Modern state formation and class structure, a few remarks from Norbert Elias and Pierre Clastres

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Work in progress, version 3.

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

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1 Paper initially presented at AJES 2010 Workshop “Social provisioning, embeddedness, and modeling the economy” University of Missouri-Kansas City, September 24 - 26, 2010.
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 Civilization

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. 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.

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Norbert Elias (1897-1990): German Jewish sociologist and philosopher. He emigrated to Switzerland after the arrival of Nazis then to Paris before he set up in London. From 1975 onwards, he spent his life between Amsterdam and Bielefeld.

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 of 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.

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 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.
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.

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5 This last point is probably considered as dubious by many people but it is not the main object in discussion here.
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 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 strata 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”.

Be it a modern state apparatus or an absolute monarchy, the central monopoly is always weaker than the society as a whole, of which it is the master or the servant. If the totality or a great part of the society was uniting and rebelling against it, then the central authority wouldn’t be able to resist the pressure. An important condition for the reproduction of the central monopoly, not only under the form of an absolute monarchy, is hence that the acceptance or the legitimacy of the sovereign authority must be wide enough in the society. But this political element is not sufficient. Elias also emphasises that social interests of the different parts composing the society must be sufficiently ambivalent and contradictory to ensure a maximum of strength to the central entity. The compensation or mutual neutralisation of class interests inside the society plays a major role in the enforcement of the central monopoly (“divide to rule” principle). In other words, a government structure which would simply be the expression of a narrow social basis would not be able to reproduce on a long period.

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.

**The centralisation process of taxes**

Before the achievement of the twin monopolies, Princes and Kings could not really claim levying taxation directly on the population all over the Kingdom. The ability to impose taxation was based on land ownership: each lord could impose taxes on people of his/her own territory; in case of resistance, he/she could resort to his/her local monopoly over violence. If central taxation occurred because of the urgency to finance a war for example it remained casual until the 14th century. Unlike regular taxation in a developed market economy, such kind of levying could be more than burdening mainly because they could be hardly predictable. As they were not a normal institution, nobody could include them in his/her calculus: trade, prices and individual wealth could then be seriously perturbed by a tax imposed by the central authority. This is all the more true that such kind of central levying was often required in money: less advanced countries, where monetary exchange was not well developed, could have considerable problems to meet the central demand, which could hence turn into a tragedy.

During middle ages, government expenditures were supposed to be financed only through the revenue of the dynastic possessions of the central lord (the “ordinary”). Even when the King started to become more than a big warrior among other big warriors from the end of 12th century onwards, he couldn’t afford to impose taxes as he wished on his whole sphere of influence. He had to get together the representatives of the three orders (Nobility, Church and Third Estate) into States-General (*États Généraux*). The King had to justify the reasons of an extraordinary levying (the “extraordinary” called also the “helps” -*aides*) and to be authorised by the States to do so. With the Hundred Years' War (1337-1453), the need for money to finance the war became permanent which forced the States to be in session more and more often. In 1362, John the Good was taken as a captive to England. The necessity to pay a huge ransom compelled the States to plan annual taxes in the whole Kingdom during twenty years, which greatly accelerated the extension process of levying taxes regularly at the monopoly level. As soon as 1436, the King Charles VII was able to impose taxation without the States convening which shows its growing social power. From then on, the King was able to raise
funds through taxation on the whole Kingdom territory, and not only on his own dynastic domain, without resorting to any formal authorisation. Through wars, the link between monopoly over violence and monopoly over taxes is particularly obvious: the need to spend money for war imposes to raise more and more taxes beyond the individual domain of the King which reinforces in turn the army and the police of the central power. Just as efficiency requires the command of war to be centralised, the war resources become also more and more centralised.

The cities developed against local Lords and got early special protection from central power. Normally, just like any feudal Lord, city bourgeois should provide military units to the King if an enemy was threatening the Kingdom. Very early, instead of sending their sons to be killed for the homeland, bourgeois of cities started to give money to the central power. On the one hand, military service could be bought. This kind of monetary transaction contributed to develop the double monopoly and to extend the tax systems experienced by independent cities. On the other hand, the central power found it interesting to get money because it was easy to hire mercenaries among poor people and to command directly armament and war equipment to manufacturers at a high scale: payment in kind offered less freedom to the central monopoly in the affectation of fiscal resources. For this reason and also because they quickly understood that they could practice seigniorage if they could impose their own money, Lords started to demand taxes in money. This contributed greatly to develop monetary exchanges. Instead of remaining more or less self-sufficient and to sell only the surplus necessary to get enough money for the provision of a few commodities produced elsewhere, taxable people where pushed into obtaining more money in order to be able to pay their taxes and hence to sell more. As more money was flowing into the Treasury coffers, more money was also used in the whole economy to buy commodities. Here again, monetary exchanges, trade and markets were greatly stimulated, if not created, by the development of a central monopoly and its demand for taxes in money. Taxes can therefore be said to have instituted market exchanges.

