its ability to function... (1976: 35).

Negative subordination is not the opposite of positive subordination and is best understood as a relation of exclusion.

Either type of subordination may be regarded as a system state, i.e. we may analyze inter-system relations and reach a conclusion concerning the type of subordination that describes the system. The dynamic which operates here is called 'system autonomy'. This is the '...partial emancipa(tion)...from the relationship of positive subordination'(1976: 48) and refers to the functionally necessary

'freedom of system' (my term) which is required for maintenance of economic dominance when the very maintenance is so problematic that processes subject to non-economic principles are required to uphold it. Autonomy is a system response to economic instability, its meaning embedded in the economic processes which it functions to maintain. Offe's understanding of capitalist society thus rests upon his analysis of the economic processes.

Offe argues that economic instability is a product of the developmental tendency of capital accumulation, a process which engenders '...the relative decline in the organizing potential of the wage-labour/capital pattern with regard to the total social labour power ...' (1976: 34). The characteristic instability of the economic system is that it makes its own dominance problematic. The decline of the exchange principle means that less labour is organized as a commodity whereas economic stability depends on labour in this form.

A four sector model of labour power utilization illustrates this conclusion (1976: 40). The monopoly, competitive, public, and residual (all other labour power) sectors represent proportions of labour organized according to specific principles. As commodity relationships exist only on the basis of exchange Offe argues that only in the monopoly sector is labour power organized solely on the basis of that principle. The dependency of the competitive sector (made up mainly of firms which are integrated with the monopoly sector via, for example, input or output dependency) on the monopoly sector means that the vast proportion of its labour power is organized on the basis of administered decisions rather than exchange. As the state sector cannot make reference to the market (as its services are not marketable as commodities) Offe concludes that labour power is here organized

on the basis of administered decisions while the dependence of the residual sector (eg. welfare, schools, etc.) on the state sector means that its proportion of labour power is also administered. Offe's point is that the expansion of the monopoly sector causes more and more labour to be administered. The systemic response is the autonomy of the political system.

However, because of its specific organizing principle (i.e. power) political intervention is, in itself, a cause of de-commodification as it requires utilizing labour on the basis of power rather than exchange. Due to the nature of its flanking relationship, Offe can argue that:

...what the state protects and sanctions is a set of rules and social relationships which are pre-supposed by the class rule of the capitalist class. The state does not defend the interests of one class, but the common interest of all members of a capitalist class society (1975a: 139).

The state then is defined not as a set of institutions but in terms of '...the way it is functionally related to and dependent upon the accumulation process' (1975a: 125). This functional relation excludes the state from direct participation in production processes but mandates the state to create the conditions of accumulation. As this functional relation is also an historical one Offe can cast the question of the rise of state intervention as one of 'modes' of intervention.

The modes of intervention are 'allocative' and 'productive' (1975a: 128). Allocative strategies are policy measures which stabilize accumulation by use of strictly political resources, i.e. the state allocates resources which are under its direct control (eg. education policy, trade tariffs, etc.). In pursuing productive strategies the state takes direct responsibility for the provision of inputs required by the accumulation process in the case where units of the economy will

not undertake production of the input because of low profit potential (1975a: 128-132).

The difference between the two modes of intervention is that, for productive intervention:

...what is needed in a given situation is not already at the disposal of the state but must be 'produced' by the state in the first place. The state-owned resources... are...merely the raw materials out of which certain outputs have to be manufactured according to decision rules ...that the state cannot take from its environment but has to generate for itself (1975a: 134).

But as the state can only operate as a political entity we can say that its economic intervention must meet conditions defined by the economic system. The state must, because it is not a capitalist enterprise, direct its economic related activities on the basis of a defined 'general capitalist interest'. The content of this definition is the forum of state/capitals conflict.

