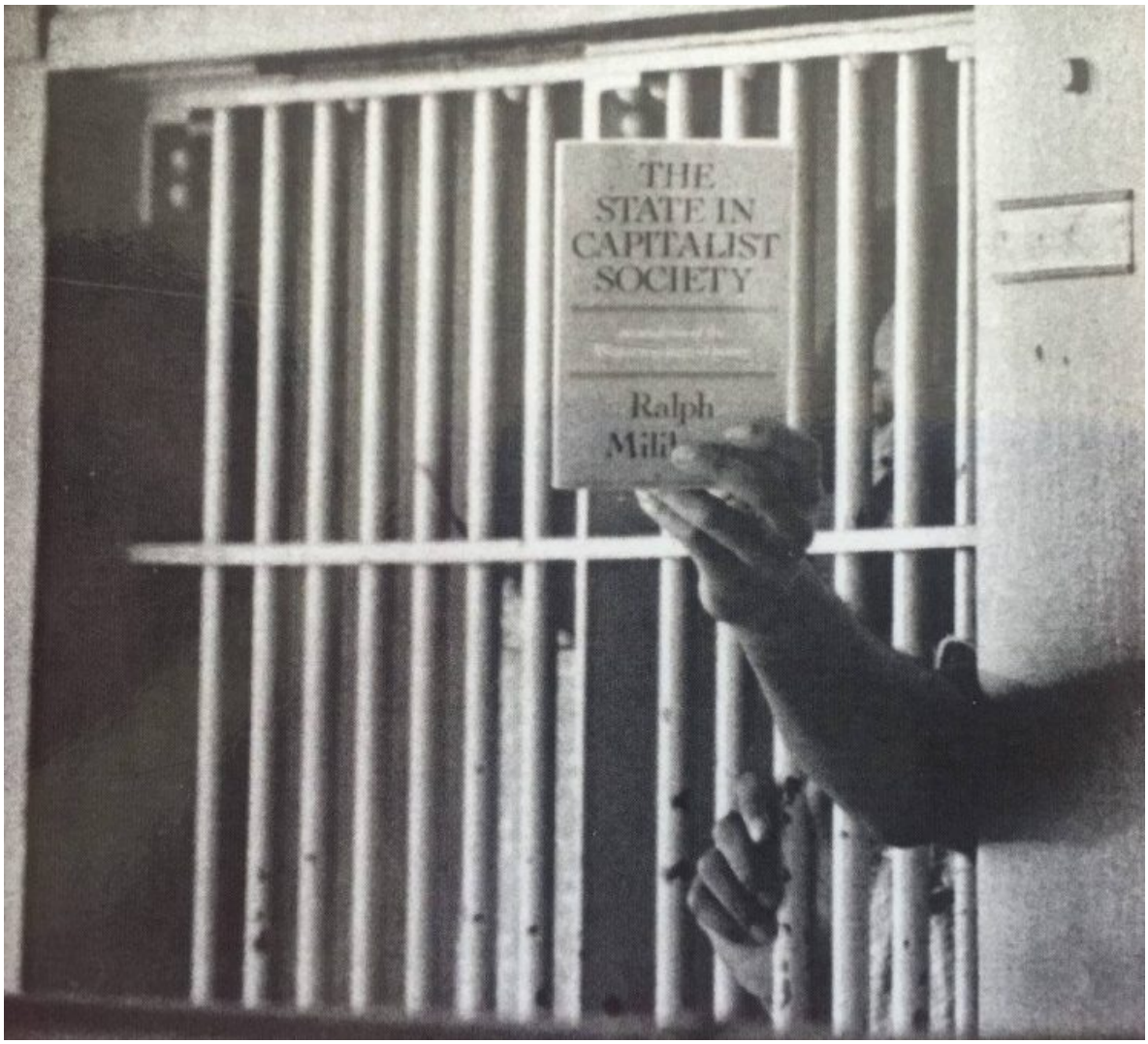
# Ralph Miliband’s Masterpiece at 50

**Fifty years after it was published, Ralph Miliband's The State in Capitalist Society remains indispensable for any socialist movement with ambitions of power.**




A prisoner holds up Miliband's The State in Capitalist Society in protest at conditions in a Michigan state prison.