Until the rise of centralised taxes paid with money, the central power had to reward its main partisans and the closest members of the royal family with fractions of its domain. Indeed, the lord or the King was used to give to his sons and daughters castles, counties or duchies because they had to live in accordance with their rank and hence to maintain the prestige of their royal origin. This system of appanage was thus a counter-tendency to monopolization. It was a factor of decentralisation, fragmentation and disintegration of the family domain,
though the basis of the monopoly power until the absolutist period. With the huge increase of resources in money that occurs with systematic taxation, this counter-tendency disappears because the central power can distribute prebends in money which renders servants all the more dependent and devoted to the Prince that they don’t possess their own piece of land. On this aspect again, demanding taxes in money has considerably contributed to reinforce the central monopoly because i) the royal domain ceased to be divided and ii) the members of the central administration became monetary dependent.

Reading Clastres. Societies with or without state: the direction of goods circulation matters

At the end the twentieth century, following the intuition of F. Engels, economic anthropologists like Marshall Sahlins and Pierre Clastres have made a distinction between societies with and societies without state in relation to the presence or not of class stratification.6 Societies without classes are also societies without state. Voluntarily, those societies prevent political power to become autonomous and separate from the society. By refusing class division, those societies are profoundly egalitarian. Nevertheless, they have a “chief”. This statement looks somewhat inconsistent because it seems difficult to have both, on the one side, a chief which social status is by definition supposed to be superior to other people and, on the other side, a non-divided society. This apparent contradiction has to be explained.

In these egalitarian societies, the tribe demands both forensic skill and generosity to its chief who contributes to maintain unification inside the society when the general tendency is for the households to scatter and hence to break up community among households, which are the fundamental units composing the domestic production mode. The chief resolves disagreements and pacifies conflicts. S/he creates links between domestic sub-groups composing the tribe in order to avoid its disintegration. As a counter part of those efforts spent for the community, s/he gets great prestige: s/he is the boss! The chief represents the unity of the group:

“Her/his ambition and pleasure for prestige are satisfied provided s/he is generous and gives, the obligation of generosity makes her/him a leader; s/he rallies [her/his household] to produce goods which s/he distributes to the rest of the community: production activity is

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6 Pierre Clastres (1934-1977) was a French anthropologist. Firmly opposed both to structuralism and formalism, his most famous work is Society Against the State (1974).
subordinated to power relation, it is a means of politics ... Surplus is produced by the one who wants to be chief who distributes to others and therefore enables the society to find its unity around the chief."^7

Compared to our world, this type of society is upside down. There is no division of the social body between a minority of dominants who command and a majority of dominated who obey. The reverse is rather true here:

“what does the big-man get in exchange of his generosity? Not the realisation of his desire of power but the fragile satisfaction of his point of honours, not the capacity to command but the innocent pleasure of a glory which he exert himself to maintain. He literally works for the glory of it: society gladly concedes it to him as it is engaged in enjoying the fruits of the labour of its chief. Every flatterer, lives at the expense of those who take him seriously”^8

Clastres considers that

“there is a kind of contract between the chief and his tribe: he receives gratifications which satisfy his narcissism in exchange for a flow of goods which he pours on the society ... the generosity obligation embodies an equalitarian principle ... society offers prestige and the chief gets it in return of goods”^9

And finally he emphasises that generosity compulsion is nothing but a debt. As long as the chief wants to be the leader, s/he is made prisoner of her/his wish for prestige, s/he has to give to the society and is never done with giving. S/he cannot pay off this debt as the others will

[^7]: « Mais son ambition et son goût pour le prestige sont satisfaits à condition qu'il soit généreux et qu'il donne, l'obligation de générosité fait de lui un leader ; il mobilise [sa maisonnée] pour produire des biens qu'il distribue au reste de la communauté : l'activité de production est subordonnée à la relation de pouvoir, elle est un moyen de la politique. (...) Le surplus est produit par celui qui veut être chef, qui le distribue aux autres et permet ainsi à la société de trouver son unité autour du chef ». (Clastres, 1975)

[^8]: « En échange de sa générosité, qu'obtient le big-man ? Non pas la réalisation de son désir de pouvoir, mais la fragile satisfaction de son point d'honneur, non la capacité de commander mais l'innocente jouissance d'une gloire qu'il s'épuise à entretenir. Il travaille, au sens propre, pour la gloire : la société la lui concède volontiers, occupée qu'elle est à savourer les fruits du labeur de son chef. Tout flatteur vit aux dépens de celui qui l'écoute » (id.) « Tout flatteur vit aux dépens de celui qui l'écoute » translated as “Every flatterer, lives at the expense of those who take him seriously” is quoted from The Crow and the Fox by Jean de La Fontaine (1621-1695).

