Abstract

In the mainstream approach of economics, drawing on the classical tradition, the State is something that exists in order to solve (only partially) market failures. In most of the Keynesian tradition, the State is something that exists in order to lead (and maintain) the economy to (at) full employment. In most of the Marxist tradition, the State is something that exists in order to maintain the capitalist class in a dominant position. In fact, it is dubious that the State exists and perpetuates through centuries in order of a specific and/or a functionalist purpose. The present proposal aims at presenting, or recalling, some essential features of what would be the basis of a theory of the State in social sciences, in particular in economics, without resorting to a purposive or finalistic argument. It will be shown in particular that it exercises a contradictory role on social provisioning and social (or class) reproduction. As much as the State cannot be understood as an entity which would be situated out of the economy and its development, it cannot anymore be interpreted as a pure economic entity created to achieve one form of efficiency or another. This contribution will be based on the work of Pierre Clastres [1976] who expressed better than anyone else
the idea that the State is connected to the division of society in classes. It will discuss some important contributions from the Marxian tradition and show that the vision of Clastres is not incompatible with the general framework of Marx. The second reading on which this paper is based is Elias [1939] who emphasised the historical link between the monopoly over violence and over taxes in the genesis of the modern form of the State, which has important implications for the preconditions of economic activity such as production, exchange and money. Among others, it will be concluded that economic models (be them “post-keynesian” or “Marxists” or anything else) cannot pretend to deal seriously with their object without including an explicit representation of the state.

A close reading of State Formation and Civilization¹

The book of Norbert Elias proposes a genuine model of the modern state formation which is still considered by contemporary historians of royal public finances as the main theoretical reference.² Though it is considered as both history and sociology, this document is of great importance for political economy and a social provisioning approach. It can be considered as a complement to the Marxian analysis of state, which it doesn’t contradict. The method looks inductive but the historical case exposed by Elias is in fact a pure example or an ideal type (Weber) of state formation; it presents concretely each of the steps which constitute what Elias considers as the state formation abstract model. The historical case study is hence used by Elias to


expose, among other things, the mechanism that leads to hegemony. For him, this military and social mechanism applies to every nation state with more or less perfection and it is a metaphor of economic activity: a key argument is that competition leads to monopoly. The accumulation of military and financial potential and of territories leads to the domination of whole continents by modern states. Two points will particularly be emphasised: i) the way the process of competition is analysed and ii) the relation between economic competition and the monopolization of power.

Main argument about the formation of the modern state: a movement of monopolization

A same territory (a dukedom for example) includes several warrior families which enjoy the privilege to use weapons and to possess land. The House which dominates a territory is also the richest as it possesses the vastest landed estate. Its domination disappears if it doesn’t succeed in militarily outclassing the other warrior families on this given territory. Military domination of a feudal lord is grounded on property income and on the number of his vassals and feudatories installed on its territory. As soon as predominance of a House is ensured in the limits of its domain starts the struggle for hegemony on a more extensive size. This mechanism brought to its highest level gives us one of the most fundamental keys to explain the great lords struggle to control the Kingdom as a whole. The unification movement among several distinct seigneuries occurs in the same way as the one which led to the domination of a knight or a feudal lord over and inside a given territory. This process of progressive concentration and centralisation of military and political power has unfolded during centuries in the big countries of Western Europe and led to the formation of nation states.

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3 A feudatory holds an estate in land –fiefdom– granted by a lord to his vassal on condition of homage and service. A vassal can be the owner of its land.
In the early phase of the process, small territorial entities of the future state played a very decisive role. Those unities of domination were relatively small and relatively loosely structured just like in every place in the world where division of labour and exchanges (internal as well as external) are not well developed. For Elias, the Dukedom of France (mainly Paris and Orléans plus a few small cities around Paris like Senlis) at the beginning of the 12th century is a good example. He mentions a few feudal seigneuries which have also transformed into small Kingdoms, Dukedoms, or Counties in the German empire; the same process applied also to the Scottish Kingdom before being integrated to the UK along with England and north Ireland.

A law of the jungle: eat or get eaten

An important point for a social provisioning process approach is that the driving force of such struggles was not dictated by the kind of arbitrages displayed in rational choice theory. No less rational as dominant classes nowadays, medieval lords and knights were spurred towards internal and external expansion by livelihood issues, i.e. by necessity: the forms of competition were imposed on feudal lords, they had to extend their domain through neighbour subjugation in order not to be themselves defeated. Defeat was equivalent to an elimination of the scene of potential competitors by loss of territory and military control or even by physical destruction: growing to avoid declining. The ones who wanted only to preserve their possessions seriously imperilled themselves by enabling a more bellicose neighbour to absorb them. Such kind of social competition inevitably triggers monopolist mechanisms. At the beginning, a lot of free competitors are present in the arena. Their means of action present only small differences among one another. After many victories and defeats, only a few competitors are left on the scene, even though they could still enjoy important social influence the others became secondary protagonists. The decisive struggle opposes the last two defeaters who are already close to a monopoly position.
Basing his analysis on French medieval history, Elias illustrates and builds this theory showing how at the beginning, the fact that the House of the Capet would impose and centralise its domination monopoly over the territory of the West Frankish Kingdom wasn’t obvious. Capet was only a lord among other lords. As a King, although he enjoyed more spiritual prestige, his effective force was not at all significantly superior to many other lords of his realm; for instance, Louis VI “the Fat” (1081-1137) was even undeniably weaker than his vassal the Duke of Normandy, who was also King of England since 1066 forty two years before Louis’ coronation in 1108.