The distillation of a general capitalist interest from the narrow interests of individual capital units is seen as a question of policy determination. The concept of 'system selectivity' allows Offe to conceptualize the nature of the capitalist state as a question of policy formation. 'Selectivity' refers to a set of 'filtering mechanisms' which, in their functioning, result in '...the systematic restriction of the scope of possibility...' of the policy process (1974: 37). Offe argues that the selectivity of the state structure is such that only interests which correspond to the state-defined 'general interest' are allowed representation (1974: 34). As a corollary of this, anti-capitalist interests are denied articulation (1974: 38). Capitalist interest is guaranteed by the conditions of interest representation. To be articulated in the political arena, a group 'need' must meet two conditions: it must be capable of conflict (i.e. it must

have a collective ability for refusal to perform), and it must also be capable of being organized. The ultimate effect is that groups with access to large amounts of resources have a better chance of gaining interest representation (1972: 85-87). Thus:

...the pluralistic system of organized interests excludes ...all articulation of demands which are general in nature and not associated with any status group; that are incapable on conflict because they have no functional significance for the utilization of labour power, and that represent utopian projections beyond the historically specific system. (1972: 89).

Offe's intent is to define the nature of the class state, not of the state ruling in response to external demands, and it is argued that such a difference may be explored in the selectivity which results in policy generation. This is why the concept of selectivity has the status of a set of hypotheses for Offe. Investigation of these hypotheses is, however, problematic because '...state power in capitalist industrial societies is the method of class rule which does not disclose its identity as such' (1974: 46); thus, concealment of the state's relation to the accumulation process is seen as one of the pre-conditions of the capitalist state. This 'concealment' is revealed only in 'crisis' situations, i.e. in those situations where the state acts directly and incontrovertibly as a class state.

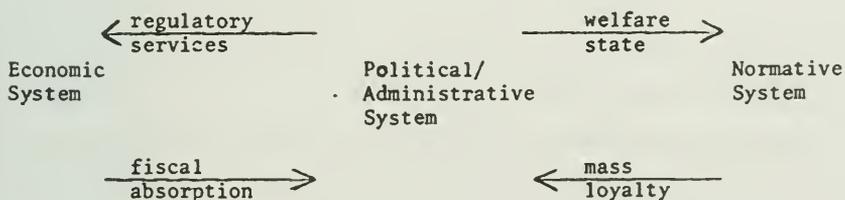
Offe's functional definition of the state illustrates this. As the state has the role of maintaining both the legitimacy of the overall system¹ and directing the economy Offe argues that these two roles are contradictory in terms of their effects on system stability. While 'direction' is subject to external demands (demands from individual capitals, sectors of capital, and other pressure groups), the attainment of legitimacy involves the fulfilling of specific demands (to a greater or lesser extent), i.e. policies are created which do not

satisfy everyone. Thus, the contradiction is that meeting demands will cause groups whose demands are not met to withhold legitimacy (1973: 245-248). The state's problem is balancing these two roles.

The conditions of the balance are:

...achieved if (a) the acceptance of legitimating rules of democratic and constitutional regimes is reinforced by the material outcomes of governmental policies and measures, and (b) if these measures and policies are 'efficient' in the only way a capitalist state can be efficient, namely in succeeding to provide, to restore, and to maintain commodity relations for all citizens and for the totality of their needs (1973: 252).

Thus, legitimacy is tied to the attainment of economic stability. Further, legitimacy is now a function of the commodity form as the method by which the state can gain legitimacy is dictated by the state's relation to economic processes. We can now appreciate the logic behind Offe's statement that: 'The commodity form is the general point of equilibrium for the capitalist state'. (1975a: 140) We are also in a position to appreciate Offe's ideas regarding subordination, system autonomy, and the intrusion of foreign organizing principles. Because of its functional role the state faces what Offe calls a 'crisis of crises management'. Offe presents an illustrative diagram:



(1976: 52)²

The problems which the state must 'balance' are 1) maintaining the balance of input/output within each separate system, and 2) maintaining the balance of the system as a whole (1976: 53).