The illusions of the neoliberal era — that the market should or even could be freed from the state, or that an unstoppable process of capitalist globalization was bypassing even the most powerful of states — have suddenly dissipated. One of the greatest misconceptions of neoliberals was the notion that states and markets were in opposition to each other. Since then, it was only on the most superficial level that it could have been thought that states were in retreat at all.

On the contrary, they have been actively engaged in spreading capitalist market relations to every corner of the globe and in every facet of life, while repeatedly intervening to try to contain the crises this sparked. It is a measure of how hegemonic the "markets versus states" dichotomy had become, that even most of those who recognized the crucial link between the spread of markets and state action simply called for a return to the days when states allegedly exercised control over markets.

Reading Ralph Miliband's *The State in Capitalist Society* is so instructive today, fifty years after its publication, not only because it gives us indispensable tools to make sense of the "return of the state," but also because it dispels such illusions about the world before neoliberalism. Anthony Crosland's *The Future of Socialism*, published in 1956, had famously encapsulated the thinking of a whole generation of New Deal, Labour, and social-democratic politicians and intellectuals in western capitalist countries with its argument that the post-war "transformation of capitalism" entailed "the loss of power by the business class to the state," "the transfer of power from management to labour" in industry, and even a historic change in the nature of the business class itself, whereby the "economic power of capital markets and the finance houses . . . were much weaker."

After the experience of the neoliberal decades that began in the 1980s, it is obvious how mistaken this was. But when Miliband in 1962 conceived *The State in Capitalist Society* to show the continuing power of big business both inside and outside of the state, he was challenging the hegemony of both the pluralist theory of politics (that power in Western societies was competitive, fragmented, and diffused) and of post-war Keynesian economic theory (that public policy was autonomous from capitalist interests). Unlike those who entertained illusions about social harmony and economic stability under a managed capitalism, Miliband still recognized in it "an atomized system which continues to be marked, which is in fact more than ever marked, by that supreme contradiction of which Marx spoke a hundred years ago, namely the contradiction between its ever more social character and its enduring private purpose."

The statement made in the opening sentence of Miliband's concluding chapter — that "the most important political fact about the advanced capitalist societies . . . is the continued existence in them of private and ever more concentrated economic power" — has become so obvious today that we need to remind ourselves that it was written a decade before Thatcher and Reagan came to office. Whatever fears the capitalist classes

may have had of Roosevelt in the 1930s, from the perspective of the 1960s Miliband could clearly demonstrate that the effect of the New Deal had been to "restore and strengthen the capitalist system, at very little cost to the dominant classes." The dominant classes in Europe and Japan had become more socially cohesive than ever in the post-war period, not least by virtue of the old aristocracies having undergone a process of "bourgeoisification" as they were "assimilated to the world of industry, financial and commercial enterprise."

As for the "dramatic advance toward equality" which was supposed to have occurred in the post-war period, with the election of social-democratic parties to government and the conservative parties' embrace of many of their reforms, it had proved less dramatic and more limited than had been claimed. Such equalizing trends as were at work should not have been "promoted to the status of a 'natural law' and projected into the future," Miliband quotes the eminent social policy scholar Richard Titmuss as saying in 1965: "there are other forces, deeply rooted in the social structure and fed by many institutional factors inherent in large-scale economies, operating in reverse directions." The promise of much more radical reform was disappointed, showing just how "formidable" were the "forces of containment at work in advanced capitalist societies" — whether this was the "result of deliberate striving" by the capitalist classes or "the weight of the system itself."

But what was so important about Miliband's conclusion was that he insisted that this was "not by any means the whole of the story"; it did not confirm what Herbert Marcuse, in another great book of the time, had called "one-dimensional man." On the contrary, Miliband already discerned the significance of what he would later analyze more fully as a widespread "state of desubordination" that was spreading through advanced capitalist societies by the late 1960s.

[A] deep malaise, a pervasive sense of unfulfilled individual and collective possibilities penetrates and corrodes the climate of every advanced capitalist society. Notwithstanding all the talk of integration, embourgeoisement, and the like, never has that sense been greater than it is now; and never in the history of advanced capitalism has there been a time when more people have been more aware of the need for change and reform. Nor has there ever been a time when more men and women, though by no means moved by revolutionary intentions, have been more determined to act in the defence and the enhancement of their interests and expectations. The immediate target of their demands may be employers, or

university authorities, or political parties. But . . . it is towards the state that they are increasingly driven to direct their pressure; and it is from the state that they expect the fulfillment of their expectations.