**The exclusive control over physical violence and tax imposition**

Norbert Elias followed and deepened Max Weber’s *Wirtschaft und Gesellschaft* (1922) idea that monopoly over physical violence is related to state structure. For Elias, the monopolist position of modern central power is defined by a twofold monopoly: i) monopoly over military means and ii) monopoly over tax levying. Those two monopolies go along together and support each other: the financial means accruing to the central power enables it to maintain military and police monopoly which, in turn, ensures levies effectiveness. Modern societies based on a thorough division of labour are also characterised by a permanent administrative apparatus specialised in running both monopolies. The development of such institutions is the condition to their military and tax monopolies efficiency which enable the central power to last. Before the advent of such a permanent and differentiated central organisation, social struggles aimed at abolishing the monopoly over domination. By contrast, after its establishment, social struggles are oriented towards the access to the administrative machinery and the allocation of public offices and profits of the permanent monopoly (ex. domestication of nobility under Louis XIV). Elias considers this twofold monopoly as a key element among the broader set of monopolies which altogether form the state. If one of the two key monopolies is failing then the state starts to decline.
Elias tries to explain how and why those “twin” monopolies emerged in West Francia (former West Frankish Kingdom) a thousand years ago during the eleventh century. His starting point corresponds with a situation where each warrior exercises all government functions over the limited piece of land under his control. In particular, he can start a war when he wants to protect or to extend his possessions. Conquest and domination function over owned land are both reserved to the private initiative of each warrior. Elias considers that the growth of population accelerates, if not triggers, the competition over land which becomes more and more sought-after. During this initial period, the means of free competition are both economical and military, by contrast with competition in advanced capitalist countries of the 19th and 20th Centuries where state central power holds monopoly over physical constraint. Modern economic competition is hence supposed to be exclusively based on “economic” violence. The victorious lord increases his potential power by appropriation of at least a part of the military and economic means of the defeated until only one individual concentrates all this potential in its hands. Defeated competitors are eliminated and become dependent of free remaining competitors. But this should not be interpreted naively. In fact, dependency develops reciprocally from a certain threshold of concentration onwards, at least in sufficiently differentiated societies. The more the number of individuals who lost their independency is increasing, the more their collective social power increases facing up to the decreasing number of monopolists.

**Reciprocal dependency develops with monopolisation**

The social power of dependent people is based on two pillars: i) the increasing number of dependents and ii) the monopolist’s need of the dependents to maintain and use effectively its monopoly potential. The accumulation in a few hands of great quantities of land, soldiers and financial means makes their control more difficult. In

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4 This last point is probably considered as dubious by many people but it is not the main object in discussion here.
other words, the monopolist cannot manage his increasing power on his own as it
grows. He is constrained to delegate his decision power to specialised people who
are depending on him. The monopolist becomes hence progressively more and more
embedded in the social network of those who are depending on him. This process
can be very slow and last over centuries. The development and the concentration of
the twin monopolies lead to a differentiation of activities and to an increasing
division of labour inside the organisations which are meant to maintain and enforce
the monopoly. At one point, those organisations start to have their own weight and
their own rules to which the holder of the monopoly has to submit to. The possession
of such a monopoly requires establishing a large administration and a well
developed division of labour.

The monopoly holders are then transformed into conveyors or servants of an
administrative apparatus with multiple functions. Those servants are certainly more
powerful than others but they are nevertheless dependent and bound by numerous
contingencies, rules, laws, functional dependence vis-à-vis the society they dominate.
With the growth of the central monopoly, power is thus sliding from the private
hands of the lord to numerous hands of dependent people in charge of monopoly
administration. The private monopoly of a few isolated individuals is socialised.
Controlled by whole strataums of the society, it is transformed into public monopoly
and hence becomes an element of a state. The monopoly is less and less arbitrarily
exploited by a few individuals because the network of interdependent and
differentiated functions is ruled by its own principles which progressively prevent
private monopolisation of the elements constituting the twin monopolies. The switch
from private to public is seen by Elias as a result of an increasing social
interdependency. A new type of competition is then arising: a social competition
occurs among dependents to obtain places inside the monopoly.

In the previous period, competition was free as victory comes back to the strongest,
from now on it depends on the function and the activity that each individual is able
to fulfil for the monopolist. Free competition gives the ways to a competition ruled
by a central administration which selects types of men and women different from
those of the previous period. The goal is no longer to abolish or to redistribute the
central monopoly power but, by contrast, to reallocate charges and benefits inside the monopoly. This competition is “pacific”, it consists in periodical “play-offs’ and supposes the creation of control procedures. All these elements of monopolisation are preconditions to a “democratic regime”.

The historical determination of economic competition

At the beginning, a whole stratum of the society had a potential and non organised access to monopoly. The allocation of this potential among the individuals of the required social rank was realised through free competition, i.e. mainly by resorting to force. The competition process leads to a situation where the power of a social stratum to have the monopolistic potential at its disposal is organised and controlled by central institutions. Thus the allocation of monopoly profit is not anymore subject to the individual interest of a few decisive actors but subject to the requirements of the division of labour process and to the cooperation of the individuals occupying different functions inside the monopoly.

Today’s economic competition occurs therefore inside a general framework of pre-established rules through the arms of economic forces, it reduces progressively the number of those who are able to compete in an environment “free from any monopoly” as it leads to the setting up of monopolist structures. It also preliminary requires the existence of some monopolies. Without the state, the organisation of the monopoly over physical violence and the monopoly over taxes at the national level at least, it would be impossible to contain the struggle for economic things into the realm of economy and to maintain the rules of the game. Economic struggles and modern (economic) monopolies occupy a determined place in a vaster historical context.