Offe's principal argument is that as the state is the central actor in society the social bases of conflict are restructured because of the intrusion of the political organizing principle into the economic sphere. The basic conflicts are now political rather than economic in nature. This may be seen in the dramatic effects of political intrusion on class relationships:

As politically manipulable variables now intervene extensively between labour and income, and between the latter and the concrete structures of life chances, the new forms of social inequality are no longer directly reducible to economically defined class relationships which they are assumed to reflect (1972: 95).

Thus, the real issues of conflict in capitalist society are now derived from the mechanisms of political intervention which generate a '...horizontal system of disparities between vital areas...' (1972: 96). Vital areas are defined as such by virtue of their functional relevance for the accumulation process. In late capitalist societies then, a dominance of functions now exists rather than class dominance, and conflict now occurs between groups having differing degrees of 'functional relevance' and not differing relations to the means of production. Offe argues that it is this conflict which is the driving force of social change (1972: 98,101) as the 'horizontal privilege distribution' is not necessarily related to class, even if the effects of both class and functional privilege inequality tend to accumulate '...on the lower levels of the income scale' (1972: 102).

Offe concludes that the final outcome of the functionally required state intervention is the autonomy of the political system from a relation of subordination. The political system has come to dominate the economic system. Thus:

The decisions and actions which are the output of the labour of the civil service and other categories of employees are no longer deducible from criteria of their relevance for

capital accumulation, but, on the contrary, themselves determine exchange relations between commodities (1973: 114).

Due to the dominance of political control, the need for legitimacy is amplified. That is, not only must the political system as such be legitimated but also the intrusion of the political into the economic system must be legitimated. Capitalist domination is now so bound with the political system that only the legitimacy of the political system makes the domination possible (1973: 74). Offe's general thesis of crisis in capitalist society is that:

...the increasing utilization of the regulatory medium of state power - a medium external to the market - leads, cumulatively, to the production of breaches that enable intrusions into the (economic) system by non-capitalist structures; the closing of these breaches through mechanisms of 'negative subordination' consequently becomes the main problem of late capitalist social systems (1976: 47).

The basic problem in resolving this crisis is that its resolution rests on the action of the system (the political) which is responsible for the crisis.

CRITICAL ASSESSMENT

Our critique will first address Offe's characterization of crisis in capitalist society³; then, having demonstrated the shortcomings of his approach to the problem, we shall show that Offe's economic analysis is seriously flawed by an inadequate understanding of the commodity. We will conclude with a brief discussion of legitimacy and of the political system.

That the concept of the commodity is crucial to Offe's analysis is proven by (a) the reduction of system stability to economic stability and (b) the reduction of the economic system to the exchange principle, where the 'commodity form' is taken as the indicator of the proper

functioning of the principle.

We shall now turn to Offe's concept of the totality. As we have seen, the totality is conceived as a system composed of three functionally related sub-systems. Here we can ask of Offe what Laclau asks of Althusser: 'Why only three? What has been the method of their deduction? Does there exist any logical link between them?' (Laclau, 1975: 104). Offe's answer is 'silence to the first two and functional to the third'. Offe does not present any reasons as to why there are three systems or why it is these three particular systems.

We argue here that the three systems are identified as such as a function of Offe's over-riding concern with system crisis. The concept of crisis is the first point of analysis. As Offe states:

...one conceptualizes crises not at the level of events but rather at the super-ordinate level of mechanisms that generate events (1976: 32).

Offe points out that '...such a definition predisposes one to favour a processual concept of crisis...' as '...crises would be processes which violate the "grammar" of social processes' (1976: 32). The view of crisis as a super-ordinate mechanism is compatible with Offe's reduction of all systems to organizing principles; in this usage, crisis becomes the failure of an organizing principle. The concept of crisis is therefore contained within the concept of organizing principle because the principle involves the crisis-prone processes. As the processes must follow the pre-defined functional imperative of economic stability Offe has only to define those processes which are of functional importance to the economic system and which are capable of being described as based in an organizing principle. If such a principle can be formulated then, ipso facto, crisis pertains within the processes referred to by the principle. As we can see however, Offe is able to do

this only for two systems.