It was in the reaction to this pressure that neoliberalism struck its roots among the capitalist classes; in good part because capitalists had grown stronger during the post-war era, they refused to put up with such insubordination. The ideological assault they launched on the "state" was all about reducing the expectations of the no longer fully-subordinate classes. But is the fact that capitalists had such concerns not evidence that they after all lacked a "decisive degree of political power," thus undermining Miliband's theory of the state?

Miliband's preparatory notes for the book reveal his concern with explaining this apparent paradox: he knew he "must explain convincingly" why it was that the very capitalist classes that the state protected, nevertheless, "do not always get their way, and certainly do not feel they are being protected most effectively." The attention he paid to this in the book was explicitly designed to "serve as a necessary corrective to the notion that interests such as these are by virtue of their resources all-powerful. As has been stressed before, they are not, and can be defeated. This hardly, however, negates the fact that they are powerful, that they do wield vast political influence, and that they are able to engage in an effort of ideological indoctrination which is altogether beyond the scope of any other interest in society."

Miliband's documentation of the efforts and expenditures of business groups in the 1950s and 1960s to promote "the free enterprise economy" and explain the perils of "unwise political intervention," "excessive taxation," and "the national debt," shows that what came to be called neoliberalism already existed *avant la lettre*. It was entirely predictable to anyone who paid attention to Miliband's book that capitalists would turn up the volume in the face of the interference with the transmission of this business message from mass working-class insubordination.

Despite crude charges of instrumentalism, Miliband's book in fact articulated very clearly his awareness that the dominant classes "are not solid, congealed economic and social blocs," and he explicitly argued that it was precisely for this reason that they "require political formations which reconcile, coordinate and fuse their interests." Here was where "the special functions of conservative political parties" came in, above and beyond that of corporate think tanks and lobby groups, and this was the case not only in terms of their indispensable role in the fashioning of "a

unified, class-conscious policy offensive," but also in terms of fashioning the "ideological clothing suitable for political competition in the age of mass politics."

The achievements of large conservative parties, Miliband insisted, were bound up with the fact that they "have not only been the parties of the dominant classes, of business and property, either in terms of their membership or in their policies. In fact, one of the most remarkable things about them is how successfully they have adapted themselves to the requirements of 'popular politics.'" But, as always in Miliband's work, this could ultimately only be understood in terms of the interaction between these parties and "the political parties of the left" which were:

led by men who, in opposition but particularly in office, have always been far more ambiguous about their purpose, to put it mildly, than their conservative rivals . . . This, it need hardly be said, has nothing to do with the personal attributes of social-democratic leaders as compared with those of conservative ones. The question cannot be tackled in these terms. It needs rather be seen in terms of the tremendous weight of conservative pressure . . . [and] the fact that the ideological defences of these leaders have not generally been of nearly sufficient strength to enable them to resist with any great measure of success conservative pressure, intimidation and enticement.

When asked what her greatest achievement was, Margaret Thatcher famously replied: "Tony Blair and New Labour. We forced our opponents to change their minds." This had much less to do with an ideological conversion to neoliberalism than to a series of pragmatic decisions, usually driven by the exigencies of the moment, to promise to facilitate capital accumulation, which as often as not involved more rather than less state intervention to accomplish. "State intervention in economic life in fact largely means intervention for the purpose of helping capitalist enterprise," Miliband had explained this in 1969, noting moreover that "it is often the most capitalist-oriented politicians who see most clearly how essential the structure of intervention has become to the maintenance of capitalism."

Ralph Miliband saw the political debate "about the desirable extent, the character and the incidence of intervention . . . [as] a serious and meaningful one." But at the same time, he argued, both sides of the debate "have always conceived their proposals and policies as a means, not of eroding — let alone supplanting — the capitalist system, but of ensuring its greater strength and stability."