[^9]: « il y a une sorte de contrat entre le chef et sa tribu : il reçoit des gratifications qui satisfont son narcissisme en échange d'un flux de biens qu'il fait couler sur la société ; (...) l'obligation de générosité contient en elle un principe égalitariste (...) la société offre le prestige, le chef l'acquiert en échange des biens » (id.).
refuse her/him to remain chief if s/he stops to give. Here, society holds power over its chief in return of the prestige it grants him. Power has no autonomy it is not separated from society.

In class societies such as Ancien Régime who is indebted to whom? Common people (hoi polloi) pay the debt under the form of tributes or taxes they owe to the dominant stratum formed by nobility and clergy. For Clastres,

“power does not exist without debt and ... conversely the presence of debt implies the presence of power ... In any society, those who hold power exhibit its reality and show that they exert it by imposing the tribute payment to those who are under its subjection. Holding power and imposing tribute are one same thing and the first act of the despot consists in proclaiming the obligation to pay it”.

In this framework there is a close link between power and tribute: the nature of society changes with the direction of debt. If the goods circulate from the chief towards society, i.e. the chief is indebted to society, then society remains undivided and power remains inside the homogeneous social body. If it goods and debt go in the other direction, from society towards its chief, then power has been separated from society and is concentrated in the hands of the chief. On the other hand, from then on, society is heterogeneous, i.e. class stratification has occurred. Clastres considers that there is a profound discontinuity between those two types of societies.

In feudal societies, it is clear that common people pay tribute. They are indebted and their debt appears to be an inheritance of their social status, as slaves they were indebted to their master for having chosen not to die. Hence, in state of serfdom, they became indebted to the lord in order to be able to work its land, i.e. they owe their livelihood to him. A part of the social body is indebted to the other.

In societies which emerge with modern revolutions and independencies, all classes pay taxes (which is very new) to an entity considered as responsible for the democratic order. The

10 « Les gens du commun » paient la dette sous forme du tribut qu’ils doivent aux dominants, c’est à dire le clergé et les nobles. Pour Clastres, « le pouvoir ne va pas sans la dette et (...) inversement la présence de la dette signifie celle du pouvoir. (...) Ceux qui, dans une société quelle qu’elle soit, détiennent le pouvoir, marquent sa réalité et prouvent qu’ils l’exercent en imposant à ceux qui le subissent le paiement du tribut. Détenir le pouvoir, imposer le tribut, c’est tout un, et le premier acte du despote consiste à proclamer l’obligation de le payer » (id.).
whole society is indebted to something which is not \textit{a priori} a part of itself but which is meant to be its own tool. State is above classes, at least theoretically.

When a “democratic” state is indebted to only a stratum of society, then public debt can become the instrument of this creditor class which could seek to appropriate \textit{res publica} and to insist upon their rights over society as a whole. In this case, taxes and debt monetisation appear to be a solution against such kind of latent privatisation of public policy by creditors’ pressures. On this point of view, seigniorage appears to be a way to indebt the government not only to a part of society but to society as a whole.

With the advent of neo-liberalism, first in the US and in the UK, then in continental Europe among other countries, many tax cuts have been implemented. Most of the time, those tax cuts have been targeted towards high income households as dominant class strata traditionally bear a greater part of the whole tax burden in a “democratic” state. The general result of those tax cuts is a transfer of the relative share of the tax burden from high income households to middle and low income households. This process has to be compared with the tax revolts during the middle ages. Such rebellions were led by low classes, which were the only tax payers, against dominant strata (nobility, high clergy and high bourgeoisie); they clearly represented a claim for equality. Usually the leaders of such movements were promptly executed. Modern tax cuts under the neo-liberal era can be interpreted as tax revolts by dominant classes against the “democratic” and the egalitarian content of the progressive tax systems. Like the dominant classes of the Ancien Régime they wish not only to economically and politically dominate society by also to get rid of any debt to society. At this point it is worth to remind the argument of Condorcet (1743-1794) to legitimate progressive taxation, which will be introduced in France only more than a century later in 1914.\footnote{As rich people enjoy a privileged position in the society, says Condorcet, they have a great interest in the reproduction of society as such which implies that they should pay more taxes than the other members of society. Taxes are the means to finance the government which maintains order through society by its monopoly over violence and hence contributes to reproduce the prominent position of ruling classes. The argument is in fact very conservative, nothing is said about redistribution. But doing so is also a way to consider that dominant classes are, in a way or another, indebted to society for their domination. In Clastres framework, it means that government should belong only to their strata. With modern tax revolts, ruling classes

\footnote{Though Condorcet was favourable to the French revolution and the French Republic, he has also to be considered as a moderate.}
announce that they would like to get rid of one of the basis of modern states received notably from the revolutionary traditions which started in North America, Saint-Domingue (Haïti) and France at the end of the 18th century.