There are implications here for Offe's theory of the state. A tenet of the systems theory employed by Offe is that if crisis exists then a 'crisis-resolving mechanism' must also exist. In Offe's work, this mechanism is found in the state. Such a view of the state dovetails with a functional definition of the state such as the one used by Offe.

Referring now to the organizing principles we argue that while Offe holds that processes are of basic importance in his formulation, the 'logic of crisis' exists only at the level of the principles. However, the derivation of a principle involves not an abstraction of system content (i.e. the processes) but, rather, a reduction of the content to a statement of form. This reduction is severe enough to expel content; for instance, the reduction of the economic system to the principle of exchange means that Offe cannot approach the specificity of capitalism as exchange characterizes any economic system. The reduction is, however, functional for Offe's analysis as it facilitates the extension of the idea of crisis to the functional relations between sub-systems.

Another problem connected to the functional relations of the systems is that in a formal sense either of the two flanking systems can achieve autonomy and so come to dominate the economic system. But the absence of a defined principle of the normative system means that Offe cannot account for the hypothetical case of normative system autonomy. Offe would argue that the issue here is one of substantive content, the point being that hypothetical problems are best left as such. We agree but Offe cannot argue 'content' as a resolution because the problem actually exists in the pre-conditions of his argument, in

the reduction to the organizing principle that facilitates the concept of crisis.

The point here is that Offe's model of capitalist society is based on reductions of content. The reductions lend coherence to the theory but Offe is unable to account for the potential relationships which could pertain in the model. If we ask why these potential relationships are not explored the answer will also tell us why the political system has the role described by Offe. However, the only answer that Offe provides rests upon the assumption of functional necessity and thus the analysis of system relations becomes teleological.

Turning now to the specific analysis of the economic system we recall that a basic system problem is the tendency for less and less social labour to be organized in the commodity form (where this form is the 'natural' basis of the exchange principle). Offe argues that:

The pre-requisite for the conversion of ever larger quantities of labour power into the commodity form inherent to the wage-labour relation was, from the emergence of capitalist society, the organization of labour power within a non-commodity form, that is, the existence of the bureaucratic worker (1973: 109).

This formulation clearly states the relationship of functional necessity between the political and economic systems. Offe holds that capital accumulation is functionally dependent on the state in that the state has the role of '...creating the conditions under which values can function as commodities' (1975: 143). Offe's view of the developmental processes of late capitalist societies is that within them '...values cease to operate in the commodity form' (1975: 141). In these societies, the state (upon which the existence of the commodity form is dependent) is not a part of the economic system as it is organized on the basis of a principle foreign to exchange. By virtue of this Offe concludes that labour performed 'in' the state is not of the commodity form.

In the above formulation, 'non-commodity' labour is a form of labour which is, in some way, not determined by the exchange principle. A closer examination of the 'commodity form of labour' is required here. Offe holds that 'commodified' labour is only that labour which is directly productive of surplus value for capital accumulation, i.e. only labour organized on the basis of the exchange principle exists as a commodity (1973: 109). Thus, as the state does not accumulate surplus-value its 'workers' must not exist in the commodity form.

We have located the problem. Offe has confused the commodity with productive labour. As Laclau points out, the commodity and productive labour (the latter being an aspect of the labour process) are two different sets of abstract conditions of the theory of the capitalist mode of production, and are entirely different theoretical and empirical categories (1975: 106).

Offe says of state labour power:

Such labour is not abstract, it is not a commodity and produces no commodities. The social utilization of this kind of labour is determined by its concrete results; it is deployed with regard to its use-value and to the use-value of its performance and not, as is the case of abstract labour, with regard to its exchange value, where use-value is not the primary factor but only a necessary by-product (1973: 109).