Neoliberalism in practice was never really about the withdrawal of the

state from the economy as much as the pragmatic expansion and consolidation of the networks of institutional linkages between the state and capital. What distinguished the leaders of New Labour from most previous Labour party leaders was that they so openly embraced this pragmatism and consolidation. Yet it was as true of them as it was of the earlier Labour leaders that they did

not at all see their commitment to capitalist enterprise as involving any element of class partiality . . . In their thoughts and words, Hegel's exalted view of the state as the embodiment and the protector of the whole of society . . . lives again — particularly when they rather than their opponents are in office . . . Indeed, to dismiss their proclamations of freedom from class bias as mere hypocrisy leads to a dangerous underestimation of the dedication and resolution with which such leaders are likely to pursue a task of whose nobility they are persuaded . . . They wish, without a doubt, to pursue many ends, personal as well as public. But all other ends are conditioned by, and pass through the prism of, their acceptance of a commitment to the existing economic system.

But *The State in Capitalist Society* also contained much of relevance to those who were enthused about the successors to Clinton and Blair in the aftermath of the financial crisis, who promised to break with their accommodation to a predatory, inegalitarian, and crisis-ridden capitalism. Especially relevant was Miliband's observation that new governments of the Left "far from seeking to surround themselves with men ardent for reform and eager for change in radical directions . . . have mostly been content to be served by men much more likely to exercise a restraining influence upon their own reforming propensities." Miliband explained this in term of the "important political purpose" it served, namely "to reassure conservative interests and forces as to their new ruler's intentions."

One reason these new governments of the left seek to provide such reassurances to these forces is that they have normally come to office in conditions of great economic, financial and social difficulty and crisis, which they have feared to see greatly aggravated by the suspicion and hostility of the "business community."

And here we see the most important reason for reading *The State in Capitalist Society* today. Without ever minimizing the role that progressive politicians at the helm of the state have played in the mitigation of class inequality — "as has been stressed here repeatedly this mitigation is one of the most important of the state's attributions, an intrinsic and dialectical part of its role as the guardian of the social order" — Miliband at the same

time stressed how "reform always and necessarily falls short of the promise it was proclaimed to hold: the crusades which were to reach 'new frontiers,' to create 'the great society,' to eliminate poverty, to assure justice for all." What always lay behind this were fears of aggravating a crisis of capital accumulation.

It almost feels as though Miliband were speaking directly to Obama, or others like him in Britain, when one reads:

Such fears are well justified. But there is more than one way to deal with the adverse conditions which these new governments encounter on their assumption of office. One of them is to treat these conditions as a challenge to greater boldness, as an opportunity to greater radicalism, and as a means, rather than an obstacle, to swift and decisive measures of reform. There is, after all, much that a genuinely radical government, firm in purpose and enjoying a substantial measure of popular support, may hope to do on the morrow of its electoral legitimation, not despite crisis conditions but because of them. And doing so, it is also likely to receive the support of many people, hitherto uncommitted or half-committed, but willing to accept a resolute lead.

The measure of what would be "a resolute lead," as far as Ralph Miliband was concerned, could only be taken in terms of where it fitted in a long-term socialist strategy. Miliband pledged himself to the socialist cause at Marx's grave in Highgate Cemetery as a sixteen-year-old, shortly after fleeing the Nazis in Belgium. It led him to study with one-time Labour Party Chairman Harold Laski at the London School of Economics, where he himself was later appointed to teach in 1949 when he was only twenty-five. Despite the Cold War and his own critical perspective on Stalinism, Miliband would come to embrace Marx.

Even Anthony Crosland, whose book *The Future of Socialism* was one long argument that the post-war "transformation of capitalism" had brought the relevance of Marx to an end, refused to adopt what was then "the current fashion" of sneering at Marx (who was, he said, "a towering giant among socialist thinkers" whose work made the classical economists "look flat, pedestrian and circumscribed by comparison . . . only moral dwarfs, or people devoid of imagination, sneer at men like that.") But if Miliband was a Marxist he also recognized that Marxist theory needed further development — especially in its theory of politics.