Here the use-value and the exchange-value of labour as the producer of commodities (which have both use and exchange value) is confused with the use-value and exchange-value of a commodity in itself. Offe has totally misunderstood capitalist production. Just because labour power is not productive of surplus value does not imply that such labour power does not exist in the commodity form. The 'productivity' of labour is a matter of '...the definite social form, the social relations of production, within which the labour is realized' (Marx, 1963: 157). The productivity of labour (that is, productive labour) cannot be

identified with the existence of labour power as a commodity because labour power in the capitalist mode of production is a commodity by virtue of the value of labour being a function of socially necessary labour time.

Offe has missed the crucial role of the relations of production which serve to constitute labour as productive or unproductive of surplus value. We may see this as an effect of the reduction of the economic system, as this reduction dispenses with the concept of relations of production upon which the concept of productive labour rests. Therefore, to say 'commodity form of value' and apply the term to the labour force is to state a redundancy and then to look for precise differentiations within it. The real question is (as we shall see) one concerning productive labour, but Offe's invalid equation of the commodity and productive labour prevents him from seeing this, as he cannot differentiate between the two.

Returning now to Offe's argument regarding system relations, we see that he cannot proceed from an analysis of production as his approach to the economic system expunges production and replaces it with a flawed analysis of the commodity, an analysis which is then incorporated into the functional logic of system relations. We can see the pernicious effects of Offe's misunderstanding of the commodity in his model. In Offe's usage, for labour to be a commodity it must (a) be directly productive of surplus-value and (b) have its value determined solely on the basis of exchange. This double definition makes it easy to discover a decline in the organizing potential of the exchange principle as any indication that labour value is determined by non-economic forces is sufficient to disqualify that labour from existence as a commodity.

Labour which is organized through the exchange principle is characterized by the fact that:

...all coercion to which labour power is subjected emanates from an organization with which it is simultaneously linked through the relationship of exchange...(1976: 41).

To say 'exchange relationships' means that '...all determinants of the individual's chances in life...' are based in exchange (1976: 40).

As Offe says:

...labour power is here incorporated into a relationship of coercion (namely the structure of domination of the large scale industrial establishment) that is in all aspects the object of the exchange relationship...Here labour power is in all its aspects a 'commodity' - and not the object of administrative coercion (1976: 40-41; Offe's emphasis).

As Offe's argument is that the amount of labour existing in such a relationship tends to decline, a direct implication is that the amount of labour given over to the production of surplus value is declining, the corollary being that the amount of labour which drains surplus value grows. Clearly then, Offe points to the need of late capitalist societies to increase the amount of surplus value and this is the real issue. Offe's concern, because of his usage of the concepts of labour power and the commodity can only approach the question of how many people are producing surplus value. This involves an under-utilization (if not misunderstanding) of the concept of surplus value.

Offe's idiosyncratic understanding of labour power as a commodity makes it easy for him to argue its decline when that understanding is conjoined to the argument that political intervention represents 'administrative coercion' and therefore the 'de-commodification' of labour. This coercion refers to the effects of state intervention and alters exchange relationships in that competition is no longer the basis of determination of exchange. Thus, in Offe's view, the material conditions of exchange are no longer directly linked to exchange. But here Offe demonstrates his misunderstanding of the determination

of labour value.

Offe does not imply that exchange relationships no longer obtain; he has correctly identified some of the dynamics of the determination of exchange in late capitalist societies. If we see, following Marx, that all labour power is a commodity and that Offe is actually dealing with the problem of productive and unproductive labour, then we can see the 'administered coercion' does not alter the nature of value determination. Offe, however, thinks that the return to labour is strictly an economic process, hence, the importance of establishing exchange in his analysis. We may conclude that Offe utilizes a neo-classical meaning of the economic system. Leaving aside the intricacies of Marxist economics, we see that the value of labour power is the result of the social process of class struggle, and this process has never been concerned solely with exchange as it is a social as well as an economic process. This calls into question Offe's understanding of class and transformation of class struggle. Offe states:

Because the lines of conflict are no longer drawn between classes but between vital areas affecting the same individuals, disjunctions in living standards are no longer a fit basis for the organization of conflicts of broad social relevance (1973: 103).

Given our demonstration that Offe's theory points to the continued importance of the pool of surplus value and that (from Marxist theory) surplus depends on productivity, we suggest that Offe's contention is misinformed. The surplus value pool is drained through strictly economic strategies on the part of trade unions. The immediate object of such a strategy is the living standard.

As well, in Offe's argument, the level of labour process (labour power as a 'commodity') and the level of state/economy relations are mixed. If we are to follow Offe's logic to its conclusion then we must say, by virtue of the functional definition of the state, all capitalism

is 'de-commodified'. Obviously we have the problem of drawing boundaries here. Our point is that the simplicity of the reductions employed by Offe in order to establish his analysis make the drawing of such boundaries intensely problematic. Even if we accept the possibility of boundaries, certain problems still pertain. For example, a monopoly sector firm may exist by virtue of government contracts. Now while the exchange relation may exist within the firm, is this existence not the product of an administrative coercion? Further, the boundaries make it impossible to analyse the social determination of labour value; thus even if Offe's political economy refers to new forms of the determination of the value of socially necessary labour, he cannot elaborate on these forms because of his concern with the interaction of principles.

As mentioned previously, Offe sees the attainment of legitimacy (as a minimum of mass loyalty) as the basic problem facing the capitalist state. As our previous remarks show, Offe's analysis does not always deal with what he thinks it does and this is the case for legitimacy.

Offe holds that legitimation problems arise as a function of state intervention (1975c: 107). As intervention causes the ideology of equivalent exchange to decline (the fetishism of commodities is broken and the new social relations are easily comprehended), a new basis of integration is required to legitimate the intervention. As shown, because of the centrality of the state in the argument, Offe reduces legitimacy to the provision of material goods and so turns his theory into one concerned with economic stability--given stability, the legitimacy will, somehow, follow naturally. In this sense, Offe treats legitimacy in a 'residual' fashion. Thus, instead of being the crucial problem we see instead that when Offe's economic analysis is combined with his 'basic material level' approach to legitimacy, the problem of legitimacy actually disappears from Offe's work. Contrary to his own statement, the real problem is one of

economic stability.

In any case, the concept of legitimacy as such is problematical. Offe's normative system does not seem to be an active process in the same way that the economic and political processes are.

Additionally, given Offe's argument about legitimacy and his argument that crisis is seen only in open conflict we can say, following Giddens' critique of functionalism (1976), that the very operation of the social system indicates that the minimum level of legitimacy is met. Thus, the concept and the attainment of the empirical state to which legitimacy refers, is unimportant.

Even if one accepts Offe's analysis to this point, some further problems exist. For example, like the analysis of the economic system, Offe's treatment of the political system involves sweeping simplifications.

Proceeding from his definition of systems and principles, we can ask Offe to identify processes within the political system which produce strictly political instability. However, aside from a discussion of policy determination we are not informed as to such processes and must be satisfied with an indication of externally caused political instability (i.e. the instability of the economic system to which the policies are a reaction). In this case, however, apart from being told of the reaction of the political as a system we are, again, not given clarification as to the internal determination of this reaction. Symptomatic of this denial of internal processes is the concept of the state defining a general capitalist interest. We are not told how this comes about and are given only the clue of policy formulation. We suggest that while the concept of selectivity seems fruitful, Offe has presented a view of the state which takes the apparent unity as a homogeneity. By this we mean that the processes which operate so as to create, in their apparent unity, the state as such (or in a specific sense, a general capitalist interest)

may be sources of conflict (instability?) internal to the state. But because Offe begins his analysis with the 'apparent unity' he cannot approach the internal workings and this detracts from his work.