This open, what might be called developmental, approach to Marxism, came to define the British New Left that emerged in the late 1950s. Yet what was no less characteristic of it than its intolerance of Marxist

dogmatism, was its intolerance of the kind of "radicalism without teeth" so commonly advanced by intellectuals, whereby "criticisms of many aspects of existing economic, social and political arrangements [were] coupled, however, with the rejection of the socialist alternative to them." As Miliband went on to put it in *The State in Capitalist Society:*

> Provided the economic basis of the social order is not called into question, criticism of it, however sharp, can be very useful to it, since it makes for vigorous but safe controversy and debate, and for the advancement of "solutions" to "problems" which obscure and deflect attention from the greatest of all "problems," namely that here is a social order governed by the search for private profit. It is in the formulation of a radicalism without teeth and in the articulation of a critique without dangerous consequences, as well as in terms of straightforward apologetics, that many intellectuals have played an exceedingly "functional" role. And the fact that many of them have played that role with the utmost sincerity and without being conscious of its apologetic import has in no way detracted from its usefulness.

The lead Miliband took in founding the *Socialist Register*, which from its first annual volume in 1964 became one of the foremost intellectual loci for socialist analysis in the English-speaking world, reflected his acute sense of responsibility as a socialist intellectual. By that time, he had already published his famous critique of the Labour Party's commitment to conventional parliamentary practices as "the conditioning factor" in its political behavior in his 1961 book *Parliamentary Socialism*.

Within a year of its publication, Miliband started actively planning "the writing of a big book on the State. Something that would take possibly five years, that would be theoretical, analytical and prescriptive, that would deal with a multitude of political questions and problems in a disciplined and tight manner." It took six years, and as he signed off on the preface in July 1968, he did so in the wake of the student and worker revolt in France, and amidst a respite from the famous student uprising that consumed the London School of Economics.

The enormous influence of the book was due to his remarkably accessible style of writing, marked by clarity of prose and judicious argumentation. But Miliband saw the book largely as a necessary ground-clearing exercise before the main task of remedying the deficiencies of Marxist political analysis, especially in terms of what he called its "over-simple explanation of the inter-relationship between the state and society." At the very least, the Marxist theory of the state required "a much more thorough

elaboration than it has hitherto been given."

The Marxist debates through the 1970s on the theory of the state were motivated by the hope that a realistic perspective would help in clarifying socialist strategy, and explaining why even radically-intended socialist reforms must run up against certain limits. If they had stopped here, the new theory of the state might have had defeatist implications, but by the late 1970s, with Miliband's *Marxism and Politics* and Nicos Poulantzas's *State, Power, Socialism*, they focused their attention on addressing more directly the key political questions involved in the construction of a democratic socialist state.

In Miliband's critique of the concept of the dictatorship of the proletariat and of Lenin's democratic centralism, as well as in his creative extension of the notion of "structural reform," crucial steps forward were taken. Miliband was trying to formulate a vision of what kind of state a new socialist politics should aim for, and how it might be realized through a strategy of administrative pluralism anchored in civil society. When Poulantzas followed with his own trenchant critique of the utopian notions of direct democracy within the Marxist tradition and his insistence on thinking through the place and meaning of representative institutions, this was very much consistent with, and complementary to, the position Miliband had advanced.

Right up to his death in 1994, Miliband was concerned that he had not done enough, including in his posthumous book, *Socialism for a Sceptical Age*, to "address the question of socialist construction with anything like the rigorous and detailed concern which it requires." For without developing "a clear indication of what was being struggled for," the promise of building new socialist movements and parties so necessary in the twenty-first century would not be realized. In this respect, the basic outline he drew towards the end of *The State in Capitalist Society* resonates in demanding a renewed and more elaborate socialist vision:

> In order to fulfill their human potentialities, advanced industrial societies require a high degree of planning, economic coordination, the premeditated and rational use of material resources, not only on a national but on an international scale. But advanced capitalist societies cannot achieve this within the confines of an economic system which remains primarily geared to the private purposes of those who own and control its material resources . . . Similarly, and relatedly, these societies require a spirit of sociality and cooperation from their members, a sense of genuine involvement and participation, which are equally unattainable in a system

whose dominant impulse is private appropriation . . . No doubt, the transcendence of capitalism — in other words, the appropriation into the public domain of the largest part of society's resources — cannot by itself resolve all the problems associated with industrial society. What it can do, however, is to remove the greatest of all barriers to their solution, and at least create the basis for the creation of a rational and humane social order.