CONCLUSION

Our critique has avoided the supposition that Offe is a firmly entrenched member of the critical school. An argument of this nature implies the existence of a clearly defined discourse known as 'critical theory', whereas at most we can identify a 'critical tradition' and see Offe's work as a part of this tradition.

The contemporary fount of the critical tradition is, of course, Habermas. But our interest here is to analyse the work of Offe in and of itself and not to 'locate' Offe in relation to Habermas. A comparison of the two theorists would have turned a critique of Offe into an enumeration of the similarities and differences with Habermas. At most we will express our agreement with Woodiwiss that Habermas' theory of the state (or rather, aspects of Habermas' theory of politics) clearly draws upon concepts developed by Offe (Woodiwiss 1978: 175).

Nonetheless, a summary of the critical tradition sensitizes us to Offe's concerns.

Generally, critical theory may be seen as a response to the classical Marxist emphasis on production at the expense (so perceived) of an analysis of the superstructure. It is argued that historical materialism must be reformulated in order that, for example, political and cultural phenomena may be accommodated.

One fashion of establishing this accommodation involves the claim that the transition of capitalism from a competitive to monopoly form has seen the collapse of base and superstructure. In this view, the production process is no longer the locus of the class struggle. The argument is that the class struggle has expanded to encompass all of society.

Offe's analysis is within this tradition. His object is the change wrought by state intervention into the accumulation process. We may thus see Offe as exploring the relations of a totality where the classic base/superstructure distinction does not pertain.

Offe may thus be seen as presenting a theory of post-capitalist society (this being quite apropos to his critical school heritage). Offe's conclusions are not, however, linked to his theoretical approach. Offe is free to argue that the attainment of a state of negative subordination is the basic problem facing capitalist society but it can be just as easily argued that the system autonomy which Offe identifies means that we are beyond capitalist society. If this is so then Offe's project of identifying the true class state is virtually meaningless. The issue hangs on the meaning and direction of 'system autonomy'. It is entirely plausible to think that a state of system autonomy will operate in a fashion which actually redefines functional imperatives. Offe's whole analysis points in this direction but he is prevented from pursuing this argument because his assumption of the nature of economic dominance forces him to view capitalist society as obeying only a particular matrix of functional relations.

The problem is twofold. Offe's analysis is both ahistorical and abstract; his functional approach can be applied to the Soviet Union as easily as it is to any capitalist social formation. This is to say that Offe's statement of functional relations cannot specifically identify capitalist society. In addition the analysis of capitalism is, as demonstrated, confused and this makes Offe's treatment of the outcome of functional relations within capitalist society problematic as a basis of research.

We conclude with the observation that Offe may be seen as presenting an unsophisticated economic reductionism. Offe's political economy is at

once simplistic and confused; the integration of historical materialism and systems theory fails miserably because Offe's systemic approach to the economy involves stripping the concept of relations of production from the economic.

The systems approach requires that a system be seen as somehow insulated from its environment, but the concept of relations of production (which gives coherence to historical materialism) is 'inter-systemic' and cannot, strictly speaking, be used in a systems approach. The use of Marx's categories of political economy in conjunction with a systems approach requires that one or the other be massively simplified. In Offe's case, Marx is simplified to the point where errors are made which could have been avoided had Offe used the concept of relations of production.

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NOTES

- 1) Legitimacy is a source of political power; its nature is one of a minimum loyalty engendered through the normative system (1975a: 126).
- 2) The rather obvious resemblance to Parsons is noteworthy but will not be pursued. Our interest in Offe's ideas about functional relations lies in his economic reductionism.
- 3) The basis of critique in this section will be Laclau's contention that:
 - A theory is false only to the extent that it is internally inconsistent, i.e. if in the process of construction of its concepts it has entered into contradiction with its postulates. (Laclau, 1975: 94)

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